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#### Working Group on Integrated Water Resources Management

##### Sixth meeting

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#### European Union Water Initiative and National Policy Dialogues

### Report on National Policy Dialogues and vision for the future development of the dialogues

Note prepared by the secretariat\*

#### *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 document, to assess the progress with the implementation of the programme, as well as to provide comments and recommendations for the future implementation.

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

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## I. Background and objectives

1. National Policy Dialogues (NPD) on integrated water resources management (IWRM) and water supply and sanitation (WSS) 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 chosen by the relevant stakeholders to support the policy dialogue process on IWRM, whereas the Organization for Economic Co-operation and Development (OECD) is the strategic partner for WSS and financial aspects of IWRM.

2. Since 2006, under the UNECE Convention on the Protection and Use of Transboundary Watercourses and International Lakes (Water Convention) NPDs/IWRM have been carried out in four countries: Armenia, Kyrgyzstan, the Republic of Moldova and Ukraine.

3. In 2010 and 2011, policy dialogues were initiated in Azerbaijan, Georgia, Tajikistan, Turkmenistan and Uzbekistan. Thus, NPDs/IWRM are presently implemented by the UNECE in nine countries. In September 2010, the Government of Kazakhstan has requested the initiation of a NPD/IWRM. If funding from the European Union for continuation of the NPD program is approved, the Kazakh NPD could start by the end of 2011.

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 of IWRM. Important references include the UNECE Water Convention, the UNECE/WHO-Europe Protocol on Water and Health and the EU Water Framework Directive (WFD).

## II. Activities and stakeholders involved

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 the Chairman of the State Water Committee. In the respective countries, national Steering Committees are established, which include representatives of relevant ministries, agencies and institutions, as well as non-governmental organizations.

6. In the countries where NPDs/IWRM are implemented, the following components are included in the NPD work: the preparation of mapping reports on the IWRM situation, including international and national projects and programs, and the elaboration of roadmaps to achieve IWRM. These documents are important to avoid duplication of activities and to ensure clear and transparent communication and coordination with national as well as international organizations involved in the NPD process. At present, such mapping reports are prepared when funding is available for such activities; therefore, they are not prepared in all the EECCA countries where NPDs are implemented.

7. On the content side, an important outcome of the NPDs are so-called “policy packages”, such as legislative acts, strategies, ministerial orders and plans of implementation. In order to select policy packages for its involvement (upon request of the participating country) UNECE gives priority to the implementation of UNECE instruments,

such as the Protocol on Water and Health and to transboundary issues, including the application of different guidelines developed by UNECE (monitoring and assessment, flood management, climate change, etc.). The implementation of the relevant EU strategies and legislation, such as the EU-CA Platform, EU Water Framework Directive, etc., are also important bases. In all cases, the availability of resources is a precondition for engagement in the development of policy packages.

8. In terms of key topics, issues such as strategic water management plans based on IWRM principles (EU Water Framework Directive), drinking water quality (Protocol on Water and Health), management of transboundary waters (Water Convention principles) and adaptation of the water sector to climate change are high on the policy agenda of most EECCA countries.

9. For countries in Eastern Europe cooperating closely with the European Union through the European Neighbourhood Policy (ENP) and the EU Eastern Partnership, implementation of the EU WFD principles is the main focus of the NPDs.

10. In all countries, the National Policy Dialogues follow the principles of IWRM that are documented in the UNECE Water Convention, the EU Water Framework Directive and other water related UN and EU policy documents. However, the NPDs/IWRM processes in the nine countries are all unique as far as approaches for introducing IWRM principles, substantive agendas of the dialogues and dynamics of the processes are concerned. Implementation depends on the existing objectives for IWRM in each country, the legislative and institutional framework, as well as the political and socio-economic situation.

11. On the institutional side, Steering Committees (SC), usually set-up in coordination with OECD, meet at least on annual basis at the national level. They discuss key national water policy issues and adopt decisions on NPD activities. International and donor organizations, such as the European Union (EU), 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.

12. In addition to its original function of supporting integration of IWRM principles into national policies, in the countries where they are present, 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, UNECE, UNDP, World Bank, OECD) and donor countries (e.g. Finland, Norway, Switzerland, and United States). This contributes to the further strengthening of national institutions for IWRM.

