Identifying, Assessing and Communicating the benefits of transboundary water cooperation in the Cubango-Okavango River Basin (CORB)

CORB Benefits Analysis

Tracy S. Molefi
OKACOM-OBSC Chairperson

Astana, Kazakhstan
Agenda

• Rationale
• Conceptual Framework and Approach
• Main Outcomes
• Initial Observation (Lessons Learnt)
• Conclusions and Recommendations
## Geographical Setting

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Angola</th>
<th>Botswana</th>
<th>Namibia</th>
</tr>
</thead>
<tbody>
<tr>
<td>GDP</td>
<td>US$92 billion</td>
<td>US$11 billion</td>
<td>US$10 billion</td>
</tr>
<tr>
<td>Total population</td>
<td>nearly 26 million</td>
<td>just over 2 million</td>
<td>roughly 2.5 million</td>
</tr>
<tr>
<td>GDP per capita</td>
<td>US$ 7,249</td>
<td>US$ 15,845</td>
<td>US$ 10,754</td>
</tr>
<tr>
<td>Population within the basin</td>
<td>3.2%</td>
<td>7.1%</td>
<td>9.2%</td>
</tr>
<tr>
<td></td>
<td>75% living at “livelihood level”</td>
<td>54% living at “livelihood level”</td>
<td>60% living at “livelihood level”</td>
</tr>
<tr>
<td>Member States Area Contributions to the Basin</td>
<td>163,405 Km² (62.7%)</td>
<td>55,374 Km² (21.3%)</td>
<td>41,500 Km² (16.0%)</td>
</tr>
<tr>
<td>Mean A. Inflow (Mm³)</td>
<td>9,320.5 (94.5%)</td>
<td>256.4 (2.6%)</td>
<td>286.1 (2.9%)</td>
</tr>
</tbody>
</table>
Rationale

Over the more than two decades of cooperation the Commission:

- Provided a solid foundation for
  - Facilitating communication among the Member States
- Establishing joint processes to:
  - Understand and agree on the complex interactions among states
  - Understand the bio-geophysical and socio-economic drivers that characterises the basin
- Benefits assessment is meant to:
  - Continue this tradition and
  - Inform a better understanding of the benefits of water cooperation
  - Inform better implementation of the Strategic Action Programme (SAP)
  - Assess benefits derived from specific actions and distribute such benefits
Institutional Evolution in the CORB

Consultative Phase
- Establishment
- Communication
- Trust building
- Collaboration
- Information
- Planning

Foundation Phase
- Trust building
- Collaboration
- TDA & SAP
- "Development Space"
- Framing the strategy

Visioning Phase
- Vision
- Mission
- Values
- Principles
- Cooperative model
- Roadmap

Options Analysis
- Development objectives defined
- Identification of investments
- Development of models
- Validation of models
- Project scenarios agreed

Investment Phase
- No regret project implementation
- Complex project preparation
- Implementation arrangements
- Preparation processes
- Financing
- Implementation

Outcomes & Evaluation
- Poverty reduction
- Water & food security
- Ecosystem goods & services protected
- Employment & wealth creation
- Climate resilience
- Equity

Sharing Information
- Better outcomes through cooperative development

Cooperative Actions
- More efficient use of available water resources
Process and Methodology

- Based on UNECE* typology (with appropriate adaptations)
- Range of national consultations
- Consider direct and indirect benefits
- Mainly qualitative approach, with stakeholders participation
- Diversified range of stakeholders
- Stakeholder Net Map
- Include different level of analysis: local, national, basin, regional and global

* United Nations Economic Commission for Europe
Outcomes-Conclusions from a basin perspective, methodological lessons, and recommendations (preliminary)
Cooperation in the CORB has generated a range of economic, social and environmental benefits ... that vary across countries and scales

• Improved communication and coordination has provided foundation for better water management
• CORB countries have benefited in different ways
  • Angola - knowledge for decision-making
  • Namibia - revenue generation in agriculture & mining
  • Botswana - tourism
• CORB countries have benefited in different degrees (more downstream)
• The importance of benefits varies between:
  • local (N-poverty alleviation, B-water quality)
  • national (environmental quality, revenue generation) and
  • global levels (preservation of unique habitats)
Cooperation in the CORB has also generated peace and security benefits for all countries, and more are expected.

