



# Water Policy Reforms in Eastern Europe, the Caucasus and Central Asia

Achievements of the  
European Union Water  
Initiative since 2006

April 2014



## Foreword

Water resources in Eastern Europe, the Caucasus and Central Asia (EECCA) are experiencing growing pressures due to increasing demands from agriculture, energy generation, industry and urban centres. Such pressures encompass on the one hand the supply side, where available water quantities are diminishing in a number of areas and, on the other hand, the quality side, mainly due to the growing emissions of pollutants into surface water bodies. In addition, in a context where climate change is creating uncertainty about future water availability the need to protect freshwater resources is stronger than ever. Addressing these challenges appears to be even more urgent because of the trans-boundary nature of a large share of such water resources in the region, which can cause tensions between bordering countries.

A robust national policy framework, targeted investments and improved water management practices are therefore needed to make sure that in Eastern Europe, the Caucasus and Central Asia existing demands for water use are met in an environmentally sustainable way.

As part of its Neighbourhood and development policy, since 2008 the EU has promoted in this region the **Water Initiative**, an international political undertaking that has helped participating countries improve their legislation in the water sector through the launch and the implementation of national policy reform processes.

The Initiative supports the integration into the national strategies and legislations and the regular application of internationally recognised principles of integrated water resource management. The EU Water Framework Directive and its related legislation and the UNECE Convention on the Protection and Use of Trans-boundary Watercourses and International Lakes and its Protocol on Water and Health are the milestones in which such principles are embedded and represent the guiding documents for the policy reform efforts in the region.

The results of such efforts are presented in this brochure. The publication provides an overview of the main outcomes to which the Water Initiative contributed in ten EECCA countries and highlights achievements at country level as well as progress in trans-boundary water management – a key aspect of the regional dimension of the EU Water Initiative.

The results outlined in the following pages are also the product of a fruitful international cooperation as the EU has joined forces with the OECD and the UNECE to support beneficiary countries achieve progress in the management of freshwater resources.

With a look to the future, the National Policy Dialogues held in the framework of the Water Initiative will continue to provide a platform for further promoting the implementation of the water sector reform in the post-2015 development agenda. Building on the good results achieved so far, the EU is committed to continue its support to the participating countries and to assist them with the transfer and systematic application of the know-how needed to make sure that those reforms improve the well-being of the local populations.

### Štefan Füle

Commissioner for Enlargement and European Neighbourhood Policy  
European Commission

*“The National Policy Dialogues held in the framework of the Water Initiative will continue to provide a platform for further promoting the implementation of the water sector reform in the post-2015 development agenda.”*





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The views expressed herein are those of the authors and can in no way be taken to reflect the official opinion of the European Union, the governments of EECCA countries, the UN, the OECD or member countries.

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## Abbreviations and acronyms

<b>EAP TF</b> .....	Task Force for the Implementation of the Environmental Action Programme
<b>EBRD</b> .....	European Bank for Reconstruction and Development
<b>EC</b> .....	European Commission
<b>EECCA</b> .....	Eastern Europe, the Caucasus and Central Asia
<b>EU</b> .....	European Union
<b>EUWI</b> .....	European Union Water Initiative
<b>GEF</b> .....	Global Environment Facility
<b>IFAS</b> .....	International Fund for Saving the Aral Sea
<b>IWRM</b> .....	Integrated Water Resources Management
<b>MDGs</b> .....	Millennium Development Goals
<b>MS</b> .....	Member State(s) of the European Union
<b>NPD</b> .....	National Policy Dialogue
<b>OECD</b> .....	Organisation for Economic Co-operation and Development
<b>OSCE</b> .....	Organisation for Security and Co-operation in Europe
<b>PSP</b> .....	Private sector participation
<b>RBMP</b> .....	River basin management plan
<b>SC</b> .....	Steering Committee
<b>UNDP</b> .....	United Nations Development Programme
<b>UNECE</b> .....	United Nations Economic Commission for Europe
<b>UNEP</b> .....	United Nations Environment Programme
<b>The Water Convention</b> .....	The UNECE Convention on the Protection and Use of Transboundary Watercourses and International Lakes
<b>WFD</b> .....	Water Framework Directive <sup>1</sup>
<b>WRM</b> .....	Water resource management
<b>WSS</b> .....	Water supply and sanitation