### **III. Implementation of the National Policy Dialogues on Integrated Water Resources Management until April 2011**

#### **A. Country activities**

##### **Armenia**

13. The Policy Dialogue was initiated in 2006. It facilitates implementation of the IWRM principles in the national legislative and institutional frameworks. In 2010, the UNECE and the OECD established a joint NPD/IWRM Steering Committee, which allows more synergies and better coordination of activities. Within the dialogue, a programme of water management measures was developed for the Marmarik river basin. The NPD/IWRM also focused on economic instruments in water management; the OECD organized activities on IWRM financing in the Marmarik river basin and has started similar activities

in the Debed river basin. A pilot project on payments for ecosystem services in the Hazran river basin is being implemented in 2010-2011 with the support from the funds of the Government of Switzerland through the UNECE.

14. In 2009, a proposal for an “Action plan on improving health in Armenia through target setting to ensure sustainable water management, access to safe water and adequate sanitation” was elaborated. This proposal for supporting the development of the programme of actions under the Protocol on Water and Health has been submitted for funding from the Finnish Government, possibly through the EBRD Water Fund. A Policy Brief “Summary of results and lessons learned from the implementation of the NPD/IWRM in Armenia within the UNECE NPD on IWRM” was published; it is available from the Armenian Water Portal at <http://www.awp.am/en/Reports.html>. Plans for the continuation of the NPD/IWRM focus on the economic and financial dimension of IWRM. Activities will include pilot projects to support further development and implementation of IWRM principles in Armenia.

#### **Azerbaijan**

15. The First Steering Committee was organized in October 2010. The NPD/IWRM focuses on the development of a government strategy for the management of water resources. Transboundary water cooperation with neighbouring Georgia, specifically the preparation of a bilateral agreement on management of shared transboundary waters, is another important issue on the National Policy Dialogue agenda. The policy dialogue in Azerbaijan will build on related activities by both the UNECE and the OECD. The recently completed second UNECE Environmental Performance Review of Azerbaijan makes recommendations, which feed into the dialogue. The NPD/IWRM in Azerbaijan is funded by the EC and the Organization for Cooperation and Security in Europe (OSCE). The Government of Finland will contribute with expert support to preparation of the strategy for management of water resources.

#### **Georgia**

16. The UNECE-led NPD/IWRM started in Georgia in September 2010 with meetings of the UNECE Water Convention Secretariat with the Ministry of Environmental Protection and Natural Resources and other stakeholders. The kick-off meeting took place in March 2011. The National Policy Dialogue on IWRM in Georgia focuses on three major topics: preparation of the National Water Law based on the IWRM principles; setting up the targets for implementation of the Protocol on Water and Health; and transboundary activities, including cooperation with the neighboring Azerbaijan and accession to the Water Convention. In addition to the EC grant, the NPD/IWRM in Georgia is supported by the Government of Finland and the OSCE. The first Steering Committee meeting is planned for June 2011.

#### **Kyrgyzstan**

17. In Kyrgyzstan, the dialogue process started in 2008 and focused on setting-up a River Basin Council for the Chu basin and developing an action plan to achieve sustainable water management, safe drinking water supply and adequate sanitation in accordance to the Protocol on Water and Health. Three SC meetings have been organized. Dialogue outcomes feature two policy packages, including a regulation for the establishment of a river basin council for the Chu river basin and an action plan to achieve the water-related Millennium Development Goals through the implementation of the Protocol on Water and Health. In 2010, the NPD process was interrupted by the political changes that occurred in the country. The fourth SC meeting will take place in May 2011. It will focus on the institutional aspects of IWRM and national policies for transboundary cooperation. In

2010-2012, the NPD/IWRM in Kyrgyzstan is supported by the EC and by the Government of Finland.

### **Republic of Moldova**

18. The NPD/IWRM started in 2006. The dialogue has led to three policy packages adopted in 2009-2010, including a Governmental Order on wastewater discharges from municipal sources (2009), a Draft Order of the Agency Apele Moldovei on the establishment of river basin management authorities and river basin councils (2009), and an Action Plan to achieve the water-related Millennium Development Goals under the Protocol on Water and Health. In 2009-2010 with financial assistance of the Government of Switzerland under an agreement between the Swiss Agency for Development and Cooperation (SDC) and UNECE, the Dialogue focused on the setting up of targets and target dates on water and health in accordance with the Protocol. It resulted in a Government Decision on the targets under the Protocol that was adopted on 20 October 2010.

19. Under the EC grant, one final NPD/IWRM SC meeting is planned for summer-autumn 2011. The Government of Moldova has requested the continuation of the NPD/IWRM. The main focus of the NPD in the future would be the monitoring of implementation of the established targets under the Protocol on Water and Health. Discussions on possible funding from the Swiss Development Cooperation are ongoing. This work will be done in close coordination with the OECD within its NPD/WSS. The International Water Assessment Centre (IWAC) would be ready to also support NPD activities on transboundary water cooperation with Ukraine in the Prut River. These activities would be implemented under the EU Danube Strategy in close coordination with the Danube ICPDR Commission.

