Contribution of cooperative management of water resources to regional integration in SADC - some lessons for regional industrialization?

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WATER AND REGIONAL INTEGRATION: COMPARE AND CONTRAST

• Water is a useful lens through which to view wider issues
  • (as, for instance, a source of supply into energy value chain)

• For instance, SADC’s regional integration strategies, under scrutiny

• Water sector:
  • Water management paradigm of “environmental regionalism” is challenged
  • Failed to deliver hydropower when needed to supply energy value chain

• SADC’s wider integration paradigm
  • Failed to deliver economic integration or regional industrialisation …

• There are insights to be gained by “comparing and contrasting”
  • Suggest that the pathologies are similar
  • The role of regional institutions is being questioned
  • Raises issues about our understanding of “regionalisms” and associated strategies
PRODUCT OF TWO PROJECTS AND A PAPER

- AfDB: Regional water investment programme to support regional integration
- WRC: The contribution of water to regional integration in SADC

(Based on longstanding concern about water resource policy paradigms that did not address empirical circumstances or policy priorities)
A program to support Transboundary Water Management and Regional Integration in Africa

FINAL REPORT for the African Development Bank

Professor Mike Muller
Professor Albert Wright

April 10th, 2014

Water and Regional Integration

The role of water as a driver of regional economic integration in Southern Africa

REPORT to the WATER ALTERNATIVES

Muller, M. 2015. The 'nexus' as a step back towards a more coherent water resource management paradigm. Water Alternatives 8(1): 675-694

The 'Nexus' As a Step Back towards a More Coherent Water Resource Management Paradigm

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ABSTRACT: The interrelationships between water resources, food production and energy security have influenced policy for many decades so the emergence of the water-food-energy 'nexus' as a proposed new focus for water resource management is surprising. It is suggested that this focus can be understood as a consequence of the decision by developed countries to ignore agreements reached at the 1992 Rio Summit on Sustainable Development and promote instead a 'Dublin IWRM', their original lobbying platform. That approach has not helped developing countries to address food, energy and water security nor assisted global businesses to expand or to manage the risks posed to their operations by poor water management. The nexus approach begins to address these concerns by focusing on a specific 'problem-shed'. While this may disintegrate the original robust concept of integrated water management, its emphasis on what water may do for society rather than what society should do for water is a step back toward a more coherent and useful paradigm.
PROPOSITION:

• In water and in general
  • SADC implemented inappropriate strategies
  • Without adequate consideration of context and content

• Consequence
  • Ineffective strategies, not achieving desired outcomes

• Why ?
  • Strategies have been based on inappropriate paradigms
  • Enforced (?) through (sometimes well-intentioned) external leverage
  • Not enough critical thinking from Southern African side

• Conclusion
  • Careful that regional industrialization not suffer same fate
POLICY, PRACTICE UNDERPINNED BY PARADIGMS

• Developments driven, in part, by different ideas of regionalism
• In water, by theories of environmental regionalism
• In economic integration, by institutional approach to regionalism, modelled on Europe’s current structure, not its history
• In both cases, more careful interrogation of assumptions might have led to better approach
SADC’S APPROACH TO WATER MANAGEMENT

• Started with assumptions that:-
  • water is in shared rivers, and is scarce, therefore
  • must cooperate to use it, and
  • need to use tools of regional integration to do this

• Set up regional “river basin organisations” – RBOs - for purpose

• Major programme since 1990s
  • OKACOM, ORASECOM, LIMCOM, ZAMCOM
  • (Okavango, Orange-Senqu, Limpopo, Zambezi)

• Encouraged by European environmentally oriented donors
RBOs AN EXPRESSION OF “ENVIRONMENTAL REGIONALISM”

• Concept has long provenance

• Natural boundaries - logical governance boundaries?

