



Briefing Note on the Benefits of Transboundary Water Cooperation

Why and How to carry out a Benefit Assessment Exercise

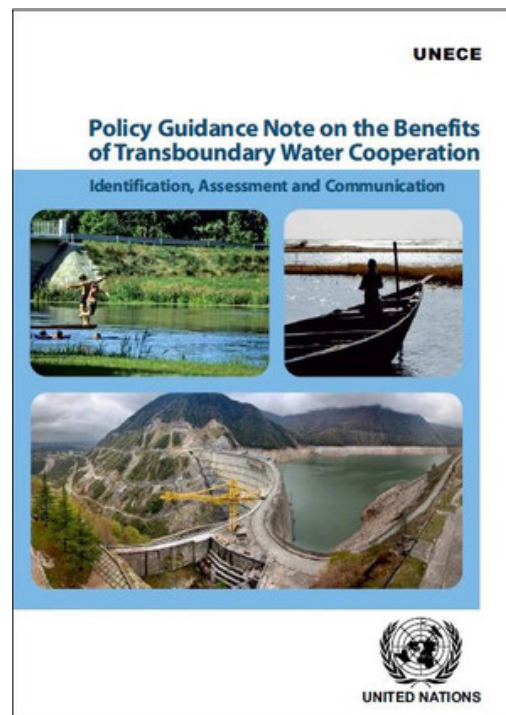
Background

Transboundary water cooperation is necessary to manage shared waters in an integrated and sustainable way. It has the potential to generate many significant benefits for cooperating countries, such as accelerated economic growth, improved human well-being, enhanced environmental sustainability and increased political stability. Nevertheless, many challenges can prevent or delay countries from embracing effective joint management of transboundary waters, including because of an incomplete or biased perception of the benefits that could be attained.

As cooperation is one of the main obligations of the United Nations Economic Commission for Europe (UNECE) Convention on the Protection and Use of Transboundary Watercourses and International Lakes (Water Convention), countries preparing for accession to or implementing the Convention naturally reflect on what benefits such cooperation can bring. A benefit assessment exercise can help these countries to fully realize the potential benefits of cooperation, including by uncovering previously overlooked benefits and identifying opportunities arising from increased cooperation. It can therefore provide arguments and compelling evidence for cooperating and help to ensure the much-needed political support and funding for the cooperation process.

In October 2015, UNECE published the *Policy Guidance Note on the Benefits of Transboundary Water Cooperation*. The *Policy Guidance Note* is the result of a broad participatory effort building on the experience of basins from all over the world, aims to support Governments and other actors in realizing the potential benefits of transboundary water cooperation. It does so by introducing the wide range of benefits of cooperation and providing step-by-step guidance on how to carry out a benefit assessment exercise. This includes the separate but related tasks of identification, assessment and communication of benefits. The *Policy Guidance Note* suggests how to approach those tasks, as well as how the assessment of benefits can be integrated into policy processes to foster and strengthen transboundary water cooperation.

One of the aims of the 2016-2018 work programme of the UNECE Water Convention is to foster the use of the *Policy Guidance Note* in pilot basins (both surface and groundwater) and in countries interested in using it (including countries interested in acceding to the Convention) in different regions of the world.



Why to carry out a Benefit Assessment Exercise?

A benefit assessment exercise can **provide fact-based arguments for starting up cooperation or developing stronger cooperation**. Countries engage in cooperation discussions because they have a sense that they can benefit from them. Most cooperation processes are initiated around a small number of easy-to-identify benefits. A more thorough look at the potential benefits of transboundary water cooperation may help identify additional opportunities, some of which will only be generated by deepening the level of cooperation. The identification, assessment and communication of benefits will help to make the case for stronger transboundary water cooperation, even if some of the benefits may not be assessed quantitatively or even qualitatively.

A benefit assessment exercise can **facilitate broadening the scope of cooperation by defining a “benefit cluster”**. This is the case where two or more countries share a set of different basins, and the benefits of transboundary water cooperation vary from basin to basin. Looking at the set of basins (and even beyond) as a “benefit cluster” to identify and assess the benefits of cooperation – instead of looking at single basins in isolation – may open up new opportunities for mutually beneficial cooperation.

A benefit assessment exercise can also **help to attract financial resources to implement transboundary water cooperation solutions**. Realizing the benefits of cooperation will involve some type of investment, which will need to be financed. A better understanding of the potential benefits of transboundary water cooperation, including an assessment of their significance, would help to attract financial resources, whether from domestic public budgets, bilateral and multilateral development cooperation, or private sources.

Table 1. Typology of the potential benefits of transboundary water cooperation

<i>Origin of benefits</i>	Benefits for economic activities	Benefits beyond economic activities
<i>Improved water management</i>	Economic benefits <ul style="list-style-type: none"> • 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 	Social and environmental benefits <ul style="list-style-type: none"> • 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
<i>Enhanced trust</i>	Regional economic cooperation benefits <ul style="list-style-type: none"> • Regional economic cooperation benefits • Development of regional markets for goods, services and labour • Increase in cross-border investments • Development of transnational infrastructure networks 	Peace and security benefits <ul style="list-style-type: none"> • 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

Source: UNECE (2015) Policy Guidance Note on the Benefits of Transboundary Water Cooperation.

How to carry out a Benefit Assessment Exercise?

The Policy Guidance Note provides generic advice on how to approach a Benefit Assessment Exercise (BAE). It is worth distinguishing between the launching of the BAE and the technical work involved in the identification, assessment and communication elements of the BAE.

In order to launch a BAE, it is crucial to identify the transboundary water cooperation process to be supported and to identify the body that will lead the development of the BAE. It is also key to secure a mandate as well as funding to carry out the BAE.

One key message is that a BAE needs to be tailored to the characteristics of the basin as well as to the needs and level of maturity of the transboundary water cooperation process that intends to inform. This means that the scope, methodologies, timelines and costs involved will vary from basin to basin. In any case, a BAE will need to involve multiple stakeholders.

In order to design a BAE, it will often be useful to carry out a scoping exercise, as the example of the Okavango shows (cf. below). In some instances, it may be possible and advisable to combine or align a BAE with other analytical exercises aimed to support a transboundary water cooperation process – such as a Nexus Assessment or a Transboundary Diagnostic Analysis

Box 1. Launching a Benefit Assessment Exercise in the Okavango-Cubango Basin

In April 2015, the Permanent Okavango River Basin Water Commission (OKACOM) secretariat, after being involved in the development of the *Policy Guidance Note*, concluded that a Benefit Assessment Exercise would be useful to strengthen transboundary water cooperation in the Okavango-Cubango river basin. They decided to invest some “seed funding” to scope a Benefit Assessment Exercise and approached the UNECE Secretariat to request for advisory and technical support. The actual scoping exercise took one calendar month and it involved a literature review, discussions with key informants, and the drafting of a discussion paper and a policy brief. The outputs have been successfully used to secure a mandate from the OKACOM Commissioners to carry out a full BAE and to raise resources from the World Bank to (partially) fund it. The detailed BAE, launched in February 2016, will include both national level and basin level activities and is expected to be finalized by September 2016.