

ASSESSMENT OF BENEFITS OF TWC CORB Case Study

**Rational, Conceptual and Methodological Framework,
Perceived National and Basin-wide Benefits,
Conclusions and Recommendations**

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- **Over the more than two decades of cooperation the Commission:**
- Provided a solid foundation for:
 - facilitating communication among the Member States and
- Establishing joint processes to:
 - understand and agree on the complex interactions among
 - the bio-geophysical and socio-economic drivers that
 - characterise the basin
- Benefit assessment is meant to
 - continue this tradition and
 - inform a better understanding of the benefits of water cooperation
 - Inform implementation of SAP
 - Assessing of benefits derived from specific actions
 - Distribution of such benefits



- This framework is expected to assist the Member States to
 - monitor, evaluate and adjust the implementation strategy, as needed,
 - identify and generate potential benefits not yet being attained
- Specifically, the benefits assessment is intended to pave the way for stronger cooperation and assist to:
 - Develop a typology of present and potential benefits derived from cooperation in the basin
 - Identify present and potential beneficiaries of cooperation in the basin
 - Assess the distribution of benefits among basin stakeholders
 - Explore potential benefit sharing mechanisms through basin cooperation
 - Inform institutional options for mobilization of infrastructure investments



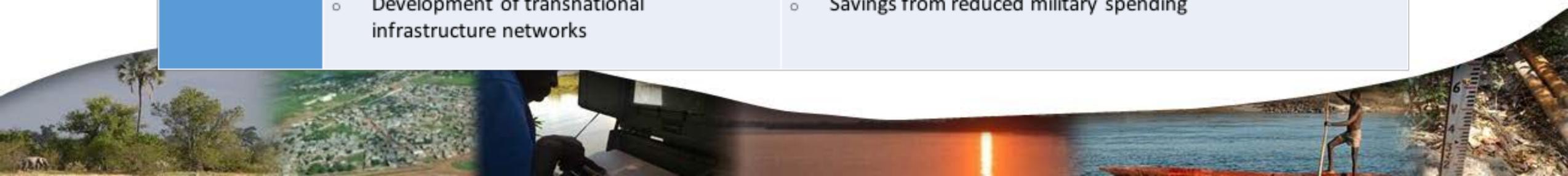
Conceptual Framework and Approach

- Vast literature on the subject matter = Benefits derived from TWC
 - financial and economic returns;
 - accelerated economic development;
 - improved human well-being;
 - enhanced environmental sustainability;
 - increased political stability and peace dividends;
 - improving access to external markets;
 - increasing economies of scale,
- No-cooperative and competitive behaviour driven by individual rationality
 - sub-optimal outcomes and a tragedy of the commons



UNECE CONCEPTUAL FRAMEWORK

Origin of Benefits	Benefits for Economic Activities	Benefits Beyond Economic Activities
Improved water Management	<p>Economic Benefits</p> <ul style="list-style-type: none"> ○ Expanded activity and productivity in economic sectors ○ Reduced cost of carrying out productive activities ○ Reduced economic impacts of water-related hazards (floods, droughts) ○ Increased value of property 	<p>Social and Environmental Benefits</p> <ul style="list-style-type: none"> ○ Health impacts ○ Employment and reduced poverty impacts ○ Improved access to services (such as electricity and water supply) ○ Improved satisfaction due to preservation of cultural resources or access to recreational opportunities. ○ Avoided/reduced habitat degradation and biodiversity loss
Enhanced Trust	<p>Regional Economic Cooperation Benefits</p> <ul style="list-style-type: none"> ○ Development of regional markets for goods, services and labour ○ Increase in cross-border investments ○ Development of transnational infrastructure networks 	<p>Peace and Security Benefits</p> <ul style="list-style-type: none"> ○ Strengthening of international law ○ Increased geopolitical stability ○ Reduced risk and avoided cost of conflict ○ Savings from reduced military spending



Categorization of Benefits from TWC

(Framework for Identification & Assessment)

- A deceptively simple organizing framework identifies four dimensions of benefits that are relevant in negotiations between riparian's:
- Benefits to the river
 - improved water quality,
 - environmental protection
- Benefits from the river
 - hydropower, irrigation, etc.
- Benefits because of the river
 - reduced risk of conflict; increased food security, etc. ; and,
- Benefits beyond the river
 - integration of markets, regional trade, etc.