1. Directive 2000/60/EC of the European Parliament and of the Council establishing a framework for the Community action in the field of water policy



# 1. The EUWI and water policy reforms in EECCA

## The EUWI and its EECCA component

The European Union Water Initiative (EUWI) was launched at the World Summit on Sustainable Development in Johannesburg in 2002. The overriding aim of the EUWI is to support the achievement of the water-related Millennium Development Goals (MDGs). This includes targets for the integration of sustainable development principles into country policies and programmes (goal 7) and a reversal of the losses of environmental resources (target 9). It also comprises an ambitious target to halve the proportion of the population without sustainable access to safe drinking water and basic sanitation by 2015 (target 10).

A key operational tool of the EUWI is the Water Framework Directive (WFD). This is an essential legislation for water management promoted by the European Commission. The WFD aims primarily at getting Europe's waters cleaner while getting the citizens involved (see Box 1).

The WFD policies can be tailored to respond to local conditions and priorities. Hence, countries of Eastern Europe, the Caucasus and Central Asia (EECCA) would

also be able to benefit from adopting a range of relevant measures. As these countries have many problems in common with regard to water management, the EECCA component of the EUWI has envisaged several water policy reform goals across the region.

Key objectives are:

- **Water resources management:**
  - Improving the institutional and regulatory framework with a view to approximate to the WFD and related legislation;
  - Managing water in a way that contributes to water-, food- and energy security, and economic development;
- **Water supply and sanitation:**
  - Ensuring access of the poor to essential water services as a basic human right;
  - Improving the institutional and regulatory framework;
  - Encouraging investment in water supply and sanitation and ensuring financial viability of utilities;
  - Safeguarding public health;
- **Transboundary cooperation:**
  - Contributing to peace by developing inter-state cooperative structures for water management.

### BOX 1

## The EU Water Framework Directive

The EU Water Framework Directive (WFD) was adopted in October 2000. It is commonly acknowledged as a model for water legislation and water policies. It provides a framework for water reform policies in EU member states and beyond.

In response to concerns by European citizens, the European Commission ambitions to get polluted waters clean again. In achieving these objectives, the role of citizens and citizens' groups is crucial.

Specifically, the WFD's water protection goal aims at:

- **expanding the scope of water protection** to all waters, including surface waters and groundwater;
- **achieving "good status" for all waters by a set deadline:** there are a number of parameters which define whether the quality of water is protected. All these objectives must be observed for each river basin and converge towards the "good status" of all water bodies;

- **managing water based on river basins:** the natural geographical and hydrological unit is considered the best model for a single system of water management;
- **proposing a "combined approach"** of emission limit values and quality standards;
- **getting the prices right:** adequate water pricing acts as an incentive for the sustainable use of water resources and thus helps to achieve the environmental objectives under the Directive;
- **getting citizens involved more closely:** there are two main reasons for an extension of public participation. First, decisions on the most appropriate measures to achieve the objectives in the river basin management plan will involve balancing the interests of various groups. Second, the implementation of decisions is likely to be more effective and lasting if endorsed by the public;
- **streamlining legislation:** the framework directive approach streamlines the Community's water legislation by replacing seven old pieces of legislation, which can be repealed at this stage.

More information: [http://ec.europa.eu/environment/water/water-framework/info/intro\\_en.htm](http://ec.europa.eu/environment/water/water-framework/info/intro_en.htm)



## OECD and UNECE – strategic partners in the implementation process

The European Union identified the OECD and the UNECE as strategic partners for the implementation of the EUWI in EECCA. The partners cooperate closely on the many interlinked areas of work.