• In 1930s, drew considerable policy attention
  • USA TVA, nominally river basin approach to economic development

• 21st century attraction
  • In water, river basin organisations as supra-national bodies
  • Force political decisions into an environmental context
  • ‘lock out” other stakeholders, strengthen environmental influence

• SADC Water Protocol, driven by external agencies
  • 1995 —many management functions to go to supra-national institutions
  • (2000 modified when some countries refused to ratify)
ACTUAL CONTEXT

• Minimal proportion of available water actually used
• No scarcity on major basins (Zambezi, Okavango, even Orange)
• Dependent (downstream) countries not water scarce
• 1st priority is to develop local resources at national level
• Do need to communicate to avoid misunderstandings
• Institutional needs, at regional level:-
  • Effective communication structures
  • Cooperation on hydrological data
  • Not large permanent institutions
• (Meanwhile, Europe rejected RBOs delinked from political boundaries)
• (TVA, it turned out, was a federal government strategy to bypass the states)
Water scarcity?
Volume available
(m³/person/year)

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Actual water use — very limited

Economic scarcity:
Money is scarce, not water
Water scarce countries are not particularly dependent on shared rivers

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**SCARCITY M³/cap/yr**

- 7 - 1,400
- 1,400 - 3,200
- 3,200 - 7,600
- 7,600 - 23,000
- 23,000 - 530,000
DESPITE EFFORTS TO ESTABLISH RBOs

• Only a few effective cooperative projects have been implemented:
  • Lesotho Highlands Water Project
  • Zambezi, some hydropower increments
    • Kariba upgrades
    • Zambia’s expansions
  • Komati and Usutu treaty, national irrigation project

• All projects implemented without involvement of RBOs
  • (through bilateral or special purpose institutions)

• No major developments (10 000MW potential on Zambezi)
  • Despite demand across the region
SADC INTEGRATION STRATEGY
A SIMILAR TRAJECTORY

• Economic integration was to follow determined path
  • Establish regional integration institutions
  • And follow specified road-map of macro-economic milestones

• This approach has not been successful
  • Unrealistic macroeconomic targets
  • Little recognition of dynamics of national political economies
  • Opportunities for mutual benefit not well identified

• Outcome – limited progress and opportunities missed
  • Failure to meet macroeconomic and trade goals is prime example
  • But regional failure to deliver hydropower potential is another (water link)

• Approach informed by (mis)understanding of European integration?
SOUTHERN AFRICA’S REGIONAL INTEGRATION TIMETABLE
IMPORTANT TO RECOGNISE ALTERNATIVE REGIONAL STRATEGIES...

• Is the focus political or economic?

• At political level
  • Choice between functional and institutional approaches
  • Must be informed by knowledge of national actors and their interests

• At economic level
  • Neo-classical approach: reduction of barriers to trade
  • “Regional integration promotes trade; trade supports regional integration”
  • Practical interventions: provision of connecting infrastructures

• Theoretical approaches can overlap and merge
  • Europe, politically driven, functional start, only then institutionalization
ENSURE THAT APPROACHES TO REGIONAL INDUSTRIALISATION ARE BETTER GROUNDED

• Since SADC states show little willingness to cede sovereignty
  • Focus more on **functional approaches** with clear economic &/or political benefits
  • Infrastructure is a start, but what further opportunities?
  • “Microregionalism”: Local, functional regionalisms (corridors)
  • Commodity and supply chain regionalisms (minerals, sugar/energy, electricity?)
  • Identify the actors, beyond governments
  • Identify opportunities, bottom up, not just top down
CONCLUSIONS

• **SADC has followed an institutional approach**
  - Focusing on political regionalism, building regional institutions
  - With limited clarity about benefits and political dynamics
• Driven by?
  - External advice, inadequately analysed and internalized?
• Outcome, in water
  - Failure to provide region's power needs
• Outcome overall
  - Failure to promote regional economic trade & growth

• **A practical functional focus might be more productive than institutional**
  - Is regional industrialisation the right step?
  - Certainly scope for more critical thinking
Thank you