CORB METHODOLOGICAL APPROACH

- Literature review analysis, OKACOM and other important documents – country specific
- Interview guide development, discussion & finalisation – stakeholder perception surveys (pros and cons)
- Local consultations/events (Maun, Rundu, Menongue) and key basin stakeholders (linked to Basin Vision feedback)
- National consultations and/or interviews with key sectors and stakeholders
- Initial analysis of perceived benefits – (risk of being skewed to personal expore and preferences – how objective can this be?)

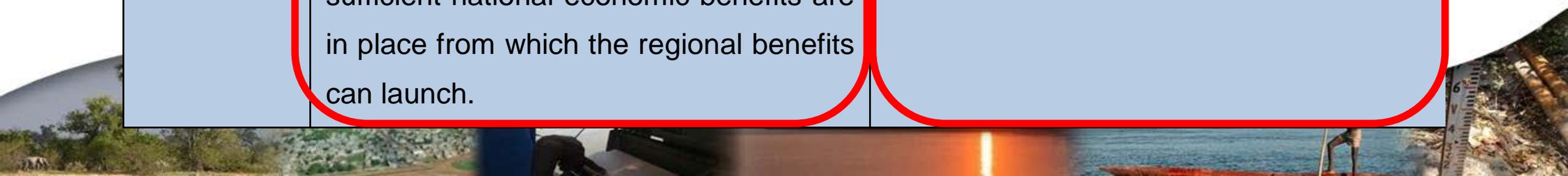
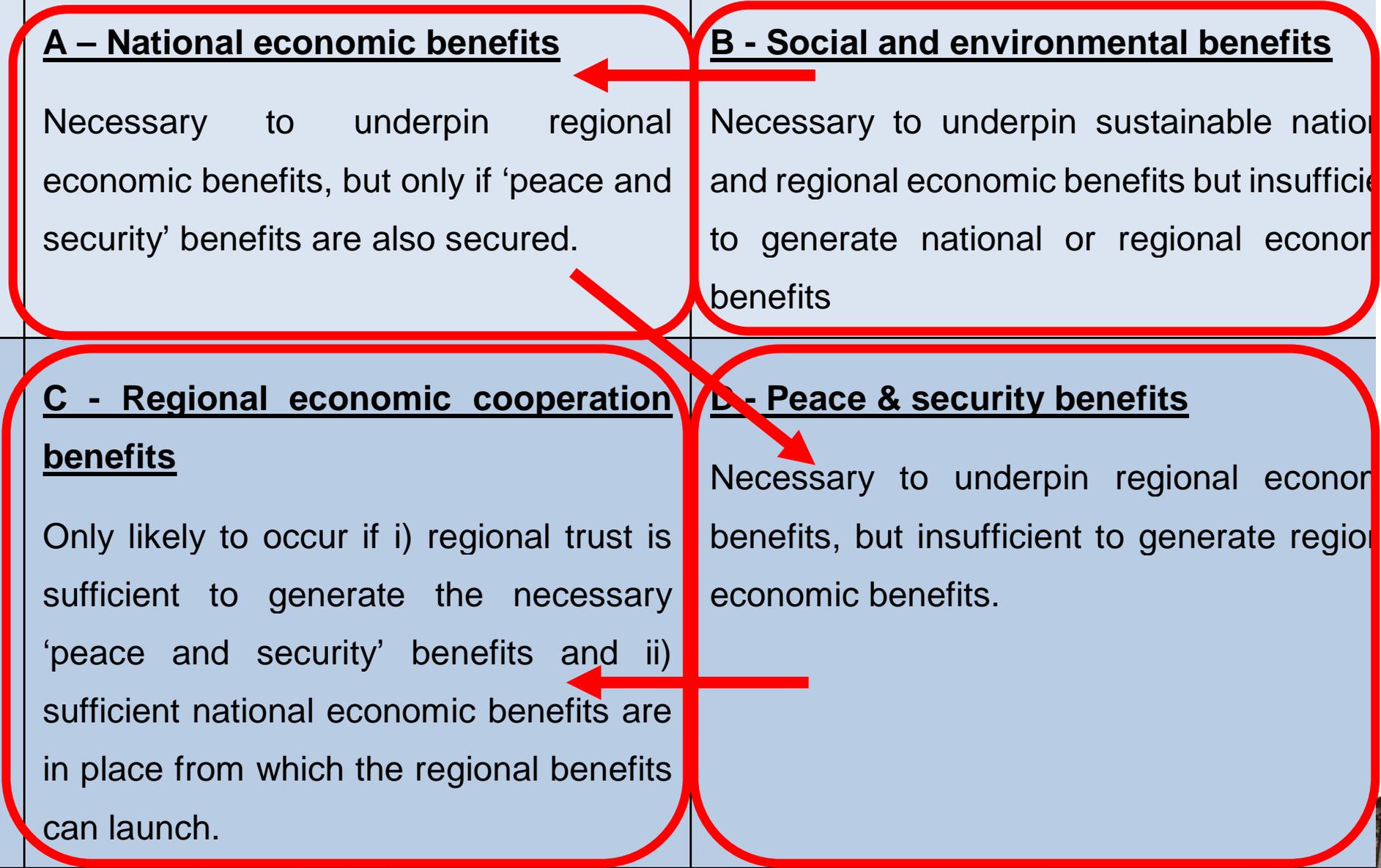


