

# Project Concept Note Template for the follow-up meeting of the 2010 SPECA Economic Forum

**Ashgabat, 7-8 June 2011**

<b>Project Title</b>	Second phase of the Programme “Regional dialogue and cooperation on water resources management in Central Asia”	
<b>Outcome</b>	Regional cooperation on water resources management in Central Asia is improved, ability of Central Asian countries to use international water law to resolve their disputes is strengthened, modernization of regional institutions and legal frameworks is continued, Afghanistan is gradually involved in regional cooperation and later integrated into regional institutions, water monitoring and data exchange are improved	
<b>Indicative Funding Requirements</b>	Total estimated budget:	USD 700 000 for two years (including UNECE contribution)
<b>Potential Sources of Funding</b>	[Donor(s): [Development Bank(s): Other Resources:	GIZ: EUR 100 000 / year  UNECE in-kind contribution USD 50 000 / year
<b>Expected start date</b>	January 2012	
<b>Expected Duration</b>	2 years	
<b>Implementing Organisation(s)</b>	UNECE	
<b>Country/Countries</b>	Afghanistan, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan	
<b>Submitted by</b>	UNECE	
<b>Contact information</b>	Name: Marton Krasznai and Bo Libert Tel : 0041 22 917 27 60 Fax : 0041 22 917 01 78 Email: marton.krasznai@unece.org Mailing Address: Palais des Nations, CH-1211 Geneva 10, Switzerland	

## 1 Background

Between 2009 and 2011 the UNECE has been implementing the program “Regional Dialogue and Cooperation on Water Resources Management in Central Asia”. It is funded through GIZ by the Government of Germany in the framework of the Berlin Process, which is part of the Water and Environment Pillar of the Central Asia Strategy of the European Union. Due to budgetary austerity measures, the Government of Germany may not be in the position to fully fund the second phase of the Programme.

The first three-year phase of the Program is generating progress in several areas of regional cooperation, including capacity building on relevant UNECE conventions, strengthening of regional institutions and legal frameworks and water monitoring and information exchange. Continued progress in these areas depends very much on uninterrupted support to Central Asian States and their regional organizations by the Program. The involvement of Afghanistan in regional cooperation on water and energy remains a controversial issue and further support by the Program would be required to facilitate dialogue, confidence-building and progress in the right direction.

## 2 Justification

The Program “Regional Dialogue and Cooperation on Water Resources Management in Central Asia” received a high-level political mandate by the President of IFAS member States during their Summit meeting in April 2009 in Almaty. Despite this, increasing political tensions among several IFAS member States could not but negatively influence and slow down program implementation.

Intensive capacity building on international water law in the framework of the Programme, including a series of workshops and high-level discussions, has managed to strengthen the understanding of the UNECE Water Convention and other relevant international legal instruments among countries in the region. Turkmenistan has already announced its intention to accede to the Convention. However all countries of Central Asia would need continued capacity building to be able to apply international water law, including the Water Convention and other relevant UNECE legal instruments, and to prepare some countries for accession to UNECE Water Convention. Capacity building should also take into account that the UNECE Water Convention will be open to non-UNECE States when 2003 amendments enter into force, making the Convention a suitable legal framework for cooperation with Afghanistan.

Work on strengthening IFAS and its regional institutions and modernization of regional legal frameworks also need to continue. The main regional partner of the Program, the Executive Committee of the International Fund for Saving the Aral Sea has been receiving exceptionally strong support by Kazakhstan that chairs IFAS and hosts EC IFAS in Almaty till the end of 2011. The majority of IFAS member States would support a proposal to establish a permanent secretariat for EC IFAS in Almaty, where most of the international and bilateral donors have their regional offices. This would facilitate a more pro-active role by EC IFAS in donor coordination for the Third Aral Sea Basin Program, a five year (2011-2015) plan of action to achieve environmental sustainability in the Aral Sea basin. However, so far no consensus has been achieved on this issue. Therefore there is strong possibility that the Chair of IFAS rotates to Uzbekistan for the next three years and in 2012 EC IFAS moves to Tashkent. The rotation of the Chair and change of the geographical location of the Executive Committee has traditionally been a period of increased challenges in regional cooperation on water resources management. IFAS member countries need more than ever support by the Program to regional cooperation on water resources management in order to preserve the results achieved so far and make further progress in those areas where it is possible.