### **Tajikistan**

20. Preparatory missions by the UNECE Secretariat took place in March and June 2010. A presentation on the EUWI NPDs was made at the High-level International Conference on the mid-term comprehensive review of the implementation of the International Decade for Action "Water for Life, 2005-2015" (Dushanbe, 8-10 June 2010). The First Steering Committee meeting took place in March 2011. The main focus of the NPD is the development of the Water Sector Strategy based on IWRM principles. Transboundary water cooperation with neighbouring Kyrgyzstan, as well as Afghanistan (management of the Upper-Amu Darya Basin), is another important issue on the NPD agenda. The NPD/IWRM in Tajikistan is funded by the EC, UNECE and the German International Cooperation (GIZ). The Danish Ministry of Foreign Affairs has provided an international expert who assists the Government of Tajikistan in developing a report mapping IWRM stakeholders and a roadmap.

### **Turkmenistan**

21. A preparatory mission took place in March 2010. The NPD kick-off meeting was held in December 2010, followed by the first Steering Committee meeting in April 2011. As a part of the NPD/IWRM in Turkmenistan, an expert group is planned to be established, which will assist Turkmenistan in the adoption of the standards of the UNECE Water Convention, including IWRM principles enshrined in the Convention, on cooperation in national and transboundary contexts and in the support of its accession to – and implementation of – the Convention. In 2011, a national workshop on IWRM is planned to be organized. The NPD/IWRM in Turkmenistan is supported by funds from the Norwegian Ministry of Foreign Affairs, the EC and the GIZ.

### **Ukraine**

22. In Ukraine, the dialogue process started in late 2007. A first policy package, approved by the Steering Committee in 2008, was a plan to achieve sustainable water management, safe drinking water and adequate sanitation under the Protocol on Water and Health. The plan was implemented in 2009-2010 with financial support from Norway and in-kind contributions from Israel. The NPD/IWRM also focused on strengthening legal and institutional framework for water management with the view to tackle the challenges of climate change. Policies for sustainable flood management, based on the EU Flood Directive 2007/EC were elaborated. Two policy packages were elaborated within the NPD/IWRM, namely a draft implementation plan based on the relevant UNECE Guidance on water and adaptation to climate change and a preliminary evidence base of climate change impacts on water resources in the Dniester basin. These policy packages have facilitated the development of a pilot project on “reducing vulnerability to extreme floods and climate change in the Dniester basin”, which is now being implemented under the framework of the ENVSEC initiative by UNECE, OSCE and UNEP. The final Steering Committee meeting under the EC grant was organized in November 2010.

23. In 2011, the NPD/IWRM in Ukraine is funded by the IWAC. Activities will include pilot projects on economic instruments in water management, transboundary water cooperation with the Republic of Moldova and Romania on the Prut and Siret river basins and the organization of the fifth SC meeting. These activities will be implemented under the EU Danube Strategy in close coordination with the International Commission on the Protection of the Danube (ICPDR).

### **Uzbekistan**

24. A joint OECD/EAP Task Force and UNECE mission to Uzbekistan was undertaken in April 2010 with a view to explore the interest of the Government of Uzbekistan to cooperate in the framework of the EUWI. The Ministry of Health of Uzbekistan expressed an interest in NPD activities on water sanitation issues related to the Protocol on Water and Health. The State Committee for Nature Protection and Uzcommunhizmat (Agency for Water Utilities Management) were also interested in cooperating. The Ministry of Agriculture and Water Sector did not express, however, interest in implementation of the NPD/IWRM. Therefore, the NPD/IWRM is implemented in 2011-2012 in cooperation with the Ministry of Health, the WHO office in Uzbekistan and other relevant organizations. It focuses on issues related to the Protocol on Water and Health. The NPD/IWRM in Uzbekistan is funded by the Government of Switzerland.

## **B. Organization of annual meetings of the EU Water Initiative EECCA Working Group and coordination of national and regional activities in Eastern Europe, the Caucasus and Central Asia**

25. The annual meetings of the EU Water Initiative Working Group for the Eastern Europe, the Caucasus and Central Asia (EECCA) region provide for an important platform for the exchange of experience between EECCA countries on the implementation of water-related national policy dialogues. The EU Water Initiative’s EECCA Working Group held its 14th meeting in October 2010 in Brussels. It was organized back-to-back with the first meeting of the Working Group on Environmental Governance and Climate Change under the Platform for Environment and Water, which is chaired by Italy in the framework of EU – Central Asia Strategy. The water activities of the EU-Central Asian Strategy will build on the ongoing work of the EUWI EECCA Working Group. The meeting was hosted by the European Commission and co-organized by the Romanian Ministry of the Environment and Forests, the UNECE and the OECD.

