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Opening Statement by Marton Krasznai, Regional Adviser, UNECE

Donors' Coordination Meeting Organized by EC IFAS

Almaty, 21 May 2010

Within the framework of the Berlin Process ECE is implementing a three year USD 2 M program funded by the Government of Germany through GTZ. The Berlin Process in turn is part of the Water and Energy Pillar of the CA Strategy of the EU.

The Program has achieved tangible progress since it started a year ago: it received a political mandate by the IFAS Summit in April 2009, it accomplished a comprehensive study (60 local, two international experts) on institutional and legal frameworks, it organized two meetings of the Working Group on institutional and legal strengthening and ASBP-3, where consensus has been reached on a step-by step approach to reform. The IFAS Board approved four main directions of ASBP-3, including institutional and legal strengthening and the next meeting of the Board is expected to appoint a 10 member expert group (two from each member country) to review all existing institutional agreements and elaborate a proposal on a modern, strengthened, unified legal basis for IFAS and other relevant regional organizations by the end of 2011.

The ECE program on the one hand provides support to EC IFAS in the elaboration of ASBP-3 and on the other hand it is proposed that this work is to be continued within the ASBP-3 framework. There are several reasons for it:

The same summit decision that tasked EC IFAS and its regional organizations to elaborate ASBP-3 expressed the readiness of IFAS member countries to strengthen regional institutions and legal frameworks. In other words the Presidents recognized the close interrelationship between effective regional institutions and a successful ASBP-3.

Last December the IFAS Board – at the level of Deputy Prime Ministers – decided to include institutional and legal strengthening in ASBP-3 as its fourth direction.

The WG on institutional and legal strengthening last April underlined that steady progress within direction four is a precondition of successful implementation of projects within the other three directions.

ASBP-3 (2011-2015) provides a realistic time-frame for the ECE program on institutional and legal strengthening: if the expert group elaborates a set of proposals on the modernization and strengthening of the legal basis for regional institutions by the end of 2011, these proposals will need to be translated into concrete measures to strengthen and modernize the existing institutional architecture and improve coordination and cooperation among its entities.

ASBP-3 is also seen a framework for ensuring resources for the ECE program itself which has assured funding till the end of 2011. It is hoped that this funding can be extended till 2015, when key building blocks of institutional and legal strengthening should be in place, the whole modernized architecture should start to be



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sustained by the member countries themselves thanks to a reformed budgeting system and any further improvements could be elaborated by the regional institutions themselves.

Resources are also necessary to “kick-start” the work of strengthened and modernized IFAS and its regional organizations. The lack of resources seriously hinders proper functioning of the present regional architecture, let me just mention the huge funding gap that prevents the rotation of all organizations under the IFAS umbrella as foreseen by present institutional agreements – by the way, even if this system would work it would be an extremely costly and inefficient way of ensuring the equal participation of all member countries in the work of regional organizations.

Here I would like to underline that IFAS member countries in principle have the resources to support a modernized and strengthened IFAS and all its regional organizations. One of the problems identified by the review of present legal and institutional arrangements is the dysfunctional budgeting system. Extra resources will be needed for the one-off investment in infrastructure (technical equipment) and training of staff of the modernized and strengthened regional institutions and also to cover their operational expenses until a modernized budgeting system starts providing them with sufficient resources.

We feel that a successful ASBP-3 would be instrumental in gradually strengthening political and other support by member countries to IFAS and its regional organizations.

ASBP-3 also offers an opportunity to develop a holistic approach to institutional and legal strengthening: developing institutions that are capable to undertake integrated management of water resources at the national, river-basin and regional level need to be developed through coordinated programs at these three levels: accordingly, UNECE plans to include relevant national projects in ASBP-3, e.g. on the conduct of national policy dialogues on integrated water resources management in all five IFAS member countries. The idea of establishing river basin councils on the Syrdarya and Amudarya – the first step towards proper river basin commissions - is also among the proposals considered by the WG on institutional and legal strengthening and ASBP-3: its implementation would require a river-basin level program.

In addition, in the ASBP-3 framework we hope to be able to take advantage of obvious complementarities and potential synergies between ECE programs and other projects, e.g. the RETA supported by ADB, should ADB decided to join donors supporting ASBP-3.

In light of their one and a half decade long history we are all aware of the obvious weaknesses and shortcomings of IFAS, as a regional institutional umbrella and ASBP as a framework for projects to support the sustainable development of the countries of the Aral Sea Basin, On the other hand, it would be a serious mistake to underestimate their importance both in political and operational terms. Their continued existence represents the political will of the five countries to work together on the most complicated challenges they face as a region. And this is not a small thing if you think of the great number of regional initiatives, organizations, institutions and programs in Central Asia that have been created over the years but did not stand the trial of time.