

## ECOCUENCAS: BASINS AND FINANCIAL REDISTRIBUTION IN ACTION

*Consolidation of basin management, increasing resilience to the consequences of climate change and development of redistributive mechanisms, in support to the sustainable development in selected watersheds in Brazil, Colombia, Ecuador and Peru*

The European Union has recognized the importance of supporting Latin American countries in the water sector and in particular the multilateral political dialogue and institutional strengthening through the WATERCLIMA-LAC program, "Watershed and Coastal Management in the context of Climate Change in Latin America and the Caribbean";

The ECOCUENCAS project is part of the WATERCLIMA-LAC program. Its general objective is "Improve the management of hydrographic basins, increasing their resilience to the impacts of climate change and developing redistributive mechanisms, supporting sustainable development" and its specific objectives is to "Demonstrate in a practical form the relevance of the redistributive mechanisms to achieve integrated water resources management and better resilience; Develop and disseminate best practices regarding resilience and the implementation of redistributive mechanisms".

The ECOCUENCAS project has selected pilot basins are located in countries that have adopted participatory water management systems and basins and have been significant advances in this area in recent years: Brazil, Ecuador, Colombia and Peru.

Three basins were chosen specifically because they were considered highly critical in terms of impacts of climate change, requiring a strengthening of financing systems for adaptation: the Piracicaba, Capivari and Jundiá basin (Brazil), the Catamayo-Chira Basin (Peru and Ecuador), and the Rio Grande Dam II Basin (Colombia).

The project will be developed over the 2015-2018 period and includes four components:

- (1) Participatory Assessment of the current situation and the main needs in terms of basin management in the countries covered by the project;
- (2) Financial Mechanisms, recommendations and practical applications;
- (3) Implementation of pilot projects; and,
- (4) Networking, dissemination, training and capacity building.

### BACKGROUND: WATERCLIMA – LAC PROGRAM

Water is a vital resource, essential for human development. Its management is at a strategic frontline in the struggle against poverty, reducing inequalities and strengthening resilience to climate change. Moreover, without good national, regional and local water governance, effective environmental protection is inconceivable. In this sense, the European Union has acknowledged the significance of assisting Latin American countries in the water sector through partnerships to further strengthen multi-stakeholder policy dialogue and assist in institutional strengthening.

It is in this context that the WATERCLIMA-LAC program, "**Watershed and Coastal Management in the context of Climate Change in Latin America and the Caribbean**", is funded through the EuropeAid thematic programme for Environment and Sustainable Management of Natural Resources including Energy (ENRTP).



Approved by the European Commission for the 2014-2018 period, the program aims to "Contribute to the improvement of the management of hydrographic basins and coastal areas by strengthening the resistance of Latin American and Caribbean countries to the consequences of climate change". The expected outcomes are: (1) enhanced dialogue and cooperation for the management of hydrographic basins and coastal areas in a context of climate change and (2) support for technical and financial mechanisms for the management of basins and coastal areas.

The WATERCLIMA-LAC program unfolds on two types of actions:

- Lot 1 - basins management: design and support the implementation of financial redistribution mechanisms for the management of water resources by covering all the operations necessary to facilitate the functioning of the water cycle.  
⇒ *The EcoCuencas project is part of lot 1.*
- Lot 2 - coastal zones management: produce an overview of the potential impacts of climate change and other pressures (tourism, erosion, mismanagement of basins, etc.), on coastal areas in order to assess the effectiveness of the management measures adopted.

## **ECOCUENCAS PROJECT**

### **Specific context of the project**

During the last 25 years, great progress was made in the Integrated Water Resources Management (IWRM) policies at the basin level in Latin America and the Caribbean. However, the importance of adapting to climate change is not yet addressed systematically, and the countries of the region (including Brazil, Colombia, Ecuador and Peru) already are facing its consequences.

Continuing the trend scenario would lead to unsustainable consequences, with high economic, social and environmental costs. It is therefore necessary to improve basin management, especially through the strengthening of resilience to the effects of climate change. This requires to secure financing for the management plans at the basin level, and therefore the implementation of financial redistribution mechanisms for the management of water resources.

