
Economic and Social Council

Distr.: General
1 July 2010

English Only

Advance Unedited Version

Economic Commission for Europe

Meeting of the Parties to the Convention on the Protection and Use of Transboundary Watercourses and International Lakes

Working Group on Integrated Water Resources Management

Fifth meeting

Geneva, 7–9 July 2010

Item 12 of the provisional agenda

European Union Water Initiative and National Policy Dialogues

Report on National Policy Dialogues and vision for the future developments of the Dialogues

Note prepared by the secretariat¹

Summary

This document gives an outline of objectives, current state and plans for the future development of the National Policy Dialogues on Integrated Water Resource Management. National Policy Dialogues are the main operational instrument under the European Union (EU) Water Initiative. The Working Group on Integrated Water Resources Management is invited to examine this working paper and assess the progress in implementation of the programme as well as to provide comments. The Working Group is also invited to consider providing additional funding for the activities, including in-kind contributions by experts.

¹ The present document has been finalized after the official documentation deadline due to resource constraints.

I. Introduction

1. National Policy Dialogues (NPD) on integrated water resources management and water supply and sanitation are the main operational instrument of the European Union Water Initiative (EUWI) Component for Eastern Europe, the Caucasus and Central Asia (EECCA). The EUWI, including its EECCA Component, was launched at the Johannesburg World Summit on Sustainable Development in 2002. The United Nations Economic Commission for Europe (UNECE) is the strategic partner to support the policy dialogue process on integrated water resources management (IWRM), whereas the Organisation for Economic Co-operation and Development (OECD) is the strategic partner for water supply and sanitation.
2. Since 2006, under the UNECE Convention on the Protection and Use of Transboundary Watercourses and International Lakes (Water Convention) National Policy Dialogues on IWRM have been carried out in four countries: Armenia, Kyrgyzstan, the Republic of Moldova and Ukraine.
3. In 2010, under the cooperative agreement with the European Commission (EC) through OECD the policy dialogues are ending in the following countries: Armenia, Kyrgyzstan, Republic of Moldova and Ukraine. At the same time, the policy dialogues are initiated in Azerbaijan, Georgia, Tajikistan, Turkmenistan and Uzbekistan.

II. Objectives, activities and stakeholders involved

4. The UNECE-supported policy dialogue provides practical assistance to strengthen integrated water resources management in the countries of Eastern Europe, Caucasus and Central Asia in line with the principles for IWRM. Important background documentation include the UNECE Water Convention, the Protocol on Water and Health and the EU Water Framework Directive (WFD).
5. Policy dialogues are based on consultations with relevant ministries, agencies and institutions (including science and academia), non-governmental organizations, parliamentary bodies and other national and international organizations. The dialogue process is usually conducted under the leadership of a high-level government representative such as the Deputy Minister of Water Resources or Chairman of the State Water Committee. In the respective countries, national Steering Committees are established, which include representatives of relevant ministries, agencies and institutions and non-governmental organizations.
6. Steering Committees meet usually on a bi-annual basis; they discuss key national water policy issues and adopt decisions on the NPD's activities. International and donor organizations, such as EC, OECD, the United Nations Development Programme (UNDP), the Organization for Security and Cooperation in Europe (OSCE), the World Health Organization (WHO) and bilateral donors are invited to the policy dialogue meetings.
7. The main outcome of the NPDs are so-called "policy packages" such as legislative acts, strategies, ministerial orders and plans of implementation. Another important focus of the NPDs is implementation of already adopted policies; this is done through pilot projects or provision of technical assistance.
8. To support the policy development, UNECE provides funding to organization of steering committee meetings; work of local consultants and/or to pilot projects that feed into development of specific policies.

9. In addition to its original function of supporting integration of IWRM principles into national policies, the NPDs and their Steering Committees have become a national coordination mechanism for water-related projects, carried out under the auspices of international organizations (e.g. EC and EC/Tacis, UNECE, UNDP, World Bank, OECD) and countries (e.g. Finland, Norway, Switzerland, and United States).

