



UNITED NATIONS
INDUSTRIAL DEVELOPMENT ORGANIZATION



SUSTAINABLE DEVELOPMENT GOAL 9
INDUSTRY, INNOVATION AND INFRASTRUCTURE

Training Session on Economic Valuation

Session 3 Subsession 4: „Identifying, assessing and communicating the benefits of cooperation as part of a TDA/SAP Process“

Training on the systematic integration of economic valuation
of "wet" ecosystem services into the TDA/SAP process

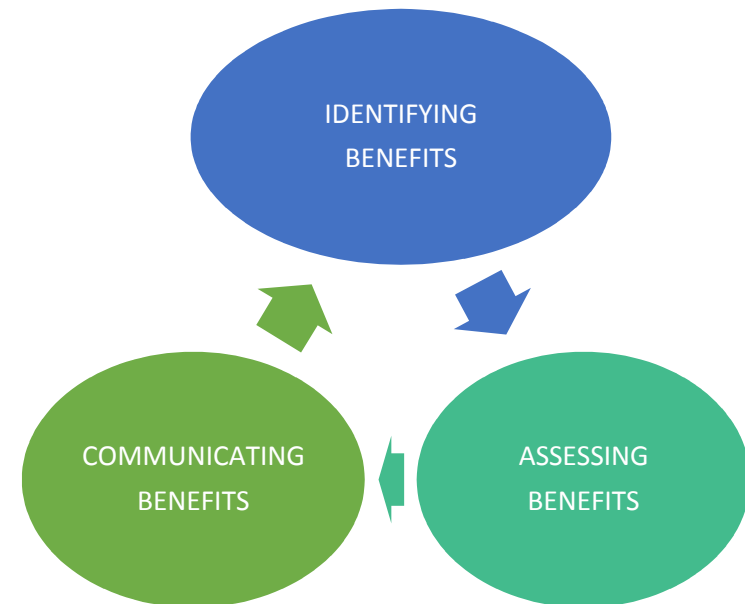




Content

- Background to benefit assessments
- Why is a benefit assessment relevant to the TDA/SAP process?
- Identifying benefits
 - Sio-Malaba-Malakisi case study
- Assessing benefits
 - Drina case study
- Communicating benefits
 - Okavango case study

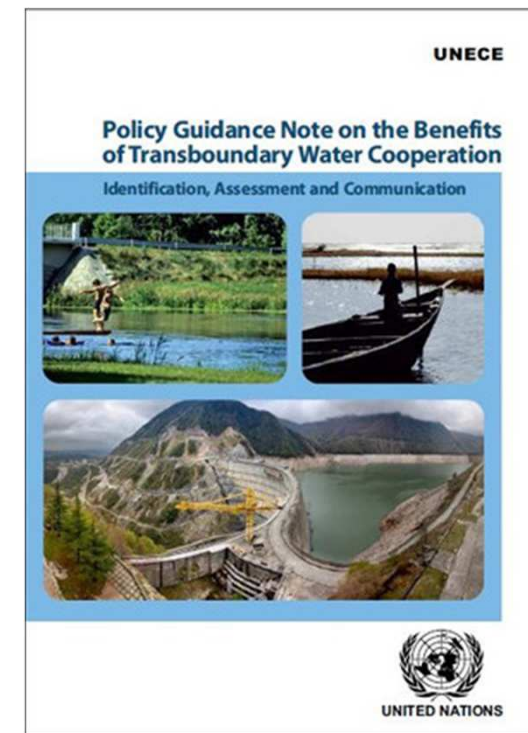
Elements of a benefit assessment





Background to benefit assessments

- Complements economic valuation of ES by looking at a broader range of benefits
- 2015 UNECE Policy Guidance Note on the Benefits of Transboundary Water Cooperation
- 3 pilot applications:
 - Okavango basin (Angola, Namibia, Botswana)
 - Drina basin (Montenegro, Bosnia-Herzegovina, Serbia)
 - Sio-Malaba-Malakisi basin (Kenya, Uganda)
- Benefit assessment always linked to a planned or on-going process – such as a TDA/SAP





Why is a benefit assessment relevant to the TDA/SAP process?

TDA

Support prioritization of environmental problems
Facilitate early engagement of actors relevant for the SAP

By identifying and assessing (past and future) benefits of cooperation

SAP

Support prioritization of responses
Facilitate acceptance of SAP package

By identifying and assessing broad range of benefits of responses
By communicating broad range of benefits of SAP package





Identifying benefits

Use typology to identify the benefits and frame them in terms of development outcomes

--

Modify it to fit your case!