The OECD focuses on the economic dimension of water resources management: managing water as a driver for growth; making the best use of economic instruments for water management; and enhancing the financial sustainability of water supply and sanitation services. The OECD's contribution is provided within the framework of the Task Force for the Implementation of the Environmental Action Programme (EAP Task Force), which was created by environment ministers in 1993 to guide reforms of environmental policies in the transition economies.

The UNECE is the strategic partner for work on IWRM, including transboundary river basin management. It contributes to the approximation of the EU acquis, building on the Water Convention and its Protocol on Water and Health.

The implementation of the EUWI in EECCA relies on National Policy Dialogues (NPDs). These are platforms where key stakeholders meet to discuss and advance policy reforms (see more details about NPDs in Section 5). NPDs are fed by robust analytical work and international good practice. They are jointly facilitated by the OECD and UNECE.

## Structure of this brochure

The brochure highlights the main outcomes to which the EUWI contributed in the EECCA countries. Section 2 highlights specific achievements at country level in the context of national policy dialogues facilitated by the OECD and UNECE. Section 3 focuses on water diplomacy, highlighting progress in the context of transboundary water management and the regional dimension of the EUWI EECCA.

Section 4 looks ahead and suggests avenues for future work in the region, highlighting where the input of the EUWI and EU member states can make a difference. Section 5 describes how NPDs work as a process for achieving policy reform.



## 2. Major outcomes of the EUWI in EECCA countries

**This section highlights the major outcomes in ten EECCA countries where the EUWI has been active since 2006. Some cross-cutting outcomes deserve particular attention.**



## 2.1. Cross-cutting outcomes

### Transparency of decision-making

The key principles of IWRM and the EU WFD are transparency and stakeholder consultation in policy-making and basin management. National Policy Dialogues (NPDs) have been highly effective in instilling these principles in the EECCA region. As described in Section 5, NPDs are platforms where stakeholders meet to share information, discuss policy options, and propose decisions on water policy reforms. Supporting documentation is made publicly available, including meeting agendas, technical reports and records of decisions made. Stakeholder meetings are used to disseminate information and discuss priorities of water policy reforms with a wider audience.

### Coordination across government institutions

Another essential principle of IWRM is to move away from silos, to foster coherence and consistency across policies that affect water demand and water availability. NPDs typically convene representatives from a wide range of government ministries and agencies (e.g. those responsible for policy in the areas of water, economic development, finance, agriculture, energy, housing, health) as well as NGOs, allowing for truly integrated decision-making on cross-cutting policy issues. In some cases, governments have adopted this model of intersectoral cooperation for policy discussions in other fields.

### Coordination of international organisations and donors

NPD meetings are attended by a wide range of international organisations and donors active in the countries. In several cases, NPDs have become a platform for donors' exchange of information and coordination on water-related projects. Representatives of EU member states and international organisations are invited to present and share their work in the region. Such coordination supports the planning of activities, avoids duplication of work and ensures efficient and effective use of available funds. It also ensures sharing of best practices and promotion of the EU *acquis* across the region.

### Resilience to political change

EUWI NPDs have proven to be resilient processes for policy reform despite political instability in some countries. This has been achieved through the long-standing engagement of a variety of stakeholders and several layers of administration. Fact-based, non-partisan analyses and recommendations developed by the OECD and UNECE have been instrumental in this resilience.

### Implementation of the WFD principles

The Water Framework Directive and related EU Directives provide a set of principles and policy objectives which are relevant in EECCA. EUWI NPDs have supported convergence with such principles and objectives which guide the reform of water policies in the region. The country fiches document concrete progress towards river basin management, economically sound and financially realistic water policies, and more participative water governance. Such progress contributes to the implementation of water supply and sanitation services, water-, food- and energy security, and environmental performance.

The following pages highlight specific achievements at country level in the context of national policy dialogues facilitated by the OECD and UNECE. Each country fiche synthesises progress achieved along five axes:

- Transboundary water management
- National strategies on water, nexus
- The development of RBMPs
- The economic and financial dimensions of WRM
- WSS and Water and Health

*A radar chart synthesises the level of achievements along each of these dimensions within the NPD process in each country (0 – no activity; 2 – fully achieved). A separate section presents contributions of the EUWI to water diplomacy in the region as well as the activities implemented in trans-boundary river basins.*

# Eastern Europe, the Caucasus and Central Asia

## UKRAINE

- Bilateral treaty signed with Moldova on water cooperation.
- National targets developed for the Protocol on Water and Health.
- Recommendations provided for the geographical organisation of water supply and sanitation services.

