



**Organization for Security and Co-operation in Europe  
Secretariat**

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**Conference Services**

**Fifteenth OSCE Economic and Environmental Forum - Part 2:  
“Key challenges to ensure environmental security and sustainable development in the  
OSCE area: Land degradation, soil contamination and water management”  
Prague, 21 - 23 May 2007**

**Special Event**

**New international political and financing perspectives:  
Transboundary water management as a regional public good and Benefit Sharing  
beyond the river**

Please find attached the presentation by Mr. Anders Jägerskog, Stockholm International Water Institute (SIWI).

## Public goods and transboundary water management –global experiences

presented at Side Event at The 15th Meeting of the OSCE Economic and Environmental Forum, Prague, 22 May, 2007

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## Aim

- *To present analysis of TB water management from a regional public goods perspective which are of relevance for OSCE region*

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## Definitions of Global Public Goods

- Goods that address issues that:
- (i) are deemed to be important to the international community, to both developed and developing countries;
- (ii) typically cannot, or will not, be adequately addressed by individual countries or entities acting alone, and, in such cases
- (iii) are best addressed collectively on a multilateral basis.

Source: The International Task Force on Global Public Goods (www.gpgtaskforce.org)

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## Why support to global public goods?

- Certain goods will not be provided in the international system through national development activities or through market mechanisms
- Support to public goods can have positive 'spill-over' effects into other areas such as stability, peace and security, trade and regional integration
- GPGs have played part in trying to reverse the downward trends in ODA.
- GPGs provide a new rationale for raising additional resources as provision of public goods are of interest not only from a development assistance perspective. Applies also to "enlightened self-interest".

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## International examples of public goods

- International vaccination programmes
- Protection of key environmental resources
- Mitigation of climate change
- World cultural heritage
- Financial stability
- International justice
- Transboundary Water Resources Management, eg. water quality

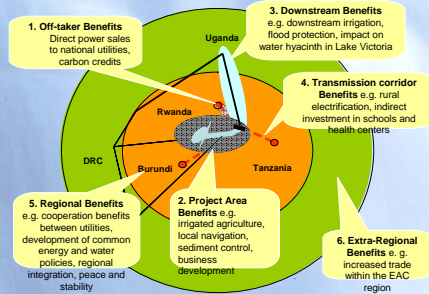
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## Transboundary Water and International Public Goods

- Parties that share a water resource tend to find ways to cooperate in mutually beneficial ways. (A. Wolf)
- Sustainable management of transboundary water resources represents in itself a regional public good but will also contribute to the achievement of private goods.
  - riparians can generate public goods such as flood and drought protection, increased biodiversity and conservation, improved water quality, and even peace and regional stability.
- Importance of framework to build upon – UNECE for the region.
- The promotion of cooperation on transboundary river basins is to a large extent process related.
- Donors can positively contribute to financing the process of cooperation.
- However there is a need to address power asymmetries in a basin through measures aimed to 'level the playing field'

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## Public goods & benefits in the Nile basin context – examples from the proposed Regional Rusumo Falls Project



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## The rationale for financing Public Goods in the Nile Basin

- Water resources management contribute to economic growth in many sectors
- Water resources are scarce, variable and underinvested
- Preliminary cost-benefit analyses of NBI projects suggest economic internal rates of return of could be significant
- Project outcomes from complex multi-country & multi-sector projects are 5 to 15 years in the future making the less attractive for domestic funding
- Public goods type projects in the Nile Basin do not receive adequate financing
- Projects with public goods elements are costly for individual countries but will in the longer run benefit all riparians

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## Global experiences on Transboundary co-operation

- UN convention on non-navigational international watercourses
- UNECE Convention
- Where and how does it start?
  - Technical cooperation
  - Negotiation committees
  - River basin organizations and specialized committees
- Role of third parties and facilitation of transboundary agreements:
  - Capacity building to level playing field
  - Principle of prior consent when financing infrastructure
  - Precautionary principle
  - Financing process and investments

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## Key lessons for OSCE region

- Cooperative management of a transboundary waters is a key public good and source of regional public good benefits.
- Co-operation on TB water CAN be a catalyst for promoting economic growth and regional stability thus integrating economy, security and environment perspectives.
- Data sharing and trust in models are key – OSCE can provide a neutral platform for discussions and dialogue
- UNECE convention a platform for dialogue on generation of public goods in basins and countries in the region.
- Transboundary water processes require a broader perspective than strict water sharing; necessity to ensure proper involvement of sectoral and political ministries
- Reaching agreement takes time: financing should be provided for process and small-scale joint investments in parallel
- Stakeholder participation at the on-set is key

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