Indicator	Angola	Botswana	Namibia
GDP	US\$92 billion	US\$11 billion	US\$10 billion
Total population	nearly 26 million	just over 2 million	roughly 2.5 million
GDP per capita	US\$ 7,249	US\$ 15,845	U\$ 10,754
Gini coefficient	0.427	0.605	0.613
Population within the basin	3.2% 75% living at “livelihood level”	7.1% 54% living at “livelihood level”	9.2% 60% living at “livelihood level”
Vision documents for the country	<ul style="list-style-type: none"> • Angola 2025 • National Development Plan 2013-2017 	<ul style="list-style-type: none"> • Vision 2036 • National Development Plan 11 	<ul style="list-style-type: none"> • Vision 2030 • National Development Plan • Harambee Prosperity
Context	<ul style="list-style-type: none"> • War/ reconstruction • Growth/ development 	<ul style="list-style-type: none"> • Sustained development, rapid economic growth, economic independence and social justice 	<ul style="list-style-type: none"> • sustained economic growth, increased income equality, employment creation





	Benefits from economic activities	Benefits beyond economic activities
Improved IWRM	<p><u>A – National economic benefits</u></p> <p>Necessary to underpin regional economic benefits, but only if ‘peace and security’ benefits are also secured.</p>	<p><u>B - Social and environmental benefits</u></p> <p>Necessary to underpin sustainable national and regional economic benefits but insufficient to generate national or regional economic benefits</p>
Enhanced trust	<p><u>C - Regional economic cooperation benefits</u></p> <p>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.</p>	<p><u>D - Peace & security benefits</u></p> <p>Necessary to underpin regional economic benefits, but insufficient to generate regional economic benefits.</p>

