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# **Programme area 3: Quantifying the benefits of cooperation**

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# 1. What has been done in this work area? Activities and news in 2013

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- Expert Scoping Workshop on quantifying the benefits of transboundary water cooperation  
*06 - 07 June 2013, Amsterdam, The Netherlands*
- Seminar «Tools to improve cooperation and dialogue in river basins»  
*3 September, Stockholm World Water Week*



# 1. Draft annotated outline of the policy guidance note on identifying, quantifying and communicating the benefits of transboundary water cooperation

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- Executive Summary
- Ch1 – Setting the Context
- Ch2 – Identifying benefits
- Ch3 – Quantifying benefits
- Ch4 – Maximizing the policy impact of benefit assessment
- Technical annexes?



# 1. Draft annotated outline

## Ch1 – Setting the Context

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### **1.1 Aim and target audience**

### **1.2 Rationale:**

- need for more and deeper cooperation
- benefit assessment can be a positive input
- existing but undocumented experiences

### **1.3 Institutional background**

- ECE Water convention

### **1.4 Transboundary water cooperation**

- definition and history
- how does it take place, how to sustain it, success factors
- role of benefit identification, quantification and comm.
- benefit sharing

# 1. Draft annotated outline

## Ch2 – Identifying the benefits of TWC

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### **2.1 Need to identify benefits**

- achieving greater levels of cooperation,
- role in attracting resources to kick-start cooperation
- full range of benefits and “benefitshed”

### **2.2 Typology of benefits**

- traditional benefits, less well known benefits
- typology can support identification

### **2.3 Challenges and opportunities**

- variability in the basin as opportunity
- risk and uncertainty
- long term benefits
- beneficiaries (coalition formation, compensation)

## DRAFT TYPOLOGY OF BENEFITS

I. Benefits <b>for</b> the transboundary waters	<b>Environmental benefits</b> (avoided habitat degradation and biodiversity loss)
II. Benefits <b>from</b> the transboundary waters	Improved <b>human satisfaction</b> (recreation, cultural values), improved <b>health</b> (reduced water-borne diseases), and <b>direct economic benefits</b> (increased economic production in sectors, reduced costs of carrying out productive activities, avoided losses from floods & droughts, increased value of properties) as a consequence of <b>managing water better</b>
III. Benefits <b>thanks to</b> the transboundary waters	• Reduced costs (managing water, complying with treaties, defense spending) and improved benefits (in other policy areas) as a consequence of <b>building trust between countries</b>
IV. Benefits <b>beyond</b> the transboundary waters	• <b>Economic growth</b> and <b>poverty reduction</b> generated by more cross-border investment and open markets for goods, services and labor (as a <b>second order consequence</b> of direct economic benefits and increased trust)

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## Ch3 – Quantifying the benefits of TWC

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### **3.1 How to approach benefit assessment (BA)**

- quantification not always possible or desirable
- focus on outcomes of TWC
- establish baseline, avoid double counting
- look at long time scales
- tailor level of ambition to intended use of results
- long term process that adapts to emerging policy needs

### **3.2-3.5 State of play for quantifying benefits of each type**

- potential and limitations of existing methodologies
- examples of application
- how to commission studies
- how to interpret and make use of results

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## Ch4 – Maximising the policy impact

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### **4.1 Link benefit assessment to policy processes**

- Policy process will drive the BA (ambition, methodologies, stakeholder involvement, communication)
- BA can support policy processes in multiple ways (baseline, scenarios, incentives and compensation, monitoring, institutional setting)
- through interactive and intersectoral process, as part of transboundary policy dialogue

### **4.2 Benefit assessment framework**

- identification of benefits of TWC > prioritization of benefits to be assessed > assessing the benefits > integration of assessment results in TWC policy process
- cycle to be repeated and improved responding to policy demands
- Benefit assessment will incur costs and require funding

### **4.3 Communicating results**

- guidance to tailor to specific use (awareness raising, advocacy, policy development, negotiation, compensation)



## 2. Main challenges and lessons learnt

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- Need to build on existing knowledge in this field and to bridge science and policy: water and environmental economists, practitioners, policy makers, water diplomats
- Need to develop a policy-makers oriented guidance note, involving more country/basin representatives in the process
- Many tools and methodologies available for economic valuation, to be communicated to influence the policy process
- High request to develop guidance on valuation of benefits related to trust building



### 3. Future activities until 2015

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- Further development of the policy guidance document, based on
  - Today: working session
  - October–December 2013: Authors to provide their draft contributions
  - January 2014: Call for case studies
  - 22–23 May 2014: Workshop on gathering and sharing experiences
  - November 2014 (tbc): Project-related expert meeting

