

Using Economic Valuation in Decision Making for River Basin Management

A regional workshop on “Economic Valuation and Water-Related Decision Making” was held in Ouagadougou, Burkina Faso from November 6-8, 2006. The workshop was organized by IUCN–The World Conservation Union in partnership with GEF IW:LEARN, the Global Water Partnership (GWP) and the World Bank Institute (WBI). The workshop was generously hosted by 2iE, the International Institute of Water and Environmental Engineering, at their campus in the city. 2iE is an inter-state regional training college, who provided an ideal venue for participants and the workshop team to work together and share their experiences and perspectives.

The workshop was attended by approximately 30 participants from 13 countries across Africa, and representing 6 major international basins in Africa – the Senegal, Niger, Volta, Lake Chad, Congo and Nile. Participants included project coordinators from GEF basin projects, technical advisors, project managers and partners from government institutions, NGOs and universities. Proceedings were facilitated by a team of resource persons with expertise in environmental economics and water resources management.

The workshop was officially opened by the Director General for Water Resources in Burkina Faso, Mr. Francis Bougaïré representing the Secretary General at the Ministry of Agriculture, Hydraulics and Water Resources. Over the following three days, a series of workshop sessions were held that focused on understanding the function and use of economic valuations of ecosystems in decision making over water resources management. The rationale behind the workshop was emphasized by facilitator Dr Frank Vorhies, who stated in his introduction to the event that “if we are serious about conserving ecosystems, we must understand and manage their economic values”.

With limited time available, care was taken to ensure the workshop provided participants with learning and knowledge they could take away and use. The sessions were designed, therefore, not to train participants in how to *do* economic valuations, but focused rather on how to *use* valuations. Topics covered in the sessions were:

- Principles of economic valuation of ecosystems
- Application of ecosystem valuations in IWRM
- Methods of ecosystem valuation
- Using valuations to influence decision making
- Designing and implementing valuation studies

Each session combined presentations, discussions and work in small groups. For example, Katharine Cross from IUCN reviewed a series of practical case studies on valuation, Dr Mei Xie from WBI spoke on the application of valuation to flow allocation in the Mekong basin and Dr Ann delos Angeles from WBI gave overview of valuation methods. There were also important contributions made by participants based on their experiences with valuation in projects. Bakary Kone of Wetlands International in Mali presented the results of a valuation study carried out in the Inner Niger Delta that was pivotal in helping participants understand both the power and practicality of using valuation tools to aid decision making in river basin management.

A guiding principle of the workshop was that participants should be supported in translating the concepts of economic valuation into specific applications and learning objectives for their projects and institutions at home. This was achieved by having participants develop Personal Action Plans (PAPs) through group exercises in the workshop sessions. This process also helped to draw into the plenary discussions the real practical challenges faced by participants. These related for example to decision making over dam construction on the Volta, strategic environmental assessment in the Nile basin and applications in national IWRM planning. Completion of their PAPs meant that each participant left the workshop with an action plan for ongoing learning, knowledge sharing or project planning.

Workshop participants found the information practical and applicable to their work in regional river basins. Lily Kisaka from the Nile Basin Commission in Kenya, said that the sessions “made it clear how valuation can be used as one of the tools in managing sustainable river basins”

Participants are now being encouraged to share how they are applying the learning gained from the workshop. Over the coming months, participants will have the opportunity to contribute to the Bridges Newsletter to report on progress they are making with their PAPs, and how they are applying economic valuation in IWRM decision making.

The workshop agenda, background readings and presentations can be accessed on the workshop website, at <http://earthmind.net/rivers/>. Further information on the work of the IUCN Water and Nature Initiative is available at <http://www.iucn.org/themes/wani/>, and the IUCN toolkit on economic valuation – titled *VALUE: Counting ecosystems as water infrastructure* – used during the workshop is available to download from <http://www.iucn.org/themes/wani/value/index.html>.

More information on the workshop and future events being planned by IUCN for river basin learning in IW:LEARN are available from Mark Smith at IUCN (mark.smith@iucn.org).