

Identifying and assessing the benefits of transboundary water cooperation

Main messages from the Policy Guidance Note and reflections from pilots

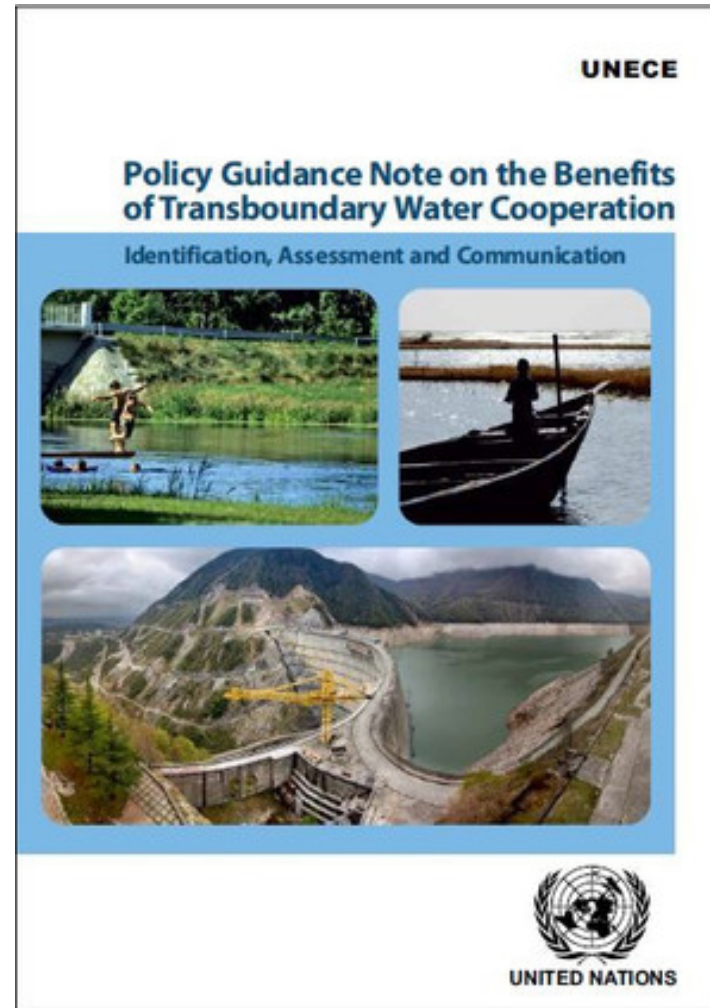
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The identification and assessment of the benefits of TWC is part of a broader exercise that also includes communication

- The Policy Guidance Note recommends to carry out benefit assessments
- It offers a **conceptual framework and guidance** (starting point), no technical guidance
- Learning exercise -- “pilots” in CORB, Drina, SMM



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- Executive Summary
- Introduction
- Launching a benefit assessment exercise
- Identifying benefits
- Assessing benefits
- Communicating benefits

Ensure that the scope of the assessment is broad enough to make it possible to identify a broad range of benefits

- "Process benefits" vs "outcome benefits"
- Wide range of benefits
- Not all types/examples of benefits will be relevant in your basin
- Identify beneficiaries, costs (net benefits), risks, cost of inaction
- Participative process

| <i>Origin of benefits</i> | <i>Benefits for economic activities</i> | <i>Benefits beyond economic activities</i> |
|----------------------------------|---|--|
| <i>Improved water management</i> | <p>Economic benefits Expanded activity and productivity in economic sectors (aquaculture, irrigated agriculture, mining, energy generation, industrial production, nature-based tourism) Reduced cost of carrying out productive activities Reduced economic impacts of water-related hazards (floods, droughts) Increased value of property</p> | <p>Social and environmental benefits Health impacts from improved water quality and reduced risk of water-related disasters. Employment and reduced poverty impacts of the economic benefits Improved access to services (such as electricity and water supply) Improved satisfaction due to preservation of cultural resources or access to recreational opportunities. Increased ecological integrity and reduced habitat degradation and biodiversity loss Strengthened scientific knowledge on water status</p> |
| <i>Enhanced trust</i> | <p>Regional economic cooperation benefits Development of regional markets for goods, services and labour Increase in cross-border investments Development of transnational infrastructure networks</p> | <p>Peace and security benefits Strengthening of international law Increased geopolitical stability and strengthened diplomatic relations New opportunities from increased trust (joint initiatives and investments) Reduced risk and avoided cost of conflict and savings from reduced military spending Creation of a shared basin identity</p> |

