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Transboundary cooperation: changing perspective on benefits and trade-offs

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Benefit sharing vs. Trade-offs

Conceptual Framework of Benefit Sharing

- Introduced as a concept to change the focus of managing shared waters from “allocation of water” to “sharing benefits” (Sadoff and Grey, 2002)
 - A zero-sum game to a positive-sum game
 - An incentive for cooperation: benefits can be found from other sectors
- Mechanism? Strategy? Principle?
 - Unclear understanding on benefit sharing (MRC, 2013)
 - How to operationalise benefit sharing in practice?
Application should be basin-specific

Types of Benefits

Benefit Type	The Challenge	The Opportunities
<i>Type 1: increasing benefits to the river</i>	Degraded water quality, watersheds, wetlands, and biodiversity	Improved water quality, river flow characteristics, soil conservation, biodiversity and overall sustainability
<i>Type 2: increasing benefits from the river</i>	Increasing demand for water, suboptimal water resources management and development	Improved water resource management for hydropower and agricultural production, flood drought management, navigation, environmental conservation, water quality and recreation
<i>Type 3: reduced costs because of the river</i>	Tense regional relations and political economy impacts	Policy shift to cooperation and development away from dispute/conflict, improved food and energy security, reduced risk of dispute/conflict and reduced military expenditure
<i>Type 4: increasing benefits beyond the river</i>	Regional fragmentation	Integration of regional infrastructure, markets and trade

From: Sadoff and Grey 2002

Challenges with Benefit Sharing

- Many hoped that introducing benefit sharing concept would progress stagnating cooperation.
- Operationalise the concept of benefit sharing into practice can face many challenges. (related to the challenges in advancing transboundary water cooperation in general)
 - Power asymmetry and disparity among riparian countries in socio-economic development (Jägerskog and Zeitoun, 2009)
 - Technical complexity, lack of capacity
 - Benefits are often not self-evident to countries (trust/confident)
 - Different priorities and strategies to utilise water resources depending on the political economy
 - Issue with free-rider, cherry-picking

Benefit Sharing in the Mekong Context

- High maturity of cooperation: long history of multilateral cooperation since the Mekong Committee (1957-1978)
- The 1995 Mekong Agreement
 - Foundation for the basin-wide cooperation
 - Establishment of a competent River Basin Organisation with technical capacity performing as a facilitator of cooperative processes
- Existing basin-wise cooperative activities: evidence of benefit sharing

Challenges in the Mekong: Trade-offs

- Rapid economic development: increasing demand for developing watershed
- Externalities of development: escalating pressure on livelihoods, ecosystem and food security
- E.g. Fish vs. dams
- Mechanisms to address trade-off: consultative processes, guidelines, protocols and etc.

Changing Perspective on Benefit Sharing

- Dichotomy of discussing either benefit sharing or trade-offs
- Discussing trade-offs can be understood as a maximum risk of “no-cooperation”
- Trade-offs can be included as part of risk assessment in the basin planning & negotiations (e.g. Strategic Environmental Assessment for MRC in 2010)
- Quantification
- Quantifying the benefits from minimising risks
- Risk of “no-cooperation” - the worst case scenario

Thank you!

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