10. The content of NPDs is country specific – Steering Committees decide on policy components/pilot projects to be developed, based on the specific needs. The overall themes of NPDs are presented in Table 1 for the countries of Eastern Europe and the Caucasus; and in Table 2 for Central Asian countries.

11. As the tables demonstrate, for most of the countries in both subregions issues of drinking water quality (Protocol on Water and Health), management of transboundary waters (Water Convention principles), adaptation of the water sector to climate change are high on the policy agenda.

12. For countries in Eastern Europe cooperating closely with the European Union through the European Neighbourhood Policy (ENP) and the EU Eastern Partnership, implementation of EU Water Framework Directive principles is one of the major directions of work of the NPDs.

Table 1

Thematic focus of National Policy Dialogues in countries in Eastern Europe and Caucasus

<i>Instruments/ frameworks</i>	<i>Armenia</i>	<i>Republic of Moldova</i>	<i>Ukraine</i>	<i>Azer- baijan</i>	<i>Georgia</i>
WFD principles	x			x	x
Water Convention principles	x	x	x	x	x
Protocol on Water and Health	x	x	x		x
EU Urban Wastewater Directive		x			
Climate change adaptation (EU and UNECE instruments)			x		
Flood Directive/UNECE instruments, including Payments for Ecosystems Services	x		x		
Institutional frameworks (e.g. River Basin Councils, other)		x		x	x

In tables 1 and 2 columns in grey colour show the NPDs that are starting in 2010.

Table 2
Thematic focus of National Policy Dialogues in countries in Central Asia

<i>Instruments/ frameworks</i>	<i>Uzbekistan</i>	<i>Tajikistan</i>	<i>Turkme– nistan</i>	<i>Kyrgyzstan</i>
WFD principles				
Water Convention principles	x	x	x	x
Protocol on Water and Health	x	x		x
EU Urban Wastewater Directive				
Climate change adaptation (EU and UNECE instruments)				
Flood Directive/UNECE instruments, including Payments for Ecosystems Services				
Institutional frameworks (e.g. River Basin Councils, other)				x

III. Implementation of the National Policy Dialogues on Integrated Water Resources Management until June 2010

A. Country activities

Armenia

13. In Armenia, the National Policy Dialogue, which started in late 2006, facilitates the implementation of the principles of integrated water resources management (IWRM) in line with the EU Water Framework Directive and relevant conventions and other international agreements with an emphasis on financial issues. This includes pilot basin activities. Two proposals – one for a policy package on target – setting for establishing targets for water quality in accordance with the Protocol on Water and Health (that is planned to be submitted in 2010 to the Government of Finland) and another on payments for ecosystem services according to the *UNECE Recommendations on Payments for Ecosystem services in IWRM* (to be funded by the Government of Switzerland) – are under preparation.

14. According to the current contract with the EU, the NPD IWRM in Armenia is to end in 2010. An application for additional funds has been submitted to the EU to extend the dialogue until the end of 2012; the funding was requested for the development of a comparative analysis of the legal framework between the Armenian Water Code and the EU WFD concerning the use of economic instruments in water management and elaboration of methodologies for implementation of the Water Code.

Republic of Moldova

15. In the Republic of Moldova, the National Policy Dialogue started in 2006; it contributes to, and facilitates the implementation of the principles of the EU WFD and the UNECE Water Convention with a link to financing issues. New governmental regulations on wastewater discharges, plans for the establishment of river basin management authorities and river basin councils, and an action plan to achieve sustainable water

management, safe drinking water supply and adequate sanitation have been drawn up and approved by the Government (or are in the phase of governmental approval). Support to preparation of the target-setting under the UNECE/WHO Protocol on Water and Health was supported by the Government of Switzerland. The NPD IWRM in the Republic of Moldova will end in early 2011 when the final Steering Committee meeting will take place.

