

*With support from the
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THE POTENTIAL BENEFITS OF TRANS-BOUNDARY COOPERATION IN GEORGIA AND AZERBAIJAN

LAKE JANDARI: FROM COMPETITIVE WATER USE TO COOPERATION.
ACTION. ENHANCING ECONOMIC BENEFITS

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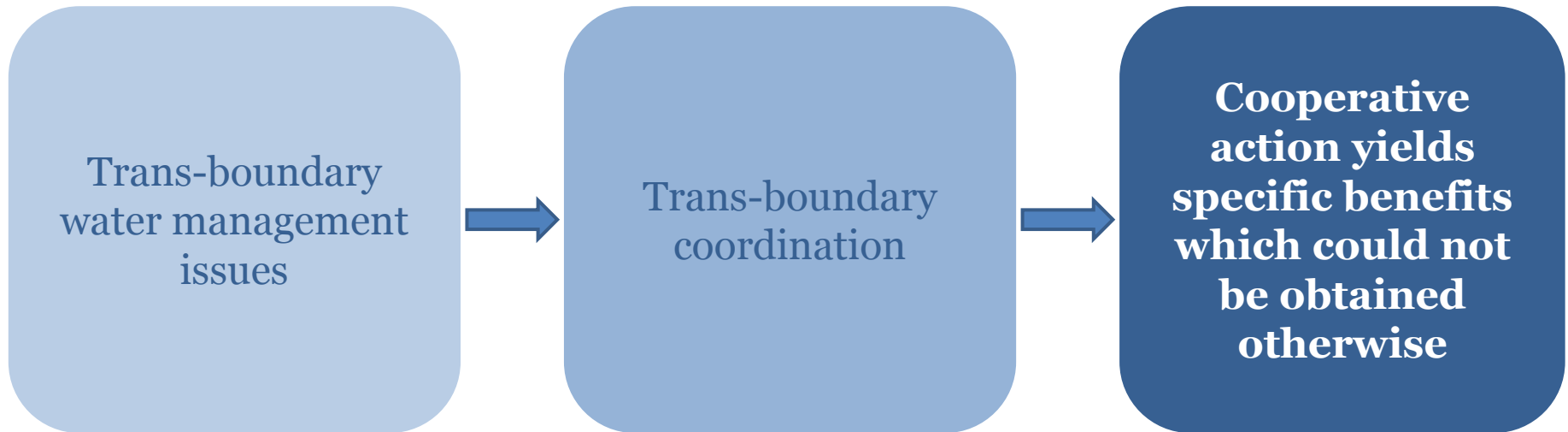


Project Objectives

- The overall purpose of the project is to make the case for trans-boundary cooperation between Azerbaijan and Georgia for the management of the Kura river.
- For the **two water bodies** selected as **case studies**, assessment of the economic benefits is underway. A share of **benefits** and **costs** for each riparian country will be assessed under alternative **scenarios**.
- Suggestions on **mechanisms** to realise these benefits will be made.



Trans-boundary cooperation: why is it needed?