26. Possibilities of linking the NPDs/IWRM with relevant international initiatives in Eastern Europe, the Caucasus and Central Asia have been explored. In 2011, the NPDs in Central Asian countries were included into the third edition of the Aral Sea Basin Programme (ASBP-3), the development and implementation of which is coordinated by the Executive Committee of the International Fund for Saving the Aral Sea (IFAS).

#### **IV. State of funding of the National Policy Dialogues in 2009-2012**

27. In 2009-2012, NPD activities are mostly implemented by the UNECE with EC funding.<sup>1</sup> According to the agreement under the EC grant, funding for the policy dialogues ended in 2010 in the following countries: Armenia, Kyrgyzstan, Republic of Moldova and Ukraine. Under the same agreement, in 2010 and 2011, policy dialogues were initiated in Azerbaijan, Georgia, Tajikistan and Turkmenistan. The funds cover the organization of one to two meetings of NPD Steering Committees (SCs) at the national level and consultations per country only. This does not include operational funds for the elaboration of policy packages.

28. In addition to the funds provided by the EC, UNECE received complementary donor funding to strengthen and broaden the NPD process and to support preparation of policy packages (Please see Table 1 and Figure 1). Thanks to these efforts, a dialogue has started in Uzbekistan, funded by the Government of Switzerland. Switzerland also provided funds for the PES project under the Armenian NPD/IWRM. The Government of Finland supported the continuation of the NPD in Kyrgyzstan and the strengthening of the dialogue in Georgia. It will also provide expert support on EU WFD issues for Azerbaijan and Georgia. The Government of Norway supported NPD activities in Turkmenistan in 2010-2011. The Government of Germany (through GIZ) and the UNECE (through the UN Development Account Framework) provided additional funds for meetings and local consultancy in Tajikistan and Turkmenistan. IWAC plans to provide funds for NPDs/IWRM in Ukraine and Moldova and is prepared support one meeting in Kazakhstan. The Danish Ministry of Foreign Affairs provided expert support for the NPD/IWRM in Tajikistan and is prepared to provide similar support to the NPD/IWRM in Kyrgyzstan. The OSCE supports the organization of SC meetings in 2011 – one in Azerbaijan and one in Georgia. Total the NPD/IWRM funding in 2009 – 2012 is under 1,5 million USD (Table 1).

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<sup>1</sup> Through an OECD-UNECE Contribution Agreement dated 31 July 2009, covering the period 2009-2012.

Figure 1.  
NPD/IWRM funding in 2009 - 2012, EUR

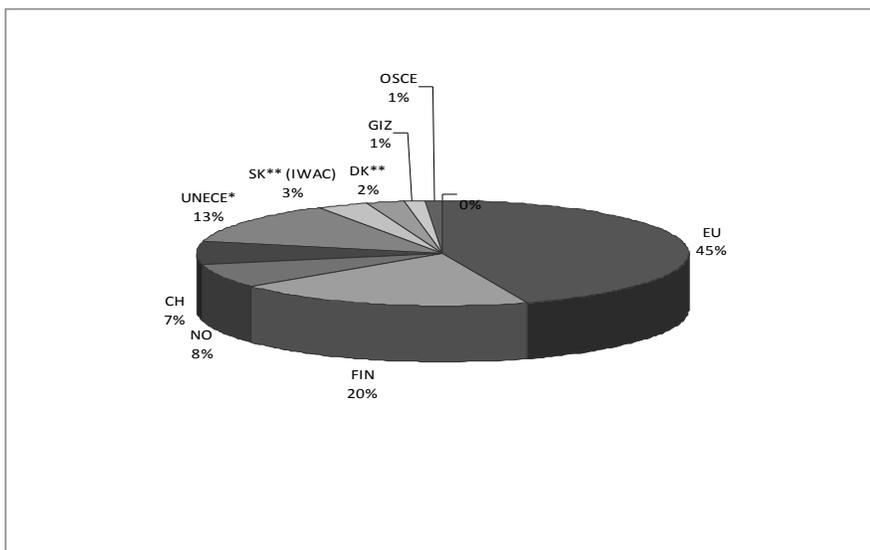


Table 1.  
NPD/IWRM funding in 2009 - 2012, EUR

<i>Funding agency</i>	<i>Amount</i>
European Union - EU	675'000 EUR
Government of Finland - FIN	300'000 EUR
Government of Norway - NO	115'000 EUR
Government of Switzerland - CH	106'400 EUR
UNECE*	200'000 EUR
Government of Slovakia through the International Water Assessment Center - SK** (IWAC)	50'000 EUR
Government of Denmark - DK**	35'000 EUR
Government of Germany through German Society for International Cooperation (GIZ)	22'800 EUR
Environment and Security Initiative through the Organization for Security and Cooperation in Europe - OSCE	17'000 EUR
<b>Total estimated</b>	<b>1'521'200 EUR</b>