- Relationships between the countries have improved dramatically, generating peace and security benefits through avoidance of conflicts (framework to negotiate developments).
- There are also examples of realised and potential security benefits from positive action: adaptation to extreme events, disease control.
There are many additional potential benefits, mostly related to regional economic integration

• Opportunities to realise economic benefits (e.g. Angola: irrigation, hydropower, tourism)

• Large potential for regional economic cooperation benefits
  • Trade of goods
  • Investments in sectors (cross-border, knowledge exchange, joint projects)
  • Transnational infrastructure (e.g. rescoping Mucundi Dam, roads)
Cooperation is generating benefits in a cascade

• The basin’s characteristics have led to early cooperation focused on environmental benefits
• Securing them requires realising economic and social benefits
• The trust built working together has generated peace and security benefits, and paves way for regional economic integration benefits
The existence of OKACOM as a platform for cooperation is key to realize benefits

- OKACOM has helped to raise the profile of the basin and the development challenges that it faces
- It has attracted resources that otherwise would not have been available
- Through knowledge generation and trust building, it has accelerated success and facilitated a process of maturity (TDA, MSIOA) that can unlock increasingly valuable benefits
- Does OKACOM need to evolve to realize regional economic integration benefits?

<table>
<thead>
<tr>
<th>Core contributions</th>
<th>Projects and programmes</th>
<th>Other regional development programmes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Angola USD100k</td>
<td>USD 35 million</td>
<td>?</td>
</tr>
<tr>
<td>Botswana USD100k</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Namibia USD100k</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Initial observations – Process lessons

• First mover advantages & disadvantages.
• The process of national dialogue – ‘testing past actions and future aspirations against the OKACOM Vision’.
• The process of regional dialogue – ‘benefits from past investments in building trust, looking for added value beyond unilateral action – the cooperation dividend’.
• Point data useful, but series data could be more valuable.
• Important to demonstrate the net-benefits, their current and future distribution
• The costs of non-cooperation
• Stakeholders are already looking at opportunities for generating and sharing benefits through cooperation vs. historical and status quo
Initial Observation – Content Lessons

• Principles of Cooperation - actions should create the conditions where MS have an equal ‘seat at the table’
• Actions should incentivise ‘joint action’ between MS,
• Collaboration between MS should be prioritised,
• Benefit sharing requires equity, transparency, mutual respect and interaction.
• Links and complementarity – especially to the MSIOA but also to other OKACOM processes.
• Understanding (pre)conditions for achieving regional benefits.
Lessons...

• It is possible to identify a large range of outcome benefits of transboundary water cooperation.

• Process benefits are often difficult to disentangle from outcome benefits, while they are key to realise regional economic integration benefits.

• It is useful to elicit perceptions of stakeholders, to look at the historical evolution of benefits, and to consider the counter-factual (what would be the current situation without past cooperation?)

• A qualitative assessment is “good enough”, a quantitative assessment would be incomplete and maybe counter-productive.

• Expectations of future benefits tend to be optimistic, and a benefit assessment provides a useful baseline against to which benchmark the future evolution of benefits.
<table>
<thead>
<tr>
<th>Improved IWRM</th>
<th>Benefits from economic activities</th>
<th>Benefits beyond economic activities</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>A - National economic benefits</strong></td>
<td>Necessary to underpin regional economic benefits, but only if ‘peace and security’ benefits are also secured.</td>
<td><strong>B - Social and environmental benefits</strong></td>
</tr>
<tr>
<td><strong>B - Social and environmental benefits</strong></td>
<td>Necessary to underpin sustainable national and regional economic benefits but insufficient to generate national or regional economic benefits</td>
<td></td>
</tr>
<tr>
<td>Enhanced trust</td>
<td><strong>C - Regional economic cooperation benefits</strong></td>
<td><strong>D - Peace &amp; security benefits</strong></td>
</tr>
<tr>
<td></td>
<td>Only likely to occur if i) regional trust is sufficient to generate the necessary ‘peace and security’ benefits and ii) sufficient national economic benefits are in place from which the regional benefits can launch.</td>
<td>Necessary to underpin regional economic benefits, but insufficient to generate regional economic benefits.</td>
</tr>
</tbody>
</table>
Recommendations

• Link the cooperative process to national development strategies

• Consider expanding the mandate of OKACOM to include other government ministries and agencies (in particular finance, planning and economic development)

• Communicate the benefits of cooperation at different scales (national-level stakeholders, basin populations,...)
Thank You for Your Attention!

For more information go to: www.okacom.org