

EAP Task Force



14th EUWI-EECCA Working Group Meeting

Brussels, 27-28 October, 2010

DRAFT Summary Record

The EU Water Initiative's EECCA Working Group held its 14th Working Group in Brussels on 27-28 October 2010. The meeting was hosted by the EU Commission and had about 70 participants. The participants included officials from EECCA and EU member States, experts from the water supply, sanitation and water resources sectors, private sector, IFI, NGOs and international organisations (EU Commission, UNECE, OECD EAP task Force, IWAC and FAO)

The objectives of the meeting in Brussels were:

- To discuss Progress in implementing the work programme: Ongoing National Policies Dialogues and IWRM projects
- To present progress in the EU WFD and lessons learned for the EECCA region
- To discuss key challenges of EUWI in the context of climate change.
- To present European Neighbourhood policy, ENP instrument Eastern Partnership and EU Central Asia Strategy and discuss how it can reinforce EUWI EECCA activities
- To discuss and adopt the Work plan of the EUWI EECCA component for 2011.
- To discuss the preparations to the Astana Environment for Europe Conference

In this context:

1. The Chair of the EUWI EECCA Working Group **Mr. Gheorghe Constantin** welcomed the participants to Brussels and introduced the objective of the EUWI EECCA Working Group meeting. Mr. Constantin informed the participants that the EUWI Stakeholder Forum meeting in August in Stockholm concluded, that the EECCA component was very well developed. The chair informed that since the 13th WG meeting Mr. Xavier Leflaive had replaced Mr. Peter Borkey at OECD and that Ms Gulnara Roll had replaced Rainer Enderlein in UNECE. The Chair thanked the outgoing representatives from OECD and UNECE and welcomed the new representatives.

Mr. Pierre Borgoltz European Commission, DG RELEX welcomed the participants to Brussels and stressed the importance for cooperation between EECCA countries and European Countries in the water sector. The EU Commission consider the results achieved so far of the EUWI EECCA very encouraging as good progress has been made in the National Policy Dialogues, and that EU Commission expresses its continued support to the EU Water initiative.

Mr. Massimo Cozzone, Chair of the EU-Central Asia Strategy, introduced the WG to the priorities of the EU-Central Asia strategy (Water, climate change and environmental governance). For the water activities the EU-Central Asian Strategy will build on the ongoing work of the EUWI EECCA Working Group.

The WG was informed that UNECE has been working on National Policy Dialogues in six countries since 2006 and plans to start up NPD in five additional countries, and that the NPD's in Central Asia is a part of the Aral Sea Programme III. Transboundary water management and climate change are increasingly part of the National Policy Dialogues.

The WG was informed that the OECD EAP Task will continue work on financing of Water Supply and Sanitation as a continuation of the work during recent years and on financing of IWRM which is a newer activity and that they would like to engage more countries in the national policy dialogues. The importance of a solid preparation for the Astana Environment for Europe conference was also stressed.

2. **Session 1 - Overview of the EUWI EECCA status**

The WG took note of the progress of the EUWI EECCA and the National Policy Dialogues. There are now ongoing NPD's in 7 countries and preparations to start up dialogues in additional four countries. (Tajikistan, Turkmenistan, Uzbekistan, and Kazakhstan). During the latest years NDP's have been supported by an increasing number of donors- showing the big interest both from the EECCA countries in initiating the dialogues and in donors to support them. More information can be found on www.euwi.net.

3. **Session 2 - EU Water framework Directive, and Water Scarcity and Drought Strategy and Flood Directive**

The WG was informed that river basin management plans developed under the Water framework Directive have been finalised and adopted in 16 EU Member States, that two additional countries had finalised their river basin management plans but were waiting final adoption and that 9 countries had still not finalised their plans. The EU Water Scarcity and Droughts Strategy is a response to the increasing water scarcity and droughts in EU, which has resulted in high costs in EU Member states affected. Already 33 river basins are affected by water scarcity, about 30 % of all basins. This affects 100 million inhabitants and 17% of EU territory. On the floods directive, the WG was informed that EU member states has to undertake preliminary flood risk assessment by 2011 and develop risk maps by 2013 and to develop flood risk management plans by 2015. A blueprint on "Safeguarding European water" will be developed by 2012 comprising an assessment of river basin management plans, review of strategies for water scarcity and droughts and floods, review of the vulnerability of water and environmental resources to climate impacts and man-made pressures.

The WG was informed that transboundary water management cooperation between Spain and Portugal which share 5 basins covers specific aspects on e.g. navigation, hydropower and transboundary impact assessment. A convention has been established for all rivers – with protocols on sharing of information, securing basic flow and flow regulation. In Spain and Portugal there is a diversion agreement with the objective to secure that downstream flows are secured. The agreement deals with both surface and groundwater. The agreement has made it possible to increase e.g. the areas of irrigation in the basin and increase food production.

