



DIIS · DANISH INSTITUTE FOR INTERNATIONAL STUDIES

# **The political economy of investments in transboundary water resources**

Is climate resilience an investment driver?



International Conference on Fresh Water  
Governance for Sustainable Development  
7 November 2012

Kurt Mørck Jensen and Rane Baadsgaard Lange



# The Water Governance and Water Development Study

- Funded by the Danish Foreign Ministry (Danida)
- Zambezi and Mekong (comparative)
- *Out of the water box: political economy of water*  
<http://www.diis.dk/sw115935.asp>
- Development drivers: new development financiers, civil society, and climate change
- Lessons from the Mekong, questions for the Zambezi





# Climate science, infrastructure development and politics

- The global CC discourse: when does CC become a national political priority for riparian countries and not just a donor agenda?
- Climate resilience means planning for uncertainty in infrastructure development
- Models and scenarios: river basins are generally vulnerable, but projected CC impacts are uneven
- Felt real impacts: rainfall patterns, floods, droughts, sea level rise, saline intrusion



# The Mekong Basin

## Dam development and cooperation



- Six countries, four cooperating
- Mekong River Commission (1995)
- China upstream hegemon
- Xayabury dam in Laos: primary source of conflict





# Is CC an investment driver in the Mekong?

**No!**

- **Hydropower development** dominates the transboundary agenda (economy, not climate)
- **Low political priority** in most countries, governments focus on more immediate needs
- **Strategic redressing** of ‘old’ development projects in climate garments to attract donor funds
- **Uneven capacity** to mainstream climate into infrastructure development



# Is CC an investment driver in the Mekong?

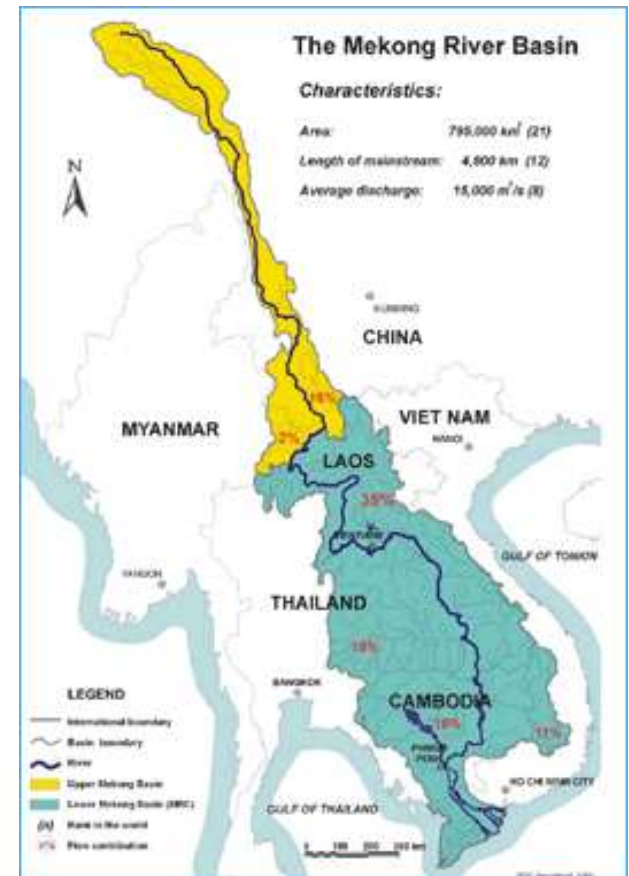
***And yes!***

- Downstream Vietnam
- The Mekong Delta is at risk
- Political perception of CC threats:

