Case study Background

The River Cauro and transboundary cooperation between State Ara and State Bora

Geographic and socio-economic situation of States of Ara and Bora and utilisations of River Cauro

River Cauro is shared between Ara and Bora. The total hydropower potential of River Cauro has been estimated at 4,975 MW. At present, only about 20 per cent of the total estimated hydropower potential of the river has been realised. This has been achieved through the construction of a 995 MW hydropower dam on a tributary of River Cauro in Bora.

The River Cauro and its tributaries have always played important economic and social roles for the two riparian States. However, due to differing political and economic circumstances, Bora has harnessed the potential of River Cauro more effectively than Ara. In Ara, the predominant use of River Cauro waters remains subsistence livelihoods. More recently, Ara has resorted to timber harvesting within parts of the basin to boost its revenue. In contrast, Bora heavily utilises the waters of River Cauro for a range of purposes, including commercial agriculture, fisheries, industry, domestic water supply, tourism and hydropower generation. Improvements to the navigation channel of River Cauro have enabled the river to become an important commercial artery connecting the land-locked State of Ara with the coastal ports of Bora.

New projects led by the State of Ara on the River Cauro

Population growth in the region is expected to lead to a notable rise in water demand within the River Cauro. The State of Ara is currently developing new irrigation schemes to meet the projected food supply shortfall. In addition to its irrigation plans, the State of Ara plans to construct a dam on a tributary of the River Cauro for the purpose of generating hydropower (refer to the map below). Approximately 60% of the electricity generated from the project will be exported, while the remaining portion will be utilised by the States of Ara and Bora. The dam will benefit the two riparian States, through hydropower generation, irrigation, and downstream flow regulation, along with sediment control. The State of Ara contends that these advantages will help mitigate the negative downstream impacts such as floods and droughts. Furthermore, Ara envisions this project as the first in a series aimed at unlocking the hydropower potential of River Cauro.

Positions of Ara and Bora on the new projects led by Ara on the River Cauro

The State of Bora insists that projects led by the State of Ara should not proceed without its consent. In response, Ara contends that its socio-economic development plans will not have transboundary impacts on the quantity and quality of the River Cauro. The State of Ara also asserts its equitable and reasonable right to use the waters of the river. The State of Bora developed its agriculture earlier than State of Ara and claims that its utilisation of the water resources as “existing uses” should have priority over any planned or future uses by the State of Ara.

The State of Bora relies upon the waters of River Cauro to replenish wetlands and aquifers. The State of Bora attributes the growing frequency and intensity of floods to a combination of utilisations by State of Ara and the effects of climate change. The new projects led by the State of Ara pose substantial repercussions on agricultural and industrial utilisations in Bora and might also affect the drinking water supply in its capital. The State of Bora also claims that land management practices in

the State of Ara, such as deforestation and overgrazing, are the primary cause of the increased floods and droughts occurrences. To date, no collaborative studies between Ara and Bora on this matter have been undertaken.

