



## Central Asia Energy-Water Development Program

### *Energy-Water Decision-Support Systems*

### Reaching Across the Waters: Facing the Risks of Cooperation in International Waters

#### Background and Context

Water can be a source of conflict or cooperation. While there are many well-documented and analyzed economic benefits of river basin cooperation, countries and their development partners seeking cooperation deals often experience serious political constraints and challenges. To date, however, the political economy surrounding regional cooperation around water has been much less explored. The World Bank has been engaged in supporting cooperation in shared international waters since its involvement with the 1960 Indus Waters Treaty. With this study, it seeks to address the existing knowledge gap by examining the political dimension of cooperation over international waters.

#### Purpose of Document

This study, primarily aimed at external development partners, reviews the experience of cooperation in five international river basins, focusing on the perceptions of risks and opportunities for decision-makers in countries responding to a specific prospect of cooperation. River basins selected for the analysis were: the Eastern Nile, Ganges, Niger, Syr Darya, and Zambezi. For each basin, the analysis centered on “tipping points” – periods in time when policymakers in the relevant countries were faced with a critical decision regarding water cooperation. A main focus of the study was establishing a typology of **perceived risks**, as hesitation or resistance on the part a country regarding cooperation with other riparian governments can be better understood by evaluating its perceived ability to control against or compensate for uncertainties. After dissecting these risks, the study identifies categories of **risk reduction measures** that can be utilized to potentially motivate countries to reconsider reaching an agreement.

#### Major Findings/Outcomes

Perceived risk is defined in this study as “the perception that an act of cooperation will expose the country to harm, will jeopardize something of value to the country, or will threaten the political future of individual policymakers.” The five categories of risk were found to be:

1. Capacity and knowledge – confidence in sufficient knowledge and ability to negotiate a fair deal;
2. Stability and support – longevity potential of the agreement and domestic stakeholder support;

3. Accountability and voice – often related to trust: deliverability of benefits by regional entity or co-riparians, ability to influence decision-making in the proposed governance structure, belief that proposed regional institutional arrangement would result in promised flow of benefits;
4. Equity and access – fairness of relative benefits to a country and entitlement to use of a river; and
5. Sovereignty and autonomy – ability to act in the best interests of a country without constraints

The above risks were found to be highly contextual and experienced in various degrees. Of these, sovereignty and equity appeared to be the core risks – deep-seated risks that tended to resurface, even after deals were made and benefits delivered.

**Political opportunity** is also a critical factor for enhancing cooperation. Third parties can thus play important roles in supporting countries with risk reduction by staying abreast of regional geopolitics and continuing to implement appropriate risk reduction strategies to the extent possible. Risk reduction options fell into seven categories: (1) Knowledge and skill expansion; (2) Institutional design; (3) Agreement design; (4) Program design; (5) Financing and/or guarantee; (6) Facilitation (unbiased third party); and (7) Decision legitimacy.

Key takeaways from this study for those engaged in work on cooperation in international waters:

1. Risks are less studied, but critical in decision making;
2. Countries are not unitary actors but instead comprise several stakeholders;
3. Individual decision-makers matter; policy champions are key;
4. Solutions must be devised for situations and match country needs;
5. Risks will most likely require a diversity of interventions;
6. Opportunities can outweigh residual risks;
7. Politics are difficult to predict, so anticipation is critical;
8. National, regional and global events affect opportunity;
9. Long-term time commitment is needed; and
10. Deals are dynamic; agreements need to be periodically assessed and adapted to current realities.

*The Central Asia Energy Water Development Program (CAEWDP) is a donor-supported technical assistance program with the objective of building energy and water security for the five countries of Central Asia and Afghanistan. Divided into three main objectives: energy development, energy-water linkages, and water productivity, the program balances national and regional activities, recognizing that both are necessary for effective regional dialogue and national prosperity.*

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