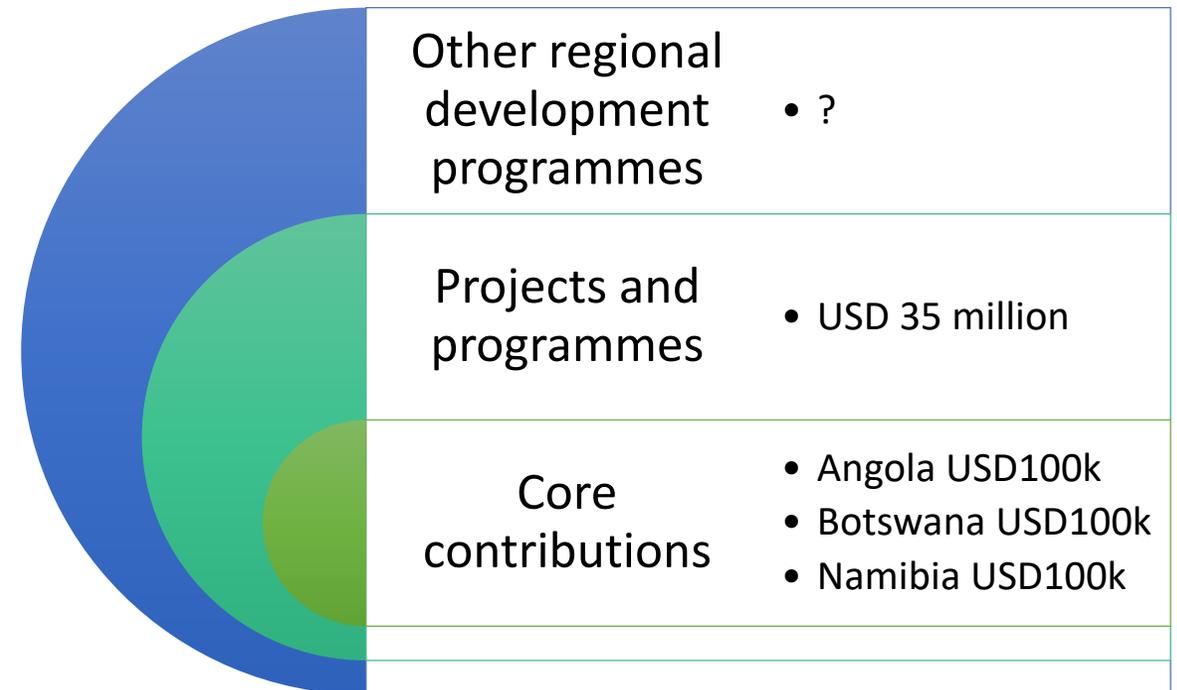


- **Conclusions from a basin perspective, methodological lessons, and recommendations (preliminary)**



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?



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



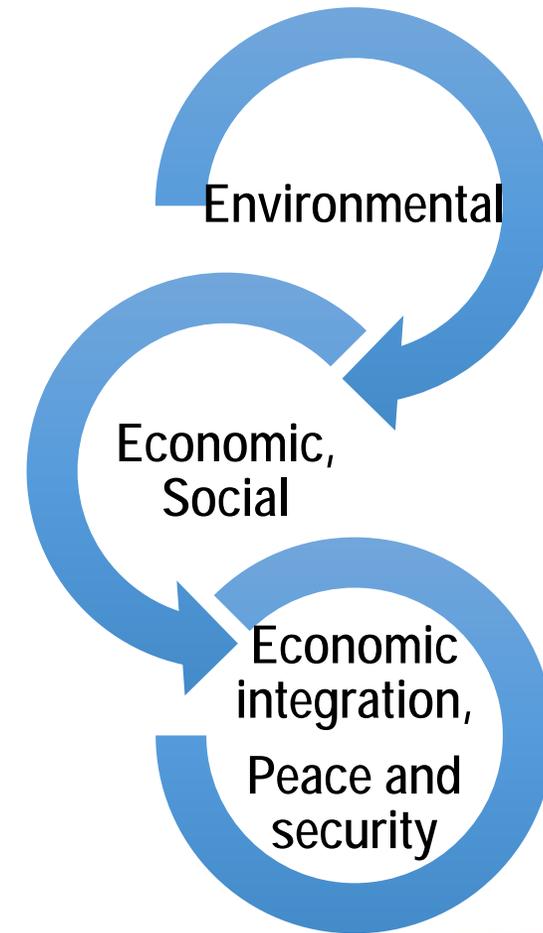
There are many additional potential benefits, mostly related to regional economic integration

- 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



Initial observations – ‘Process lessons’

- 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 OBSERVATIONS – ‘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.



Preliminary recommendations

- Link the cooperative process to national development strategies
- Consider expanding the mandate of OKACOM to be able to engage beyond its advisory role.
- Communicate the benefits of cooperation at different scales (national-level stakeholders, basin populations,...)



Institutional Evolution in the CORB