Ukraine

16. In Ukraine, the dialogue process started in late 2007. Policies for sustainable flood management, based on the EU Flood Directive 2007/EC were elaborated. The NPD IWRM contributed to the strengthening of the legal, institutional and managerial frameworks so that water management authorities, river basin organizations and other water-related entities can increasingly cope with the challenges of climate change/variability. It also supports the development of reforms and adaptation measures (e.g. adaptation of water management to climate change; safe drinking water supply and adequate sanitation under changing climates). The final Steering Committee meeting is planned for November 2010. Additional funding from the EU was requested to elaborate a national strategy for adaptation of water resources to climate change.

Kyrgyzstan

17. In Kyrgyzstan, the dialogue process started in 2008 and focused on the setting-up of a River Basin Council for the Chu basin as well as on developing an action plan to achieve sustainable water management, safe drinking water supply and adequate sanitation. At a later stage, the policy dialogue is planned to cover sustainable use of water resources taking into account climate change, the protection of water ecosystems and water-and-health issues. This will include transboundary issues in the Chu and Talas River basins. Due to the political instability in Kyrgyzstan, a Steering Committee meeting that was planned for June 2010 had to be postponed to the end of the year. In 2010 – 2012, implementation of the NPD in Kyrgyzstan is supported by the Government of Finland.

Azerbaijan

18. In January 2010, the Ministry of Environment officially requested UNECE to start with the dialogue process, which should focus on the implementation of the Millennium Development Goals (MDGs) related to safe drinking water supply, and has committed itself to the activities. A preparatory mission took place in April 2010; it was held together with the mission of the UNECE Environmental Performance Review (EPR) team. As discussed with the authorities, national and international stakeholders, the NPD IWRM in Azerbaijan will focus on preparation of a national water management plan based on the EU WFD principles. The NPD IWRM will also build on recommendations to be developed by the EPR of Azerbaijan. Since the current EU grant to the UNECE supports only the policy discussion and no sufficient funding is available for supporting preparation of the water management plan, additional funds were requested for that from the European Commission.

Georgia

19. In November 2009, the Ministry of Environment has officially requested UNECE to start with the dialogue process. A preparatory mission is planned to take place in mid-September 2010.

Tajikistan

20. Preparatory missions for the policy dialogue process took place in March and June 2010. The Ministry of Land Reclamation and Water Resources has appointed the Deputy Minister as Chairman of the NPD Steering Committee, which will be established in autumn 2010. The NPD will focus on implementation of proposals for the water sector reforms, which were elaborated in December 2009 at a retreat organized by the Food and Agriculture Organization of the United Nations (FAO). The Danish Ministry of Foreign Affairs will provide experts who will assist the Government of Tajikistan in drawing a Roadmap of implementation of the NPD. Activities of international donor organizations involved in water management in Tajikistan will be coordinated through the NPD.

Turkmenistan

21. A preparatory mission took place in March 2010 in connection with the international forum “Drop of water – a grain of gold” that took place in Ashgabat. Meetings were held with the minister and senior officials of the Ministry of Water Economy as well as representatives of other ministries, national and international organisations. There was a positive feedback to the UNECE proposals to initiate the National Policy Dialogue; ideas were expressed that the NPD IWRM could start in Turkmenistan with a workshop where the UNECE activities, including the conventions, could be introduced. To start the NPD in Turkmenistan, UNECE is expecting to receive an official letter from the Government of Turkmenistan with an expression of interest to initiate the NPD. The Government of Norway expressed its interest in supporting activities under the NPD IWRM in Turkmenistan.

Uzbekistan

22. A joint preparatory mission with the OECD was organized in April 2010. As proposed by the Ministry of Health of Uzbekistan, one direction of the NPD IWRM will be activities on setting targets, reviewing progress and reporting under the WHO/UNECE 1999 Protocol on Water and Health. Additional topics, such as implementation of river basin management approaches, will be discussed with relevant authorities and further developed during 2010. NPD activities in Uzbekistan are not part of the EU grant to the UNECE; the Government of Switzerland provided support to the NPD IWRM in Uzbekistan for 2010 – 2011.