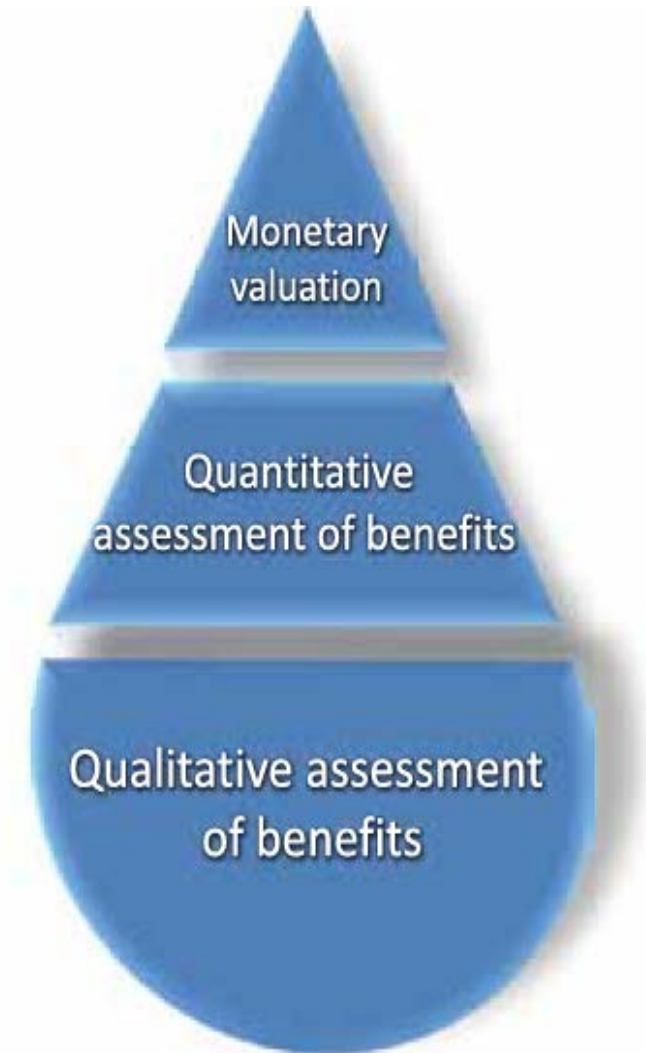
Nature and level of detail of “assessment phase” will vary according issues, cooperation stage, and political will

- Match level of ambition of assessment to needs of policy process
- Select the right geographical and time scales
- Adopt an adaptive approach
- Favour joint, integrated and participatory assessments
- Consider different scenarios and possible related trade-offs
- Accept that the benefit assessment will be imperfect (uncertainty)

| <i>Stage of development of the transboundary water cooperation policy process</i> | <i>Needs of the transboundary water cooperation policy process</i> | <i>Focus of the benefit assessment exercise</i> | <i>Main focus of the assessment phase</i> |
|--|--|---|--|
| Pre-initial stage (e.g. basins characterized by political conflict) | Establish the conditions for launching a cooperation process | Identification of mutually beneficial opportunities from shared water resources | Rapid qualitative assessment of key benefits |
| Initial stage (e.g. basins without international agreement or transboundary coordination body) | Launch of the cooperation process, supported by awareness raising on the need to cooperate | Identification of the full range of the benefits of cooperation | Rapid qualitative assessment of all identified benefits |
| Medium stage (e.g. negotiations on an agreement ongoing or basins with international agreement, but without coordination body) | Consolidation of the cooperation process through negotiations, strategic planning and the implementation of basic cooperation initiatives (e.g. information sharing) | Broad assessment of the range of benefits of cooperation (including cost of non-cooperation) | In-depth qualitative assessment of all identified benefits Include easily available quantitative and monetary estimates |
| Advanced stage (e.g. basins with international agreement and coordination body) | Realisation of the potential benefits of cooperation through the implementation of advanced cooperation initiatives (e.g. infrastructure projects, coordinated management instruments) | Assessment of the benefits of independent national projects, joint projects, or a basin programme of measures | Carry out quantitative and monetary valuation, when justified given available resources |

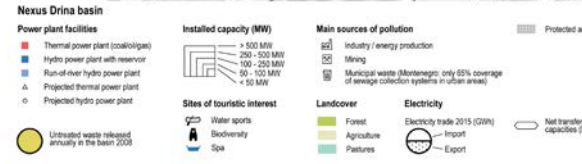
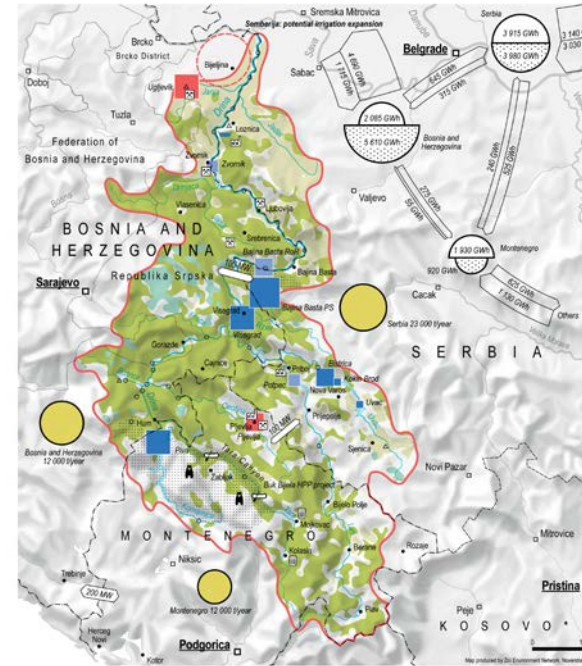
As there are many different types of benefits of TWC, assessment approaches will be different

