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PDR

Benefit sharing in trans-boundary basins - the political
context

It is an honour and pleasure to be given the task to make a key note presentation at this important workshop which is the third event in the Trans-boundary Cooperation Workshops Series, organized by the Danish Ministry of Foreign Affairs and the Danish Water Forum. This time the support given by the Secretariat of the Mekong River Commission must also be recognized.

I have been asked to make a presentation over the subject “Benefit Sharing in Trans-boundary Rivers – the Political Dimension”. Before addressing the subject, I wish to make it clear that my reference point with regard to trans-boundary river management is restricted to the Mekong River Basin and its River Commission. I know that many of you have broader exposure to river basins particularly in Africa, and I am looking forward to take part of your experience during these days.

With this introduction I wish to remind ourselves that the world's more than 260 river basins that are shared by at least two sovereign countries cover almost 50% of the earth's land area. Sharing a river basin means, in this context, that the countries are sharing a vital common natural resource, namely water. All knows that water is a resource with wide ranging economic, social and environmental importance. Without water no development. Rising demand leads to water scarcity and contributes to competing demand between sectors within countries and between countries sharing trans-boundary water resources. Trans-boundary water in a river basin is technically a pooled resource, which means that water use in one part of the basin creates external effects in other parts.

To overcome challenges and future conflict risks associated competing national claims of water in a trans-boundary river basin, the countries and governments across the world with territories in river basins have found it rational to enter into bilateral or multi-lateral water governance agreement on how to cooperate over water use and, sometimes also, water quality. (There are by now numerous river basin agreements – more than 130 according to information provided by the International Network of Basin Organizations with associated River Basin Organization to implement the agreements.).

Even if establishing of a River Basin Organization equipped with a suitable mandate for multi – or bilateral cooperation over basin wide water resources have become the industrial standard, it doesn't mean that cooperation as a rule is smooth. On the contrary, many River Basin Organizations have difficulties living up to expectations reflected in River Basin Agreements. With increasing competition over water in a River Basin, water is increasingly becoming a strategic resource of vital importance for a country's future development.

The agreements governing trans-boundary cooperation on water resources are normally rather weak reflecting the fact that governments for domestic political reasons are generally not prepared to easily give up their national jurisdiction over the use of water falling within the national borders. Few agreements seem to include concrete water sharing clauses. Focus is often on administrative and procedural issues. The Mekong Agreement, as an example, includes a clause on minimum flow, but it is not yet operational awaiting agreement on guidelines for locations and levels of flows.

Agreements on trans-boundary cooperation on water resources are between asymmetric partners. Member countries differ in many respects with regard to the size of the individual country, rate of development, political structure etc. This is naturally not facilitating river basin cooperation. Countries sharing the same river basin are

more or less willing to enter into an agreement. In some cases such as in the Mekong River Basin countries may opt to stay outside an agreement. In the Mekong Region, China (and Myanmar) for political reasons, decided in 1995 not enter into an agreement with the lower riparian countries. political structure. Countries have capacity between members in a River Basin Organization

As mentioned above it is proved to be politically and technically difficult to agree on sharing or re-distributing water between countries within the framework of conventional agreements on trans-boundary cooperation. An alternative to sharing water is sharing the values of values of benefits derived from water use. This is called benefit sharing as opposed to water sharing.

Advocates of the benefit-sharing paradigm argue that if focus is switched from sharing physical volumes of water to sharing benefits, it would help riparians to consider trans-boundary water in river basins as common or pooled resource. Other proponents of the benefit sharing concept would argue that by focusing on benefit sharing one may bypass contentious issues on property rights.

Benefit sharing is a relatively new concept and it is not well understood among practitioners. The issue which we would need to consider is if moving river basin cooperation from focusing on merely agreeing on

sharing physical volumes of water to sharing benefits accruing from shared water would be politically easier to handle by governments, thereby facilitating cooperation.

The issues I would suggest we consider over these two days are

- Firstly, would introduction of benefit sharing facilitate efficient equitable cross-boundary cooperation over water utilization or rather complicate it further,
- Secondly, would adding benefit-sharing as an additional instrument in the tool box require other organizational mechanisms and instruments for river basin cooperation or would the “old” trans-boundary organizational arrangements still work
- Thirdly, would greater emphasis on benefit sharing reduce the traditional “conflict” between up- and down stream countries
- Fourthly, would benefit sharing concept facilitate non-government partners’ engagement in cross boundary integrated water management