In the discussion Romania informed the WG that WFD implementation would cost 1500 Euro per person in Romania and that cooperation on transboundary water cooperation is an essential part of the national water management. The issue on cooperation in the Danube was raised. This basin has both EU and Non-EU countries which have all agreed to work together using a common approach. The WG was informed that it is a provision of the WFD that planning should be undertaken in cooperation with third countries. EU contributes to this work through its neighbourhood policy and programmes. One commented that moving towards local solutions – with lower levels of technology may decrease the price for e.g. waste water treatment and thereby also reduce the overall cost for water management.

4. **Session 3 - EUWI, in the context of climate change: Setting the scene**

The WG was informed that the EU-UNECE Guidelines on Water Adaptation to Climate Change has a transboundary and a health focus, and as a generic framework it has to be targeted to the specific situations of a transboundary basins. The WG was further informed of the importance of sharing data, but also the importance to develop and agree on common scenarios for climate change assessments, joint vulnerability assessment as well as reaching agreement on transboundary adaptation strategies. Effective adaptation strategies are a mix of structural and non-structural, regulatory and economic instruments- education and awareness raising. Under the water and health protocol guidelines on water supply and sanitation in extreme weather events has been developed, with the aim to avoid water related health problems, avoid pollution problems and promote early recovery. The guides are being implemented also in the National Policy dialogues- in Ukraine and Moldova. More information is available at http://www.unece.org/env/water/publications/documents/guidance_water_climate.pdf

OECD informed the WG about benefits of factoring climate change into the financial aspects of IWRM in EECCA countries. Based on results of a small pilot river basin project in Armenia undertaken in partnership with UNECE, there seem to be benefits of an integrated approach in reducing costs for climate adaptation and a potential of generating additional revenue, in improved planning and in mobilising financial resources.

In the discussion **Turkmenistan** requested assistance from OECD to assist in climate change adaptation in water management. **OECD** agreed to look into the possibilities to support provided funding would be available. **Ukraine** also requested assistance in relation to climate change for a project in Seversk-Doniets river.

5. **Session 4 - Implementation of National Policy Dialogues in EECCA in the context of the European Neighbourhood Policy and Eastern Partnership**

The WG took note of the policy framework of the DG EuropeAid work in EECCA region and its potential to assist EECCA countries in water management including its potential links to the National policy dialogues. The ENP is the general framework covering 15 countries of which 6 are EECCA countries; 3 Caucasian countries, Moldova, Belarus and Ukraine. Russia is only part of the ENP instrument as they have a separate policy framework for cooperation. The Eastern Partnership programme also covers the same six countries in EECCA. Examples of national projects and regional projects in EECCA were presented. On forthcoming programmes the EU Commission informed about that a projects on the protection of freshwater and marine environments in the wider black sea area – dealing with a) international river basins b) environmental protection of the black sea with combined budgets 13M Euro are in the early stages of formulation. Further information can be found in <http://ec.europa.eu/europaid>

In the discussion **Tajikistan** raised a question on how donor coordination could be improved and the EU Commission replied that it was a hope NPD's can have a stronger role, until now however, not all EECCA countries have NPD's. **Turkmenistan** informed that in the Aral Foundation initiatives have been taken to improve coordination in the preparation of an Aral Sea Programme for 2011-2014.

Uzbekistan considered the information from EU Commission very informative- and that EU supported projects in Uzbekistan are well monitoring and well integrated with Swiss funded projects. **Armenia** informed the WG that based on the outcome of the NDP work in Armenia a draft resolution has been prepared on “Approval of the structure f a Model River basin management Plan” and that the dialogue has provided an important forum to increase awareness of EU Water Framework approaches and principles and in coordinating water related programs and projects and provided a financial analysis of affordable scenarios in a small pilot basin. For 2011 a financial plan for water resources management in a bigger river will be undertaken.

Moldova- (presentation made by ECO-Tiras on behalf of the government representative) informed the WG that dialogues on IWRM and reforms of WSS was initiated in 2006. The NPD contributed to cross-sectorial cooperation. A government order on waste water discharges from municipal waste water has been agreed. There is a need for support to the implementation of the water and health protocol- where targets and target dates have been established and further there is a need for support on transboundary water management. A New law on water harmonised with WFD is in the final stage.

Ukraine informed the WG that issues like climate change and disaster risk reduction and impacts on ecosystems, and WSS have been integrated into the National Policy Dialogue. New indicators have been developed and it has been proposed to develop a national strategy on water sector adaptation to the climate change.