| | |
|--|--|
| ECONOMIC Quantification and monetary valuation generally possible, but significant information demands | SOCIAL AND ENVIRONMENTAL Some quantitative and monetary valuation possible, but may be contested |
| REGIONAL ECONOMIC INTEGRATION Mostly qualitative. Some quantitative (e.g. infrastructure). Attribution difficulties. | GEO-POLITICAL (PEACE AND SECURITY) Qualitative only (e.g. traffic lights). |

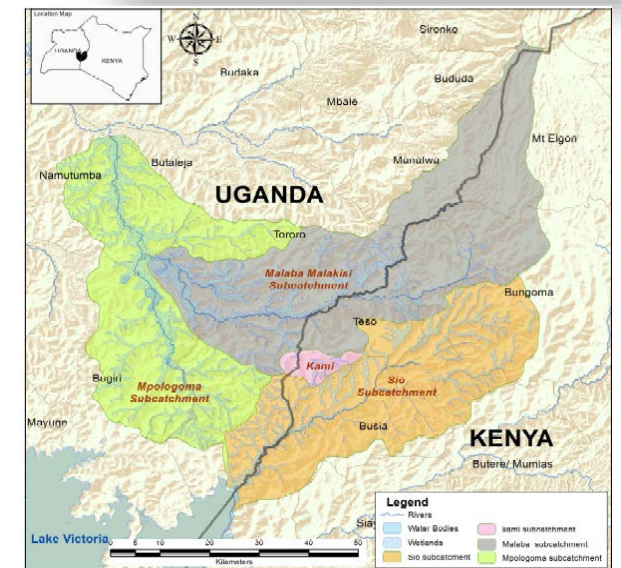
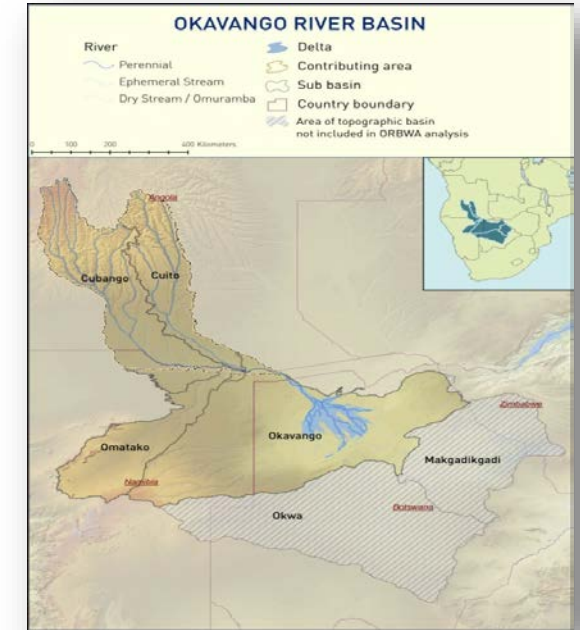


Reflections from three pilots

- Discussing the target audience
- Identification: typology useful, customizable
- Looking at past (accrued) and future (potential) benefits
- Exploring individual country perspectives
- Assessment: mostly qualitative, scope for *some* quantification (e.g. Drina hydropower modelling)
- Piggy-backing on other assessment processes
- Mixing expert review and participatory assessment
- Engaging with different sectors
- Linking to investment planning



Source: World Bank, "Report on Water Resources Management in the Drina River Basin, Final Impact Report, 2015"; European Environment Agency, "Corine Land Cover 2006-2010"; Potkanić in the Drina River Basin, The Regional Environmental Center for Central and Eastern Europe, 2012; World Wildlife Fund, "Drina Basin Water Quality Assessment Report, 2014"; and the IJC Office in the United States of America.



Group work

In your basin...

1. Which benefits of TWC have been identified? Which benefits of TWC have not been explored?
2. How have beneficiaries been consulted when identifying and assessing benefits?
3. How the assessment of benefits could help in advancing TWC?