*Sea level rise, saline intrusion*

*Upstream hydropower, siltation*

*(Over extraction of groundwater,  
mangrove depletion)*





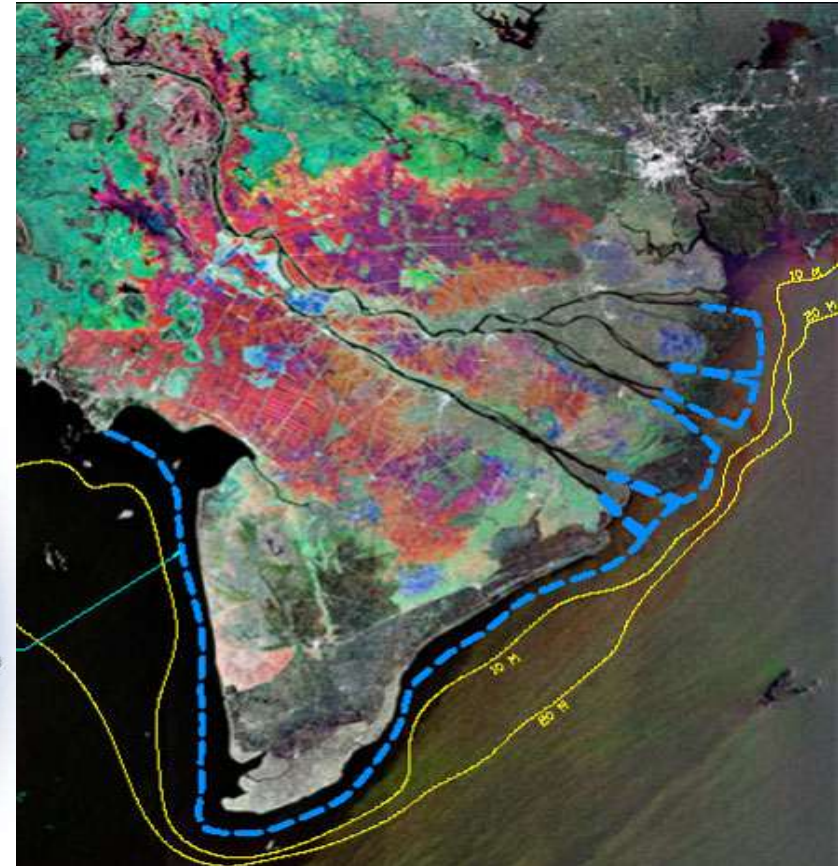
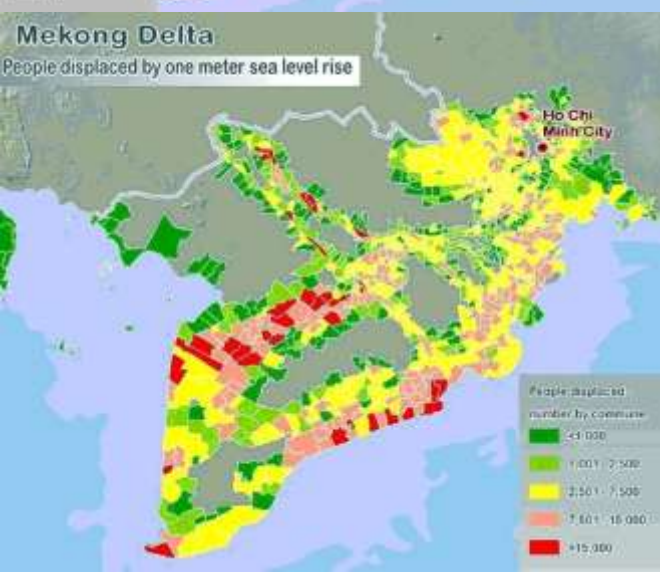
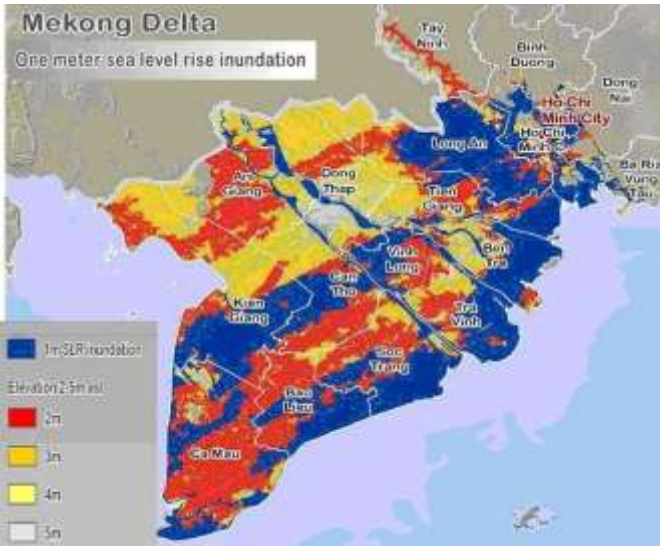
# Vietnam's response to felt CC impacts and scenarios

- **National:** Climate Commission headed by PM, climate ministry, allocation of funds, knowledge production, attraction of donors
- **Delta:** Adaptation of existing infrastructure and development plans by regional administrations
- **Transboundary:** Pressure on upstream countries to halt or adapt hydropower development



