Session 5.
The Guidance Document: towards an annotated outline

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Part I. Characteristics of the Guidance Document

Ambition, depth, length, language, tone...

1. What type of Guidance Document do policymakers need? (selected participants, plus reactions) 25’

2. What type of Guidance Document can be developed in the framework of the Water Convention? (Nick, Jos, plus reactions) 15’
Part II. Content of the Guidance Document

Potential chapters, topics to be covered

1. Draft ToC (level 1)  15’ (followed by coffee break)

2. Content of chapters: 1h15’
   - Topics, questions to be addressed
   - Sources of information: literature, case studies
   - Key gaps to be filled?
Draft ToC

• ExecSum
• Intro (rationale, aim, nature, structure)
• Ch1. Transboundary water cooperation
• Ch2. Benefits of TWC
• Ch3. Methodologies assess TWC benefits
• Ch4. Setting up a process for assessing the benefits of TWC
Ch1. Transboundary water cooperation

- What is TWC? (in the Water Convention context)
- Cooperation and conflict
- Levels and degrees of cooperation
- Cooperation options
- Cooperation cannot be assured by legal instruments
- Benefits of cooperation promote self-enforcement
- Cooperation has benefits but also costs (cost of actions, transaction costs of cooperation)
- Benefit sharing (between countries) and getting there: benefit sharing steps, benefit sharing mechanisms (tradable water rights, side payments, joint infrastructure investments), losers
- Institutional setting determines the potential cooperation space
Ch2. Benefits of TWC

- Need to identify benefits
- Need to identify full range of benefits
- Range of benefits (with examples)
- Attraction of finance (private, dev.coop., GEF)
- Typology(ies) of benefits
  - “from and to the river”, “traditional” benefits (better known)
  - “beyond and because of the river”, “non-traditional” benefits (incl. resilience/adaptive capacity, regional security and stability, and other intangibles) (help to narrow down, drawing on political science)
  - TEEB approach
- Variability (e.g. productive structure) as key source of benefits
- Beneficiaries
- Distributional issues (between and within countries)
- Risk/uncertainty of benefits
- Benefitshed / issue linkage
- Examples of benefits achieved in the past
Ch3. Methodologies to assess benefits

- Benefit assessment:
  - qualitative assessment, physical quantification, monetary quantification (market and non-market)
  - focus on outcomes, establish baseline, avoid double counting
  - valuing long-term benefits with good quality studies

- Critical overview of methodologies (partial and general equilibrium, CVM/choice experiments, game theory, political science...)
  - Brief description
  - Benefits that can be evaluated with this methodology
  - Potential and limitations (incl. uncertainty)
  - Examples of application
  - Further references
Ch4. Process of benefit assessment

- Starting point: TWC policy process to be informed (demand, selection of methodologies, how to communicate)
- The benefit assessment chain: identify, (prioritise), quantify, value, communicate and integrate into policy and decision-making (scenario analysis)
- Importance of baseline
- Institutional setting within which the assessment process will take place:
  - stakeholder participation in the benefit assessment process (policymakers, experts, beneficiaries, losers)
  - addressing the challenge of information sharing (transparency)
  - monitoring the generation of benefits
  - transaction costs
- Communicating and using the results: awareness raising, advocacy, policy development (incl. water markets), negotiation, compensation. Need to tailor the presentation of the benefit assessment results.
- transboundary policy dialogues?
- DOs and DON’Ts
- Examples