## REPUBLIC OF MOLDOVA

- Bilateral treaty signed with Ukraine on water cooperation.
- Draft Government Order produced on the establishment of river basin councils.
- Targets set under the Protocol on Water and Health and a Clearing House set up.
- National Financing Strategy on WSS developed. Significant additional public and donor spending followed.

→ ● **Kiev**

● **Chisinau**

→ ● **Moscow**

## RUSSIAN FEDERATION

- Federal legislation amended for Private Sector Participation in Water Supply and Sanitation (Federal Laws on Concession Agreements and on Water Supply and Sanitation).

## GEORGIA

- New National Water Law drafted (based on the EU WFD).
- Bilateral water cooperation agreement on the Kura river under negotiation with Azerbaijan.
- National Financing Strategy developed for urban water supply.

● **Tbilisi**

## ARMENIA

- National Financing Strategy developed for rural WSS to meet MDG targets.
- One pilot river basin management plan developed.
- Pilot project on Payments for Ecosystem Services developed.

→ ● **Yerevan**



### KAZAKHSTAN

- NPD launched in June 2013 focusing on setting national targets for water and health, and devising sustainable business models for rural WSS.

● Astana

### KYRGYZ REPUBLIC

- Clear and realistic targets for WSS in the National Strategy for Sustainable Development.
- Creation of a government agency, with clear responsibilities for WSS.
- Strengthened capacity to use economic policy instruments for water management.
- River basin council established for the Chu River and RBMP being developed.
- Targets adopted for the Protocol on Water and Health.

● Bishkek

● Baku

### AZERBAIJAN

- National Water Strategy drafted and submitted to the Government.
- Bilateral water cooperation agreement on the Kura River under negotiation with Georgia.

● Ashgabat

### TURKMENISTAN

- Accession to the Water Convention in 2012.
- New National Water Code drafted and due for submission to Parliament in 2014.

● Dushanbe

### TAJIKISTAN

- Water Sector Reform Strategy produced. Institutional changes already occurring.
- Transboundary water diplomacy efforts launched with Kyrgyzstan and Afghanistan.
- Targets set for the Protocol on Water and Health.
- Capacity of the Anti-Monopoly Agency strengthened to regulate water tariffs.

## 2.2. Armenia



<i>NPD launched</i>	2006
<i>Present NPD Chair(s) and strategic partners in government</i>	Water Resources Management Agency (Ministry of Nature Protection) State Committee of Water Systems (Ministry of Territorial Administration)
<i>Sources of funding for NPD</i>	European Union, Government of Finland, Government of Germany, Government of Switzerland, Government of the United Kingdom, Government of the United States of America

### PRIORITY AREAS OF WORK AND MAIN ACTIVITIES

- Implementation of IWRM principles in line with the EU WFD with an emphasis on economic and financial issues. This includes pilot projects.
- Target setting under the Protocol on Water and Health.
- A strategy for wastewater collection and treatment.

### KEY ACHIEVEMENTS OF THE NPD

The NPD enjoys a high engagement level by officials in the Ministry of Environment and the State Committee of Water Systems. Armenian legislation on IWRM is converging towards the EU *acquis*. The NPD process had a key role through the development of policy packages:

- A **National Financing Strategy for rural WSS** was developed in order to achieve the MDGs in Armenia. Policy reforms were endorsed to close the financing gap for the sustainable operation and maintenance of existing services. Targets were agreed for infrastructure investment to expand services. Recommendations were made for institutional reform with respect to WSS in rural areas.
- A pilot **River Basin Management Plan (RBMP)** was developed for the Marmarik river basin in line with the principles of IWRM and the EU WFD, establishing the processes and institutions required. As a result, the Armenian authorities are now well equipped to replicate and scale up this pilot.
- Recommendations were developed to reform the current economic instruments for water management and introduce new ones. **Water abstraction fees** for the fishery sector have already been reformed.

