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

> Mike Muller School of Governance Wits university

> > TIPS ANNUAL FORUM REGIONAL INDUSTRIALISATION AND REGIONAL INTEGRATION, 14-15 JULY 2015

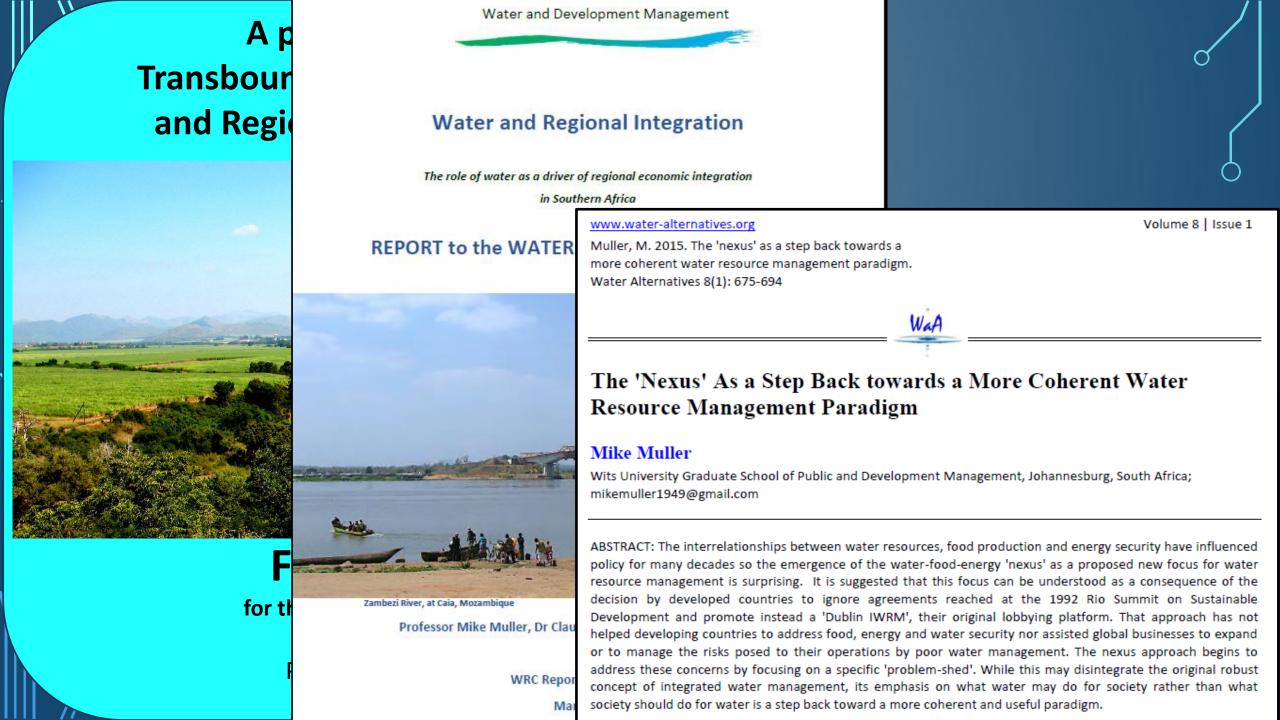
WATER AND REGIONAL INTEGRATION: COMPARE AND CONTRAST

- 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 industralisation ...
- 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
- Water Alternatives: "The 'Nexus' As a Step Back towards a More Coherent Water Resource Management Paradigm"

(Based on longstanding concern about water resource policy paradigms that did not address empirical circumstances or policy priorities)



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 <u>institutional</u> 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

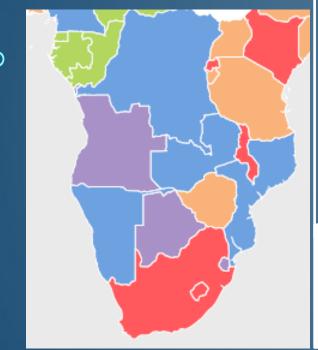
- Started with assumptions that:-
 - water is in shared rivers, and is scarce, therefore
 - must cooperate to use it, and
 - need to use tools of regional integration to do this
- Set up regional "river basin organisations" RBOs for purpose
- Major programme since 1990s
 - OKACOM, ORASECOM, LIMCOM, ZAMCOM
 - (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)

Less than 1,400		
1,400 - 3,200		
3,200 - 7,600		
7,600 - 23,000		
DRC		
23,000 - 530,00 <mark>0</mark>		

Physical water scarcity

Approaching physical water scarcity

Economic water scarcity

Little or no water scarcity

Not estimated

S.Africa, Lesotho, Malawi, Kenya Zimbabwe, Tanzania Swaziland, Botswana, Angola Namibia, Mozambique, Zambia,

____ Congo, Gabon, CAR

Economic scarcity:

Money is

scarce, not

water

Actual water use – very limited

COUNTRY	AVAILABILITY	USE %
Angola	10510	0.2
Botswana	6820	1
Lesotho	1680	2
Malawi	1400	6
Mozambique	11320	0.3
Namibia	8810	2
South Africa	1110	31
Swaziland	4160	18
Zambia	9630	2
Zimbabwe	1584	13
DRC	23850	0.03

Water scarce countries are not particularly dependent on shared rivers

 \frown

SCARCITY
M ³ /cap/yr
7 - 1,400
1,400 - 3,200
3,200 - 7,600
7,600 - 23,000
23,000 - 530,00

ENDENCY	2012	Renewable/capita	
	96.9		
itania	96.5		
	89.6		
wana	80.4		
D	73.3		
ibia	65.2		
	65.1		
oia	62.5		
	61.0		
lia	59.2		
a	55.6		
ambique	53.8		
a-Bissau	48.4		
а	43.1		
liand	41.5		
da	40.9		
	40.0		
abwe	38.7		And
gal	33.5		Ang
1	32.6		Burki
ongo	29.9		Djibo
bia	23.8		Equat Guine
ia	22.8		
	21.8		Ethio
ndi	19.8		Gabo
а	13.8		Guine
h Africa	12.8		Leso
nia	12.8		Libya
ia _	8.7		Mada
iwi	6.6		
d'Ivoire	5.3		Moro
roon	4.4		Rwan
ia	3.6		Sierra

DEP

Egypt

Mauri Niger

Bots Congo

Nami Chad Gamb

Benin Somal Eritrea Moza Guine Ghana Swaz Uganc Mali Zimb Seneg

Kenya DR Co Zamk Nigeri Togo Burun Liberia Soutl Tanza Tunisi Mala Côte c Camer Algeri

SCARCITY VERSUS "DEPENDENCY RATIO"

gola	0.0	
ina Faso	0.0	
outi	0.0	
torial	0.0	
ea		
pia	0.0	
on	0.0	
ea	0.0	
otho	0.0	
1	0.0	
agascar	0.0	
occo	0.0	
nda	0.0	
a Leone	0.0	

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

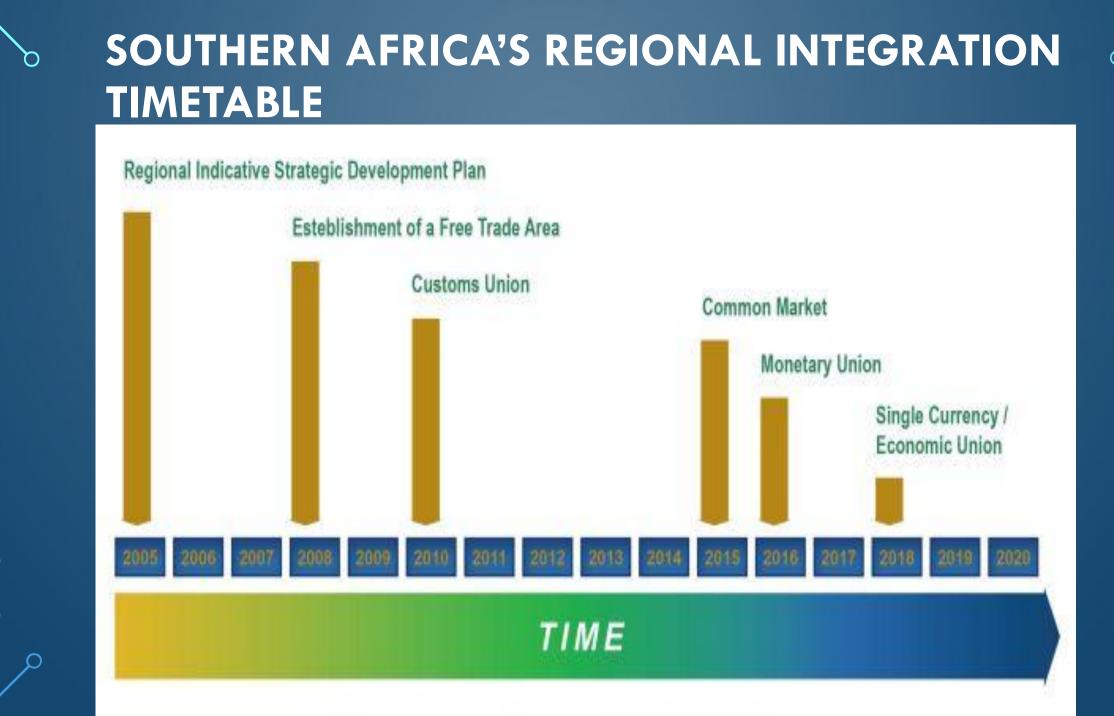
[©]SADC INTEGRATION STRATEGY A SIMILAR TRAJECTORY

• 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?



 \bigcirc

 \cap

Q

 \bigcirc

 \bigcirc

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 <u>functional</u> focus might be more productive than institutional

- Is regional industrialisation the right step?
- Certainly scope for more critical thinking

Thank you

Zambezi River, at Caia, Mozambique