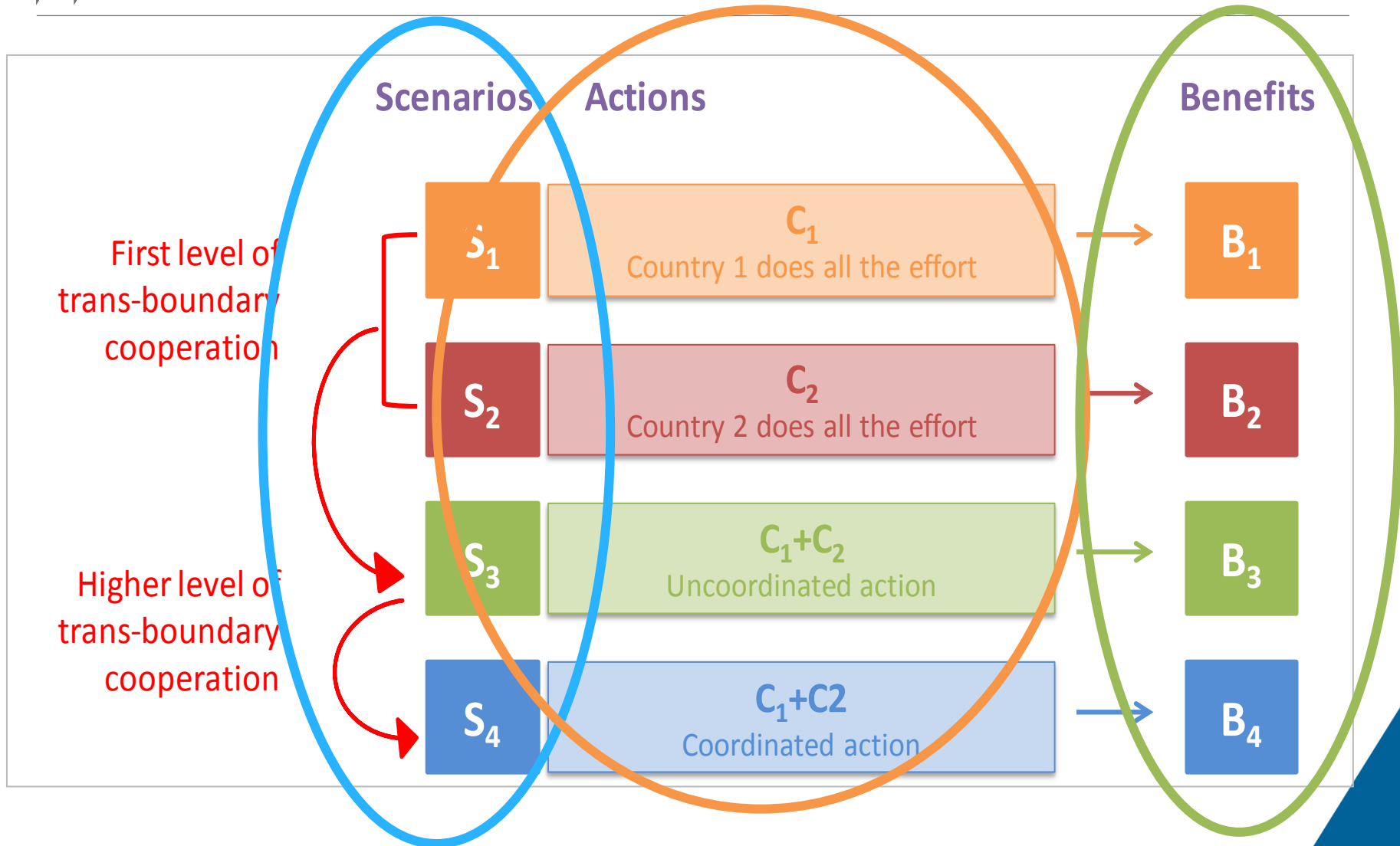


The project is assessing the benefits of trans-boundary cooperation in **two practical case studies** (trans-boundary water bodies):

- Water quantity and quality issues in **lake Jandari**
- **Flooding issues** along the **Kura river**