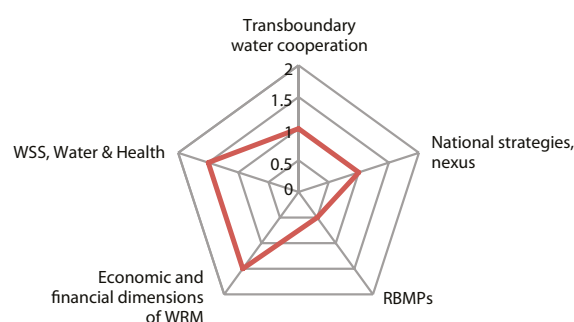
### PLANS FOR THE FUTURE

- Target setting in relation to the Protocol on Water and Health will be completed in 2014.

- A working group on water quality monitoring and assessment will be set up in 2014. It will support the transition towards a new monitoring strategy based on the EU WFD.
- A comprehensive assessment of selected economic instruments for water management will be completed in 2014. It will identify the essential prerequisites for reforms.

There are ample opportunities to support ambitious reforms in Armenia, particularly with regard to the economics of water management.

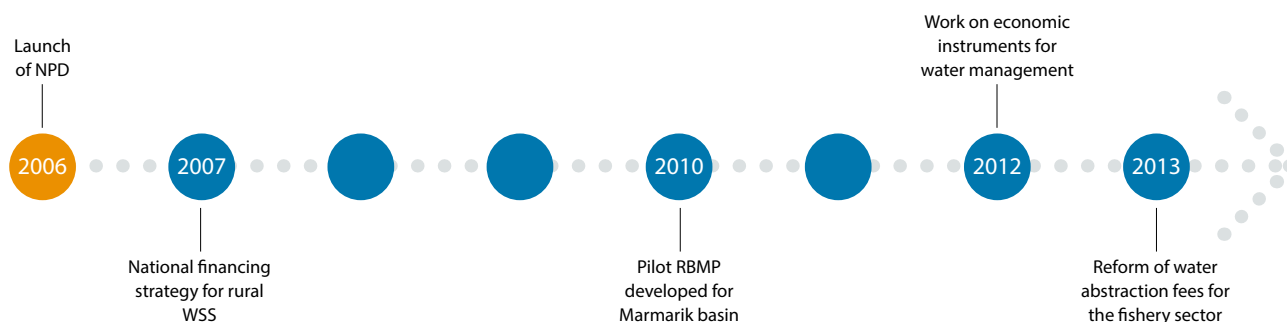
### PROGRESS IN MAIN WORK AREAS



*"I strongly believe that the success of the NPD in Armenia is largely due to its clear mission and the fact that it is fully in line with the water policy direction implemented by the Government of Armenia. We expect that the NPD will continue to support our efforts towards managing issues related to water resources and will help to ensure public participation in the process."*



**Volodya Narimanyan**, Head of the Water Resources Management Agency, Armenia



## 2.3. Azerbaijan



<i>NPD launched</i>	2010
<i>Present NPD Chair(s) and strategic partners in government</i>	Ministry of Ecology and Natural Resources State Water Agency (Ministry of Emergencies) Ministry of Economic Development
<i>Sources of funding for NPD</i>	European Union, Government of Finland, Government of Germany, OSCE

### PRIORITY AREAS OF WORK AND MAIN ACTIVITIES

- Development of the National Water Strategy for the management of water resources and an action plan for its implementation.
- Harmonisation of water legislation with the EU WFD and IWRM principles.
- Introduction of water management, at basin level, based on a pilot project.
- Promotion of transboundary water diplomacy and cooperation with neighbouring Georgia, including the preparation of a bilateral agreement on the management of shared water resources.
- Reform of economic instruments for water management in Azerbaijan, Georgia and Armenia.