Ukraine, informed the WG that a water sector group has been working since 2002 on policy in the sector. Today local authorities cannot fund the utilities, energy prices are going up and regional integration has not been achieved. Today the cost for smaller utilities are much higher that larger and

there is no interest for international investors. Tariffs cannot cover the costs. A roadmap of finding a way out of this situation has been developed- which will set up regional water companies. The first regional utilities has been set up and costs for management and operation costs has been reduced by 20% and international investors attracted. In 2011 the NPD will focus on overcoming the fragmentation of the sector. The plan is to make water companies larger to make them more effective. Pilot projects are needed and Ukraine asked donors for grants to support these pilots to test and to learn from the pilots. Two pilot projects have already been identified Crimea and Cherkassy.

Georgia informed the WG that it is at the starting point on a new NDP on IWRM, in cooperation with UNECE. The focus will be on preparation of a new water law based on WFD, setting up targets under the UNECE-WHO protocol and transboundary water cooperation with Azerbaijan to prepare for a bilateral agreement, The NDP is supported by the Government of Finland. Two working groups will be established in 2011 on the water law and the Protocol of water and health.

Azerbaijan informed about the NDP on IWRM started in April 2010 in cooperation with UNECE. The will deal with climate change issues, safe drinking water supply and sanitation and, protection of ecosystems and securing health. A steering group has been set up with a broad representation of sectors, private sector and NGO's. A work-plan for implementing the NDP until 2013 has been developed.

The WG was informed about the results of the **EC supported Water Governance in the Western EECCA countries project** involving six countries. Pilot tests were undertaken in two river basins in each participating country. The project focuses on development of new chemical standards. The project has established a system based on physiochemical data and has introduced Surface Water Quality Standards. It was concluded that physiochemical standards are not a panacea and that legal and institutional obstacles remain to be solved and that human capacity and capabilities must also be strengthened. As an output of the project it was recommended also to review the water legislation to integrate IWRM and to build the necessary capacity.

The session chair informed the WG that the MDG's and the Johannesburg Plan of Implementation are difficult to reach in Ukraine. 60-70 % of the utilities are worn out, 30 % of the sewer network is not functional. In Ukraine water is transported and more than 140 cities are not according to standard. All water in the centralised water supply is not proving secure water. It has been agreed to use local treatment systems to improve the quality of the water. 40-50 of such systems will be established during next 10 years. In a reply to the chairs remarks it was suggested to continue the dialogue between stakeholders in Ukraine and that rural areas has been neglected for a long time. The worst situation is in rural areas in Crimea area. It has however been decided in Ukraine to improve the situation in this region through a supply of good quality supply in a government programme.

6. **Session 5 - Initiation and implementation of the NDP's in the context of the Strategy for a new partnership with Central Asia**

The WG took note of the initiation and implementation of the NDP's in the context of the Strategy for a New Partnership with Central Asia.

Germany informed the WG about the Berlin process on transboundary water management. In 2007 Germany engaged in the dialogue on transboundary water management on a) to establish basic data including climate change data b) build networks of experts to improve water management and strengthen water management institutions and 3) to establish river basin cooperation.

Executive committee for IFAS informed the WG that the preparation of the Aral Sea Basin Programme III. This has been developed since April 2009 and deals with finding the potential of use of water resources for hydropower and irrigation and how the five countries can make the most efficient use of water resources through regional cooperation. The programme is on IWRM, environmental protection, legal aspects. The programme comprises 47 projects which will be presented to donors. Of particular relevance to the NDP's is that national and regional dialogues on

water convention and IWRM will include national steering committee meetings with the ongoing EUWI NPDs on IWRM.

EU project Water Governance in Central Asia: The Two Year Technical Assistance project ended in July 2010. The general findings were that there is a lack of common understanding on what IWRM is; countries are at different stages of IWRM implementation and none have set realistic targets, inter-agency coordination is poor and this is seen as the biggest hurdle to IWRM. National Policy dialogues is seen as an excellent way to promote cooperation. IWRM implementation needs to be under-pinned by significant investment programmes

EBRDs role in EECCA financing: The WG was informed about the legacy of under-investment in the water sector in EECCA. Co-financing to loans from donors is important as well as institutional support through technical cooperation. The total EBRD financing in EECCA is more than 2000 billion euro of which 170 billion is in the water sector. In Tajikistan EBRD is in the process of rolling out a programme to 14 cities including the capital Dushanbe in cooperation with the central government agency responsible for delivery of basic municipal services.