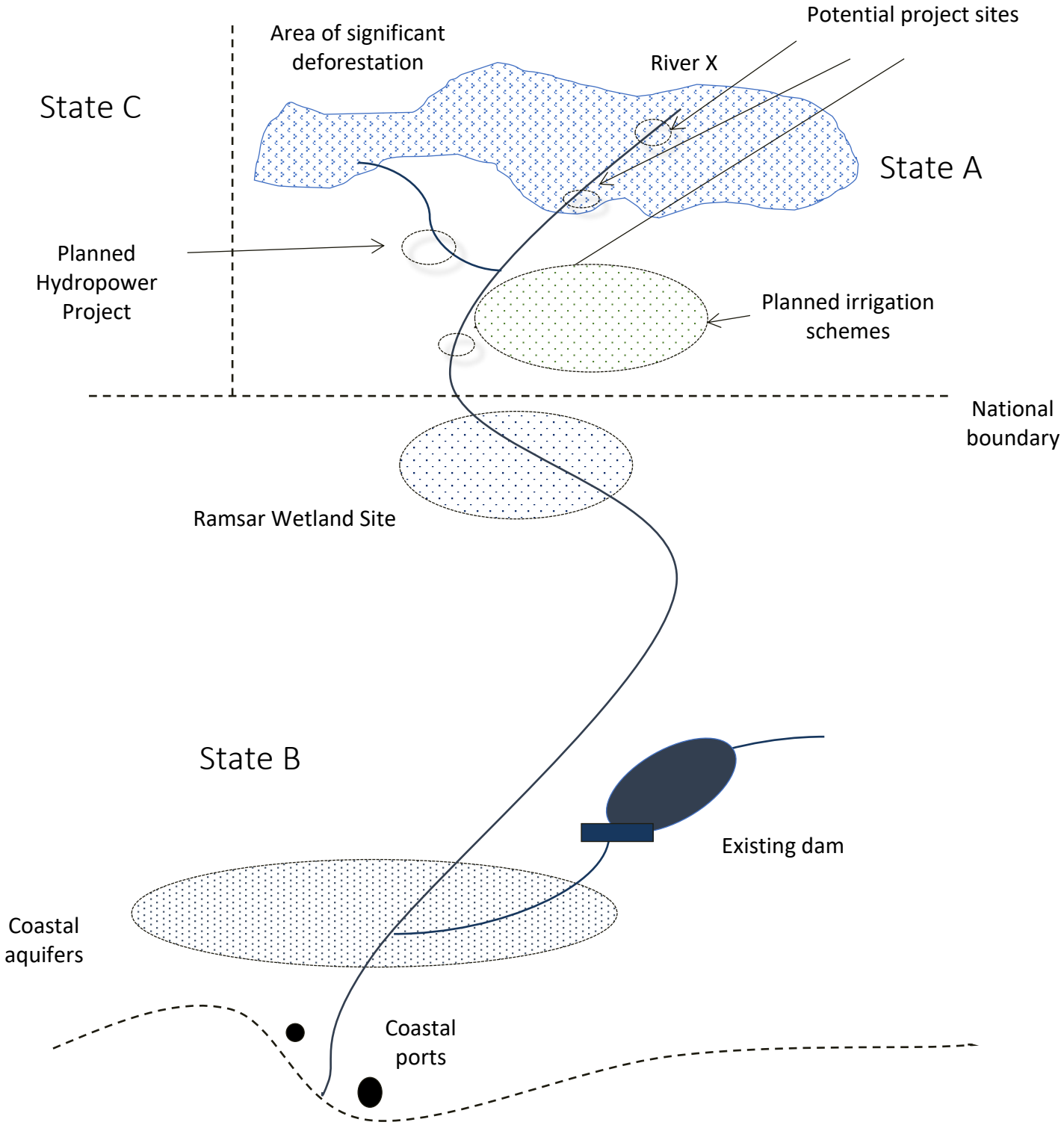
The environmental impact assessment (EIA) process

The State of Ara has managed to secure private finance for the construction and operation of its planned irrigation and hydropower development projects. In 2018, a feasibility study on the hydropower plant was completed by Ara, and this was followed by an environmental impact assessment (EIA). The EIA was completed in February 2020, and approved by State Ara's environment authority in September 2020. The EIA involved a series of stakeholder consultations with the potentially affected population in the State of Ara. The State of Ara shared the EIA with the State of Bora and invited comments. However, the State of Bora is apprehensive because it appears that the two projects on irrigation and hydropower are already in progress. According to a recent news article, the State of Ara has already been clearing ground and improving the road infrastructure around the site of the hydropower plant.

Exiting legally binding agreements between Ara and Bora and current negotiations

The States of Ara and Bora are party to the Convention on the Law of Non-navigational Uses of International Watercourses (1997 Watercourses Convention), the Convention on the Protection and Use of Transboundary Watercourses and International Lakes (1992 Water Convention), and the 1971 Ramsar Convention on Wetlands of International Importance.

Since 2010, the two States have engaged in negotiations to draft an Agreement that would serve as the basis for their continued cooperation over River Cauro.


Potential project sites
Area of significant deforestation
River X
State C
State A
Planned Hydropower Project
Planned irrigation schemes
National boundary
Ramsar Wetland Site
State B
Existing dam
Coastal aquifers
Coastal ports