Moreover, to ensure sustainable results, a participative approach is needed. It will improve knowledge of the situation and needs in the basins in order to apply modern redistribution systems, to effectively strengthen the capacity of stakeholders, but also to write and distribute a Good Practice Guide on the subject.

### **Project objectives and pilot basins**

The project "EcoCuencas: Basins and financial redistribution in Action", is part of lot 1-LAC WATERCLIMA program "Basin Management" and has as its main objective to "improve the management of basins by strengthening their resilience to the consequences of climate change and develop financial redistribution mechanisms compatible with sustainable development". Its two specific objectives are: "Demonstrate in a practical way the relevance of redistributive mechanisms for integrated water resources management and better resilience" "Develop and disseminate best practices regarding the resilience and the implementation of redistributive mechanisms".

EcoCuencas has a budget of 2.5 million euros, financed by the European Union (75.27%) and the self-financing of the partners involved in the project.

The pilot basins are located in countries that have adopted participatory water management systems by basins and have had significant advances in this area in recent years: Brazil, Ecuador, Colombia and Peru. Three basins were chosen specifically because they were considered highly critical in terms of impacts of climate change, and requiring a strengthening of financing systems for adaptation: the Piracicaba, Capivari and Jundiá basin (Brazil), the Catamayo-Chira Basin (Peru and Ecuador), and the Rio Grande II Dam Basin (Colombia).



## Basins involved the EcoCuencas project



These three projects will be implemented considering the various technical legal, institutional, economic and social contexts, which are all issues relating to the establishment of financial mechanisms basins as different as complementary.

- **A Brazilian basin:** The Piracicaba, Capivari and Jundiá Basin covers an area of 15 000 km<sup>2</sup>, with a population of 5.5 million inhabitants. It provides 7% of Brazil's GDP, and also ensures the water needs of nine million inhabitants of the Metropolitan Region of São Paulo through the Cantareira System reservoirs. Since 2014, the basin faces the most severe drought in the last 84 years.
- **A transboundary basin between Peru and Ecuador:** the Catamayo-Chira basin occupies an area of 17.200 km<sup>2</sup> which 7.213 km<sup>2</sup> are located in Peru and 9.987 km<sup>2</sup> in Ecuador. Its population is 1.7 million in Peruvian territory and 200,000 inhabitants in Ecuador. The major challenges of the basin include the strengthening of institutional, political, legal, scientific and technical capacities for the management of transboundary water resources, with an approach focused on strengthening resilience to climate change.
- **A Colombian basin:** the basin of the Rio Grande II Dam occupies an area of 1040 km<sup>2</sup> and provides for the water needs of more than 3 million people in Medellín, while it faces a strong environmental degradation.

## **Project Partners:**

### **Project coordinating organizations:**

- The International Office for Water - IOW (France): General Coordination, leader of the component 1, co-leader of component 4;
- Asconit (France): Leader of Component 2;
- Ecologic Institute (Germany): Leader of Component 3;
- Brazilian Network of Basin Organizations -REBOB: co-leader of component 4.

### **Partner organizations and beneficiaries:**

- Brazil: Piracicaba Capivari and Jundiai Water Agency (coordination of the pilot project in Brazil);
- Colombia: " Cuenca Verde Corporation " (coordination of the pilot project in Colombia);
- Ecuador: National Secretariat for Water - SENAGUA (coordination of the pilot project in Ecuador);
- Peru: National Water Authority - ANA (coordination of the pilot project in Peru); Regional Institute of Management Support Water Resources - IRAGER (coordination of the pilot project in Peru-Ecuador binational level);
- Latin America: Latin American Basin Organizations through the Latin American Network of Basin Organizations - LANBO.

### **Associate Participants:**

- International Network of Basin Organizations - INBO;
- Jucar Hydrographic Confederation (Spain);
- Authority of the Arno Basin (Italy);
- Water Office of Guyana (France).

The project also has the support of the Organization for Economic Cooperation and Development – OECD.



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