The WG further took note on the National Policy dialogues in Central Asia contribution to the on-going regional cooperation. The **Kyrgyzstan and Chu-Talas transboundary cooperation under the NDP on IWRM** has been working for two years and is funding the management of two hydropower plants. The cooperation on sharing was established during soviet time and is still in force. But now as independent states in 2000 a new agreement was signed. The committee between Kyrgyzstan and Kazakhstan has its own secretariat and more information can be found at www.chutalascommission.org

Tajikistan informed the WG that it is one of the most important countries in the context of climate change in relation to the melting of glaciers and the water in the Aral Sea. Vast economic damage has been realised in Tajikistan from floods. Tajikistan is promoting 2012 as the year of water diplomacy. The national policy dialogue is still in the making and will provide a platform for coordination. Key issues are sustainable development in national policies and programmes; improve regulatory and administrative frameworks, IWRM reforms and basin management. Activities in 2010/11 include the preparation of a NDP roadmap, and the elaboration of the long term IWRM strategy with focus on the financial issues. Support to the dialogue has been achieved from Denmark.

Kazakhstan- the status was presented by Gulnara Roll. The Kazakh government has asked UNECE to initiate the process to start a NDP based on the roadmap of IWRM developed through a UNDP project. Funding of this process is being sought.

Uzbekistan: Informed the WG about the status of IWRM and in particular the results of the Fergana Valley project. This project has resulted in improved data and information, improved water management including improved irrigation management and a stronger involvement of stakeholders. An IWRM roadmap has been developed which will result in IWRM being implemented by 2014.

Turkmenistan: A NDP on IWRM has been established in 2010. Turkmenistan is in the process of joining the UNECE water convention.

7. **Session 6 - EUWI EECCA Working Programme 2011 and work and budget 2010-12**

The chair informed that Romania will continue to chair the WG in 2011 and that the details of the Work Plan of the EUWI EECCA for 2011 will be presented by UNECE and OECD

UNECE presented lessons learnt on EUWI in general and the NDP's in EECCA. Lessons are that the NDP's could be country driven, nationally owned, have practical support, inter-sectorial cooperation synergies with other activities at OECD, OECD and others donor coordination, as well as being flexible to react to demands from countries and having a strong knowledge base to support the dialogues.

UNECE presented a programme of work and financial support in 2010-2012. UNECE informed that they do not want to phase out activities in some countries- but limited funds may require this. UNECE is committed to have long term cooperation. (a table was presented with an overview of projects)

OECD reiterated that the role of OECD is to assist the countries in achieving the water related MDG. Three group of activities are WSS financing, IWRM financing and monitoring MDG goal

achievement.(see hand out). OECD thanked their main donors – EuropeAid, Finland, Norway, Germany, DG Environment

In the discussion **Switzerland** stressed that NPD's are showing the way forward guided by WFD, the UNECE Water Convention and the Water and health protocol, and the MDG's. In this context climate change adaptation is very important as climate change will hit first through water. The mix of EECCA countries is important- as there is a potential for countries to learn from each others. Switzerland is considering funding further NDP's. **Norway** would like to also fund NPD's. There is still a discussion going on in Norway in this. **Finland** will continue and increase the support to EECCA. Most support will be for UNECE and OECD and part of this may also go to NPD's. Finland see that the basic support should come from the EU Commission. **IWAC** are ready to support the NPD in Ukraine and Kazakhstan supported by the Government of Slovakia. They are mostly involved in work "on the ground" in basin management.

Upon the discussion the EUWI EECCA Work Programme for 2011 was approved.

8. **Session 7 - Preparation to Astana Environment For Europe Conference**

The WG was informed about the preparations for the Astana Environment for Europe process **UNECE** informed that it is the seventh environment for Europe conferences and most likely will take place 21-23 September. The conference has the two themes – one on green economy and the other on water. A substantive paper will be developed for water. The WG was informed that there is a good possibility to present the work of the EIWI EECCA at the conference and further extend and build on the results of the conference.

OECD EAP Task Force informed about the input from OECD to the substantive paper on the progress towards MDG's. The OECD task was to provide detailed and robust data on the achievements of MDG's. A first draft of the report has been developed and was available in the meeting room and OECD asked for comments on the key messages and additional information. OECD asked for comments and endorsement of the messages in the report to be sent to OECD. (key messages are in the presentation). As more data is needed a questionnaire has been developed by OECD, which will be soon circulated to EECCA countries.

In the discussion Switzerland informed the WG that they would suggest to include an action plan as part of the declaration from the Astana conference. **FAO** offered their assistance in implementing NPDs in EECCA countries in Central Asia. **CAREC** stressed that NPD's and WG meetings can improve also donor coordination. **Women for Europe** supported the idea of having an action plan- and that an important issue is the limited focus on water supply and sanitation in rural areas in EECCA. It was suggested that climate adaptation funds may be used for this purpose.

9. Finally the chair closed the meeting and expressed his thanks to the participants and OECD and UNECE and for the European Commission support to the meeting. The Chair informed that the next WG meeting will be held in Romania in the autumn of 2011.

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