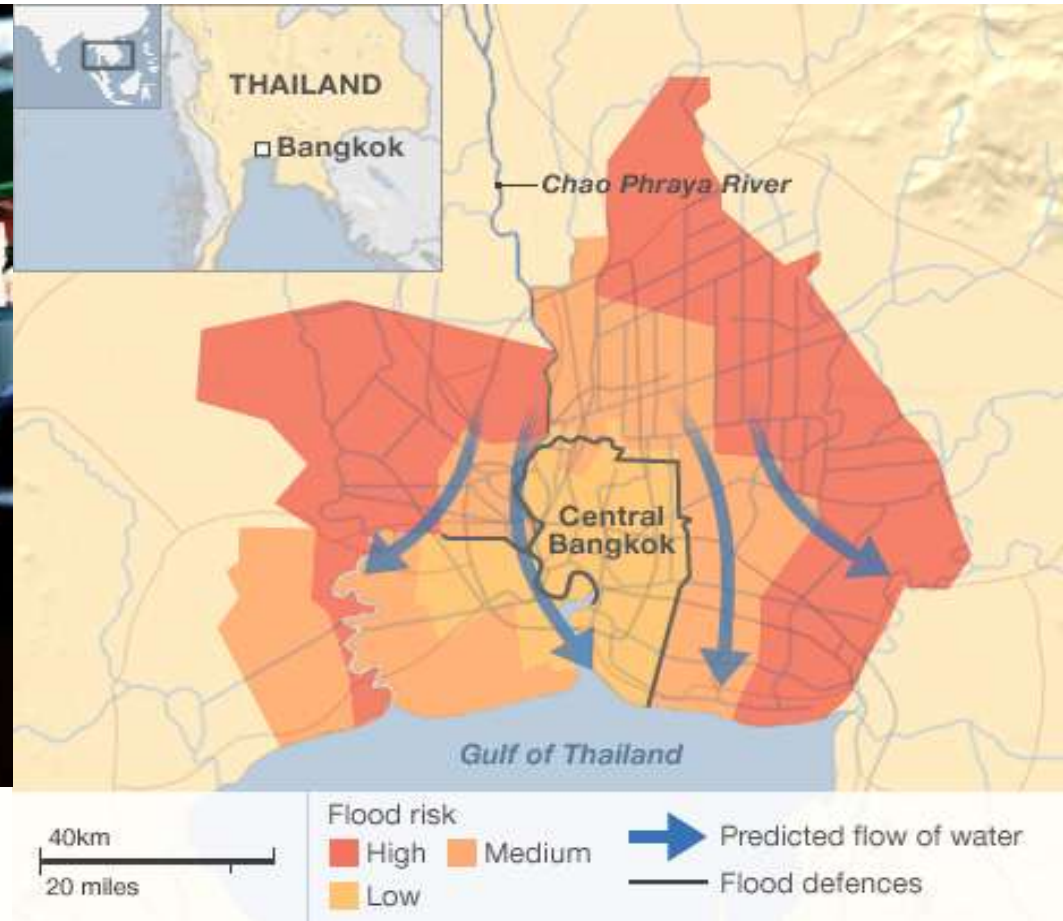


# Vietnam's national CC adaptation response





# Thailand's CC adaptation response





# Translating science to politics: Vietnam acting on CC

- Delta degradation is a threat to the national and regional food basket
- The economy, food security and livelihoods are at risk
- Regional security issues arise
- CC part government's overall risk assessment - despite uncertainties
- Vietnam is a country with significant political, administrative and economic capacity





# Is CC an investment driver in the Mekong?

- Strategic response to the global climate discourse by some riparian countries:

Laos: 'green' hydropower (mitigation)

Vietnam: coping with the impacts (adaptation)

Thailand: Tried to blame floods on CC, but failed

- CC acquires relevance for infrastructure development in the basin
- Underlying driver: benefit sharing, who gets what and when? Power struggle based on real development challenges in riparian countries





# Questions for the Zambezi

- Augmenting CC science and capacity, but also strategic thinking: *CC is politics*
- *Distribution of CC impacts*: which countries and sub-basins are mostly at risk?
- *Upstream-downstream* similarities between the Mekong and the Zambezi e.g. Vietnam and Mozambique
- *Political priorities*: what are the development priorities/strategies in basin countries and where does CC fit in?
- *Decision making dynamics*: who makes the relevant decisions on CC in governments?
- *CC advocates*: who are the CC champions, their means and venues of influence?