B. Coordination of national activities with regional activities in the EECCA region

23. Possibilities of linking the NPD’s on IWRM with relevant international initiatives in Eastern Europe, Caucasus and Central Asia have been explored; key donors and international organisations working on water issues in the region are regularly informed on the NPD activities. In 2010, the NPDs in Central Asian countries were proposed to be included into the regional Aral Sea Basin Programme III, development and implementation of which is coordinated by the Executive Committee of the International Fund for Saving the Aral Sea (EC-IFAS).

IV. State of funding of the National Policy Dialogues in 2009 – 2012

24. Since 2009, NPD activities were implemented by the UNECE with the funding of the European Commission². According to this agreement with the EC the policy dialogues are ending in the following countries: Armenia, Kyrgyzstan, Republic of Moldova and Ukraine. Under the same agreement, the policy dialogues are to be initiated in 2010 in Azerbaijan, Georgia, Tajikistan and Turkmenistan. The EC funds cover the organization of meetings of national Steering Committees and consultations with the governments but do not include operational funds for the elaboration of policy packages.

25. In addition to the funds provided under the OECD–UNECE Contribution Agreement, UNECE has applied for complementary funding to strengthen and broaden the NPD process and support preparation of policy packages. Thanks to these efforts, a dialogue has started in Uzbekistan, funded by the Government of Switzerland. The Government of Finland has confirmed support for continuation of the NPD in Kyrgyzstan and for the strengthening of the dialogue in Georgia. The Government of Norway expressed its interest to support the NPD activities in Turkmenistan.

26. As to the development of policies in countries of the Eastern Europe, Caucasus and Central Asia region, UNECE relied so far on the expertise provided by the UNECE horizontal programmes (UNECE *Guidance on Water and Adaptation to Climate Change*, implementation of the UNECE/WHO Protocol on Water and Health, etc.), EU TACIS projects on water governance (two projects – one for Central Asia and one for Western EECCA) as well as other donors' projects, such the World Bank, OECD, German Technical Cooperation (GTZ), UNDP, FAO and other.

27. However, as the timing of implementation of TACIS and other international projects often does not coincide with the period of implementation of NPDs, coordination with TACIS and other projects is not always possible. In addition, other donors' projects may have separate objectives and tasks and cannot usually address immediate needs of the governments in the development of the NPDs policy packages – governments of the target countries may request small studies/analysis on specific topics connected to the reforms, which are not included in the terms of reference (TORs) of ongoing international projects.

28. In 2010, the Danish Ministry of Foreign Affairs offered support to the work of two international water management experts who will support efforts of the Government of Tajikistan in drawing the NPD IWRM Roadmap. Such in-kind support and provision of international experts to the NPDs in Eastern Europe, Caucasus and Central Asia is very much appreciated and encouraged by UNECE.

V. Experiences of implementation and recommendations for the future

29. While the NPD concept is still developing, it could be concluded that it is working well in Eastern Europe, Caucasus and Central Asia. Implementation of the NPDs on IWRM

² Through an OECD–UNECE Contribution Agreement dated 31 July 2009 covering the period 2009–2012.

will proceed according to the work plan adopted by the EU Water Initiative Working Group for EECCA Region in December 2009. Experiences of the NPD's on IWRM implementation and recommendations for the future development of the policy dialogues are presented below.

30. The political transformation in the countries of Eastern Europe, Caucasus and Central Asia is a long term process and the application of the NPD instrument needs to take this into account. The National Policy Dialogues need to be established as an instrument assisting the countries in their reforms; therefore they need to be also long term processes. However, since the NPD programme at the UNECE is a short-term project currently funded until 2012 mostly by the EU and with additional funds from the EU member states and very active participate of countries from outside of the EU, there is a risk that NPDs are not sustainable in the long run.