Origin of benefits	Benefits for economic activities	Benefits beyond economic activities
Improved water management	Economic benefits Expanded activity and productivity in economic sectors (aquaculture, irrigated agriculture, mining, energy generation, industrial production, nature-based tourism) Reduced cost of carrying out productive activities Reduced economic impacts of water-related hazards (floods, droughts) Increased value of property	Social and environmental benefits Health impacts from improved water quality and reduced risk of water-related disasters. Employment and reduced poverty impacts of the economic benefits Improved access to services (such as electricity and water supply) Improved satisfaction due to preservation of cultural resources or access to recreational opportunities. Increased ecological integrity and reduced habitat degradation and biodiversity loss Strengthened scientific knowledge on water status
Enhanced trust	Regional economic cooperation benefits Development of regional markets for goods, services and labour Increase in cross-border investments Development of transnational infrastructure networks	Peace and security benefits Strengthening of international law Increased geopolitical stability and strengthened diplomatic relations New opportunities from increased trust (joint initiatives and investments) Reduced risk and avoided cost of conflict and savings from reduced military spending Creation of a shared basin identity





Case study: Sio-Malaba-Malakisi river basin

- 5,200 km²; 4 M people; water-rich; high env values (e.g. Mt Elgon)
- Environmental degradation from poor agricultural practices
- Demo basin of IUCN-UNECE-IGAD project to promote transboundary water cooperation in the IGAD region; work on benefits just a component
- Discussion paper on benefits based on literature review, interactive sessions during first demo basin workshop (which had a broader agenda)
- Participants quickly understood typology and used it to identify benefits at basin level as well as benefits of a few specific projects
- Conclusion for TDA/SAP Process: significant work on identifying benefits can be done at modest cost by piggy-backing on other activities organised as part of the TDA/SAP process





Assessing benefits

Combine qualitative, quantitative and monetary valuation approaches

--

Build on and influence technical info generated by the rest of your TDA/SAP process!

ECONOMIC

- Greatest scope for monetary valuation (e.g. CBA of infrastructure)
- “Soft” solutions harder to quantify
- Techniques to quantify impacts on national economy very demanding

SOCIAL AND ENVIRONMENTAL

- Less scope for quantification and monetary valuation
- Monetary values likely to be contested

REGIONAL ECONOMIC INTEGRATION

- Largely rely on qualitative assessments
- Some quantification possible (e.g. expansion of regional infrastructure)

PEACE AND SECURITY

- Qualitative assessment (e.g. traffic lights)
- Avoid quantification and monetary valuation





Case study: Drina river basin

- 20,300 km², 1 M people, water-rich, high env values (untouched landscapes)
- Benefit assessment component included as part of UNECE water-food-energy-environment nexus assessment
- Identification of benefits of cooperation during first basin workshop complemented by expert analysis of thematic outputs of nexus assessment
- Participatory qualitative assessment (4-point scale) of benefits of potential actions during second basin workshop.
- Modelling-based quantitative assessment of benefits of coordinated hydropower development (600 GWh of electricity in the 2017-2030 period)
- Conclusion for TDA/SAP Process: A combination of qualitative and quantitative assessments can build on thematic analyses carried out as part of TDA and can smooth transition between TDA and SAP





Communicating benefits

The whole process of benefit assessment can be seen as a communication effort

--

Link the communication of benefits to other communication efforts of your TDA/SAP process!

Target audience

Aim

Tactics

Messages

Mechanisms





Case study: Okavango river basin

- 700,000 km²; 1 M people; water-scarce; high env values (Okavango delta)
- OKACOM set in 1994; infancy period followed by TDA, National Action Plans and SAP; decided to carry out benefit assessment to shore up support for SAP implementation
- OKACOM funded a scoping paper and used it to gather support from World Bank and a UK-funded facility (CRDIF) to carry out a benefit assessment
- Benefit assessment involved many stakeholders through three national workshops (in basin towns), interviews with agencies based in capitals, and a basin workshop involving high-level officials. Some of those stakeholders (e.g. tourism sector) had never before being engaged in OKACOM activities.
- Conclusions for TDA/SAP process: A benefit assessment is a valuable tool to engage actors that are key for implementing the SAP





UNITED NATIONS
INDUSTRIAL DEVELOPMENT ORGANIZATION



SUSTAINABLE DEVELOPMENT GOAL 9
INDUSTRY, INNOVATION AND INFRASTRUCTURE

Questions?





UNITED NATIONS
INDUSTRIAL DEVELOPMENT ORGANIZATION



SUSTAINABLE DEVELOPMENT GOAL 9
INDUSTRY, INNOVATION AND INFRASTRUCTURE

Thank you!

For more information, please contact:

- Christian Susan c.susan@unido.org
- Roberto Martin-Hurtado roberto_martin@hotmail.com