Overall approach





A practical application

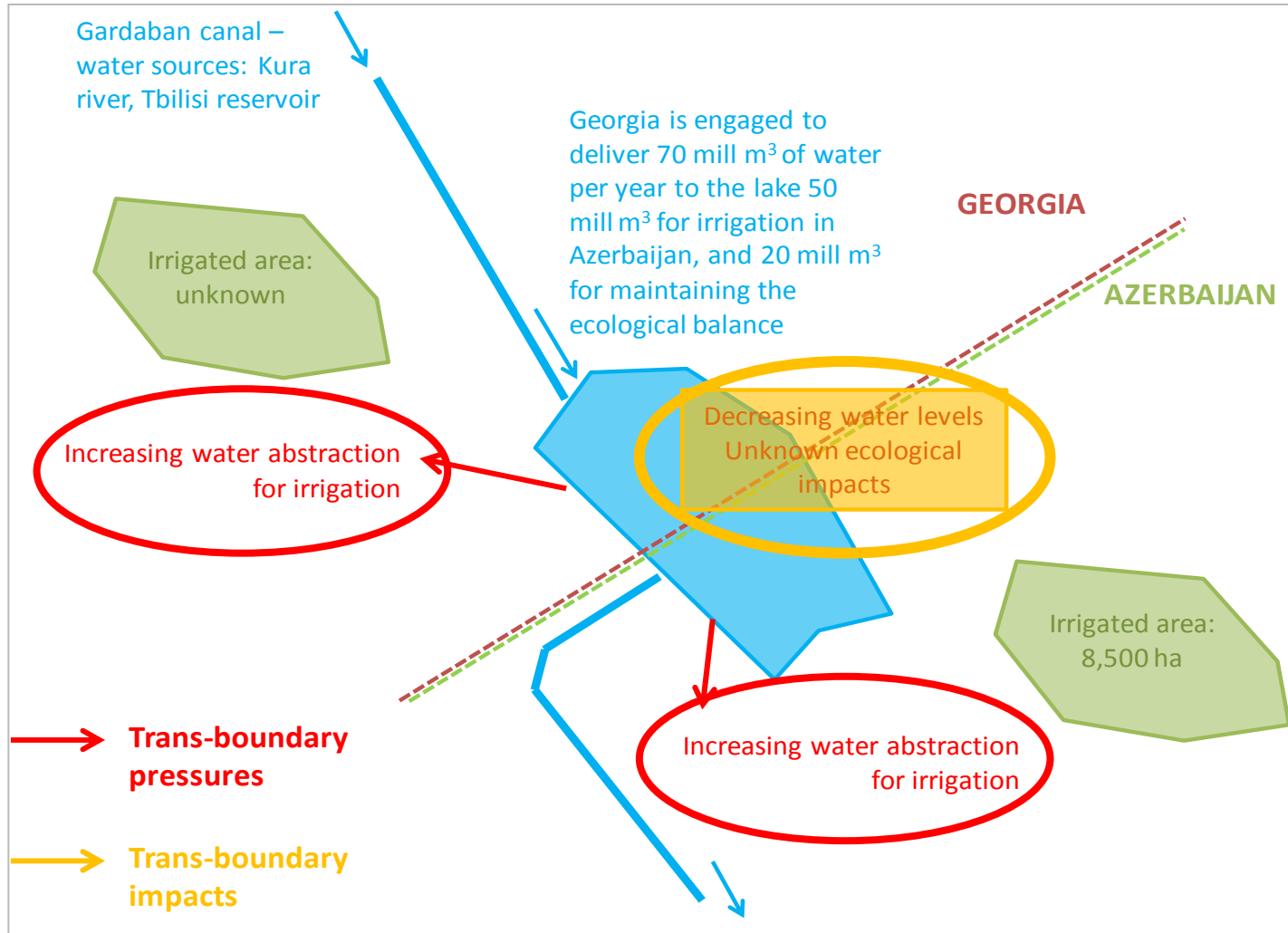


Lake Jandari

Water quantity issues



From trans-boundary water management issues....





....to cooperative action

Step 1



Identify a **suitable abstraction reduction target**, which is:

- **Accepted and agreed upon by the two countries**
- Sufficient to reduce current impacts of water abstraction in lake Jandari

Step 2



Identify the most **cost-effective cooperative set of actions** – and share of efforts among the two countries



Bringing cooperative action to a higher level

Option 1

Water abstraction is reduced in each country proportionally to current abstraction levels

PROS: this solution can be implemented without collecting additional data – current abstraction levels are known

CONS: the economic impact of this solution might not be shared equitably among the two countries

Option 2

Water abstraction is reduced in each country based on the most efficient allocation

PROS: this solution takes into account the water productivity of each activity, so the economic impact is equitably shared

CONS: this solution requires data collection and economic analysis



In conclusion....

- Negotiating **suitable environmental targets** among the two countries is the first crucial step of trans-boundary cooperation
- Trans-boundary cooperation is key to the **economic development** of the concerned areas
 - However, a **thorough economic analysis** is required to ensure that the share of efforts among the two countries leads to the most efficient economic outcomes
- **Negotiations** between the two countries still play a crucial role when defining the share of efforts among them, as other priorities rather than only economic ones can come into play