\* Estimated – included UNDAF funds and input by UNECE budgetary staff

\*\* Preliminary information – funds (or part of those) are being negotiated

29. Thanks to the funds received in 2011, the overall NPD/IWRM budget increased almost 2.5 fold compared to 2010 – from 332,000 USD to 773,000 USD. While in 2010, 80% of the NPD/IWRM budget was covered from the EC grant; in 2011 this figure was reduced to 30%; on average in 2009 – 2012 it is estimated 48%. However, most of the increase concerned operational funding, leaving staff costs practically unchanged. The capacity of the UNECE staff involved is therefore constantly stretched by the implementation of this expanding program.

30. In December 2010, the OECD and the UNECE have applied for funding from the EC Directorate for Development Cooperation for the Second Phase of the NPDs for the period of 2011-2014. The proposal includes initiation of the NPD/IWRM in Kazakhstan and the continuation of the NPDs in Armenia, Kyrgyzstan, Moldova, Tajikistan and Ukraine. This also includes activities for the preparation of policy packages, for the evaluation and benchmarking of the progress of the NPDs, as well as dissemination activities. The proposal does not cover support to the NPDs in Azerbaijan, Georgia, Turkmenistan and Uzbekistan, due to the limitation of the funds available under the application process. In case of the successful evaluation and availability of EC funds, the funding for the second phase of the program should be secured. Moreover, the UNECE will continue to actively seek the support of the donor community to raise complementary funding from a wide range of sources. Based on inputs from the countries participating in the NPDs/IWRM, this will contribute to the further strengthening of the process. The new phase is expected to start in 2012.

## **V. Lessons learned on and challenges to NPD/IWRM implementation**

31. The experience of implementation of the NPDs demonstrated that the dialogues respond to countries needs and are much "requested": countries in which the NPDs were supposed to end, requested for their continuation; countries which were not initially interested, requested to start NPDs (Kazakhstan).

32. The National Policy Dialogues should focus on policy issues rather than on technical issues. They should be designed as national platforms where representatives of all competent sectors and key stakeholders meet and discuss policy issues.

33. Implementation of policy packages (e.g. new governmental regulations) is one of the key objectives of the National Policy Dialogues; the involvement of representatives of Parliamentary and governmental bodies responsible for environmental issues is crucial.

34. The topics of the NPDs evolve over time reflecting the evolving needs of the respective countries. This means that support to such dialogues needs to be flexible enough to accommodate new demands. This is especially important in the countries plagued with political instability.

35. The political instabilities in the target countries is one of the major concerns. Supporting and when needed (in case of changes in governments) re-establishing of the NPDs is a very long and resource consuming process.

36. UNECE plays not only a facilitative and supportive role to the NPDs but also a political role which helps to break-through (e.g. Turkmenistan) and promote international cooperation with countries, which were not involved in such cooperation before.

37. The NPDs are successfully building on the multiple UNECE activities, including activities under the UNECE Water Convention, UNECE 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. Synergies of the NPDs IWRM with other UNECE activities – under the UNECE Water Convention and beyond should be maintained and extended.

38. There are increasing synergies between at one hand national and at the other – transboundary and regional cooperation activities in the EECCA region. There is an increasing number of activities within NPDs supporting national policies for transboundary cooperation with neighboring countries. Coordination with regional initiatives such as Aral

Sea Basin Program III opens possibilities to support the regional cooperation processes through the national dialogues.

39. Cooperation with other international organizations active in the EECCA region is very important to ensure reforms in the water sector are developed and effectively implemented. International partners should go beyond their own interests, work for the common good of improving the situation in the region and use their political weights to support the reforms.

40. The major challenge in implementation at the UNECE remains that management of the NPD programme is understaffed. Cooperation with the OECD as a strategic partner in the EUWI EECCA Component has been already strengthened and possibilities for even closer cooperation, coordination and synergies will be further explored. - Due to limitation of resources, there is a need in sharing tasks.

41. At the UNECE, one staff member can manage up to 5 - 6 countries' dialogue maintaining quality of work. To manage the NPDs in the ten countries (as planned starting in 2011), hiring one more full time expert at the UNECE Secretariat is an urgent need. Otherwise, a number of countries managed at the UNECE need to be decreased to the manageable number.

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