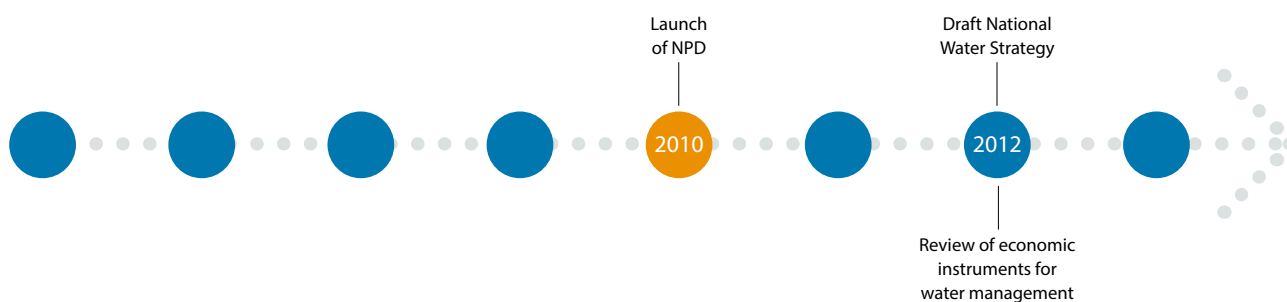
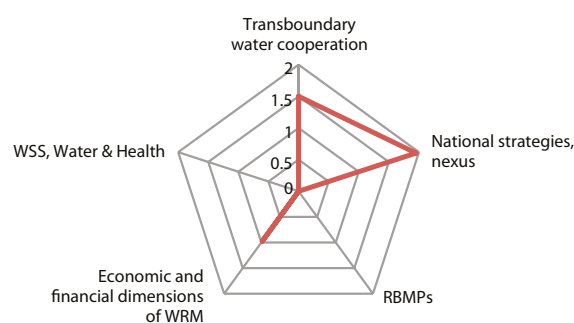
### KEY ACHIEVEMENTS OF THE NPD

- The **National Water Strategy** has been drafted. It will be submitted to the Cabinet of Ministers for approval in 2014.
- A benchmarking study on water utilities has strengthened the capacity of Azeri authorities to **monitor the performance of the water supply and sanitation sector**. This already contributes to improved policy making in the WSS sector.
- Developments in negotiating a **bilateral agreement with Georgia** on joint management of the transboundary Kura river basin have been reported and discussed at the NPD Steering Committee meetings.
- In 2013 the UNECE started a pilot project for testing the approach of **water-food-energy-ecosystems nexus** in transboundary Alazani/Ganykh river basin, which is shared by Azerbaijan and Georgia.

### PLANS FOR THE FUTURE

- The National Water Strategy is expected to be adopted in 2014. Work on water-sector legislation will follow.
- Support to water diplomacy between Azerbaijan and Georgia will continue through an assessment of the potential economic benefits of enhanced transboundary cooperation and through negotiations on a bilateral agreement.
- In 2014 the process for target-setting under the Protocol on Water and Health will commence.
- Transboundary water management and reforms that will facilitate investment in water infrastructures and water services are promising avenues for further work, in line with the Government's priorities.

### PROGRESS IN MAIN WORK AREAS



## 2.4. Georgia



<i>NPD launched</i>	2011
<i>Present NPD Chair(s) and strategic partners in government</i>	Ministry of Environment and Natural Resources Protection
<i>Sources of funding for NPD</i>	European Union, Government of Finland, OSCE

### PRIORITY AREAS OF WORK AND MAIN ACTIVITIES

- Institutional reforms for IWRM in the view of implementing EU WFD principles, including the preparation of a National Water Law.
- Target setting under the Protocol on Water and Health. A report was produced and a roundtable discussion held on Georgia's possible accession to the Protocol on Water and Health.
- Strengthening transboundary water cooperation with Azerbaijan and preparatory work towards accession to the UNECE Water Convention.