Conceptual elements of a modern and comprehensive institutional agreement for Central Asia were presented to and discussed in March 2011 by an Expert Group of the five IFAS member States. Such an agreement would establish a strong and coherent legal basis for IFAS and its regional institutions responsible for water resources management. This discussion is expected to continue at the political level (deputy prime ministers), starting from the last quarter of 2011. This work would need continued active support if it is to achieve much needed modernization of the legal basis of regional institutions for water resources management in Central Asia.

Improved water monitoring and information exchange is a sine qua non for effective regional cooperation on water resources management and more effective adaptation to climate change. While the Programme has achieved initial results in this area, much more is needed to be done before data and information are exchanged on a comprehensive range of parameters, in a transparent way and early enough to provide adequate decision support for governments, regional institutions and their development partners.

## 3 Expected Output(s)

- Continued capacity building on relevant UNECE conventions, in particular the UNECE Water Convention in close coordination with National Policy Dialogues on integrated water resources management (supported also by the UNECE under the EU Water Initiative); support to the accession of IFAS member States to relevant UNECE conventions;
- Continued coordination of National Policy Dialogues with activities in support of regional cooperation on integrated water resources management;
- Continued support to the modernization of regional legal frameworks for water resources management; Progress towards the adoption of an institutional agreement creating a solid legal basis for IFAS and its institutions for regional water resources management in Central Asia;
- Continued support to EC IFAS and its institutions. The rotation of the chair and change of geographical location of the Executive Committee of the International Fund for Saving the Aral Sea - if so decided - is undertaken with minimal disruption of its substantive work;

- With support of the Programme, the Executive Committee of the International Fund for Saving the Aral Sea continues to provide effective donor coordination during implementation of the Third Aral Sea Basin Program;
- Further progress on improving water monitoring and information exchange.

#### 4 Proposed Approach & Strategy

Political tensions in Central Asia due to disagreements over the management of water resources are expected to remain high, especially due to continuing disagreements over plans to build large hydro power stations in upstream countries.

The continuation of capacity building on relevant UNECE conventions closely coordinated with national policy dialogues are highly important instruments to assist Central Asian countries in using international water law and international best practices - like the integrated management of water resources and the river basin approach - to resolve their disputes.

Continuation of joint work of IFAS member States on the strengthening of regional institutions and legal frameworks for water resources management would have an overall confidence-building effect and keep open an important communication channel among these countries. This work would facilitate identifying further common ground and help build the political will for the adoption of a new institutional agreement that would offer a solid legal foundation for modern and efficient regional institutions. Based on almost three years of expert level work discussions on a regional institutional agreement will be raised to the political level by putting the issues on the agenda of the IFAS Board meeting the level of deputy prime ministers. A combination of policy level discussions to build consensus on key elements of an institutional agreement combined with high-level interventions (if necessary at the level of the presidents) by the senior management of UNECE and UN partner organizations as well as continued expert level work is expected to strengthen confidence and promote the acceptance of basic principles of international water law and best practices as the basis for regional cooperation on water resources management.

#### 5 Annual Work Plan

Year: 2012-2013

PLANNED ACTIVITIES <i>List activity results and associated actions</i>	PLANNED BUDGET			
				Amount
1. Activity Continuation of capacity building on international water law and relevant UNECE conventions				
2. Activity Continuation of the modernization of legal frameworks for regional water resources management in Central Asia				
3. Activity Continuation of the strengthening of regional institutions for water resources management in Central Asia				
4. Activity Continuation of support to water monitoring and information exchange				
5. Activity Support to the involvement of Afghanistan in regional cooperation on water resources management in Central Asia				
<b>TOTAL</b>				