Recommendation

31. The NPD should take this into account and provide long-term support of reforms through dialogue, capacity building and learning-by-doing. A process-oriented rather than project oriented approach to implementation of IWRM principles should be adopted. Funding to NPDs need to be ensured at least until 2015. Both financial as well as in-kind (expertise) support to the NPDs are important.

32. In view of the opportunities presented and tasks agreed upon, one major bottleneck of implementation at the UNECE is that management of the NPD programme is understaffed. NPDs IWRM are implemented in nine countries and implementation is currently hampered by a lack of capacity at the UNECE Secretariat – activities in nine countries are managed by one person. The NPD process is complex and includes planning, negotiations with the governments; organization of meetings; contracting of experts and preparation of grants. Initiation and organization of NPDs in the Central Asian countries is more time-consuming than in Eastern Europe. In particular, more efforts are needed to maintain communication and conduct negotiations with the governments and stakeholders. There is also a wider range of donors in Central Asia which requires more time to ensure good coordination.

Recommendation

33. To maintain the current quality of management of the NPDs, hiring one more full time expert at the UNECE Secretariat is an urgent need. This requires additional funding. Strengthening management capacity at the UNECE Water Convention Secretariat is necessary to ensure quality of service to the target governments.

34. The NPDs are successfully building on the multiple UNECE activities, including activities under the UNECE Water Convention, environmental performance reviews (EPR) and others. The UNECE direct contacts and regular cooperation in different UN foras with the governments of the countries in Eastern Europe, Caucasus and Central Asia helps to achieve political commitment of these governments to the NPDs implementation and ensures their long-term sustainability.

Recommendation

35. Synergies of the NPDs IWRM with other UNECE activities – under the UNECE Water Convention and beyond should be maintained and extended.

36. The NPD programme requires a strong knowledge base – the political discussions among the decision makers and stakeholders should be based on facts, figures and solid

analysis. As the experience of implementation of NPDs demonstrates, there is a need for increased operational funds making it possible to involve international as well local experts more effectively.

Recommendation

37. Technical support to the National Policy Dialogues on IWRM (to preparation of the policy packages) needs to be ensured.

38. A more active communication and intensified dissemination activities is also needed to ensure a better visibility and long term sustainability of the NPDs. With the development of the civil society, the range of stakeholders of IWRM in the target countries increased significantly during the last 20 years and it is a challenge for the NPDs to ensure all key stakeholders are involved. In transition countries where the governments are not yet stable, it is important to maintain cooperation with a possibly wide range of stakeholders. Also multiple international stakeholders and especially funding agencies need to be informed on regular basis.

Recommendation

39. Resources under the NPDs should be allocated to ensure regular active communication and information activities.

40. So far there is only one benchmarking report produced by the Global Water Partnership (GWP) in 2004 (*Status and plans of EECCA countries in fulfilling the WSSD target on IWRM plans by 2005*, GWP 2004) that made an evaluation of implementation of IWRM principles in the institutional and legal basis of the EECCA countries. This kind of benchmarking needs to be made on a regular basis in all NPD countries; if possible simultaneously for all the countries in Eastern Europe, Caucasus and Central Asia. The benchmarking would allow also identifying gaps for further both technical assistance and directions of the national policy dialogues in those countries. Such a benchmarking could be done through studies, organization of regional (Eastern Europe, Caucasus and Central Asia region) or subregional meetings (Eastern Europe and Central Asia), working groups on specific topics and use of EU expertise in IWRM for such studies. Presently, funding for this is not available.

Recommendation

41. Comprehensive benchmarking of implementation of IWRM principles in countries of Eastern Europe, Caucasus and Central Asia should be organized on a regular basis to ensure accurate evaluation of results of the activities promoting implementation of IWRM principles in the region and giving guidance on the future direction of the NPDs.