### KEY ACHIEVEMENTS OF THE NPD

- A **national water law** was developed in 2012-2013 as part of the NPD process in Georgia. It introduces the river basin management approach (in line with the EU WFD) and clarifies the roles of state institutions. The EUWI NPD has been instrumental also in the process of elaborating a background study on existing water management laws and institutions. The new law is currently being prepared for passing forward for parliamentary approval.
- A **review of economic instruments** for water management was conducted in Azerbaijan, Georgia and Armenia. Further reforms of existing instruments are being considered.

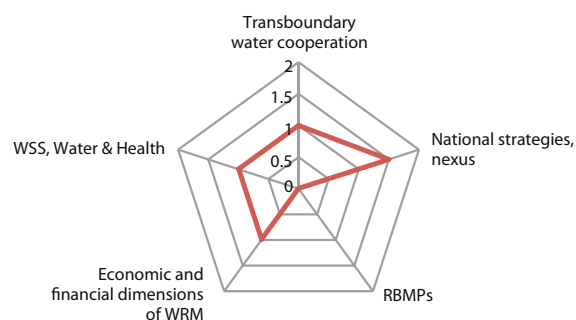
### PLANS FOR THE FUTURE

- Support will be provided to ensure that the draft National Water Law will be adopted by the Parliament in 2014. This will include support to a legal working group which will devise an implementation plan as well as draft high-priority subordinate legal acts.

- Support to water diplomacy between Azerbaijan and Georgia will continue through an assessment of the potential benefits of enhanced transboundary cooperation, including the development of economic instruments.

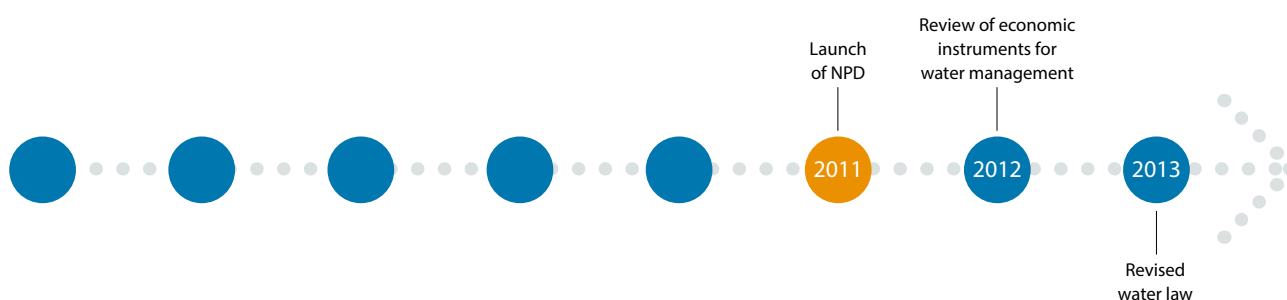
The capability of national experts, evident during the work for the NPD, gives grounds for optimism surrounding the future of IWRM in the country.

### PROGRESS IN MAIN WORK AREAS



*"Georgia is pleased to have started the ratification process of the Protocol on Water and Health. The initiation of this process was strongly supported by a National Policy Dialogue (NPD) through promotion of wide consultations with the relevant stakeholders at national and international levels."*

**Khatuna Gogaladze**  
Minister of Environment, Georgia



## 2.5. Kazakhstan



<i>NPD launched</i>	2013
<i>Present NPD Chair(s) and strategic partners in government</i>	Water Resources Committee (Ministry of Environment and Water Resources) Ministry of Regional Development
<i>Sources of funding for NPD</i>	European Union, Government of Germany, Government of Norway Government of Switzerland

### PRIORITY AREAS OF WORK AND MAIN ACTIVITIES

- Initial areas of focus include an analysis of potential benefits of Kazakhstan's accession to the Protocol on Water and Health; sustainable business models for WSS in rural areas and small towns; and private sector participation in WSS.
- Opportunities for addressing transboundary cooperation issues and IWRM governance will also be explored.

### KEY ACHIEVEMENTS OF THE NPD

- Following the request by the Government of Kazakhstan, and preparatory work in 2012, the NPD on IWRM was launched in June 2013.
- Both OECD and UNECE provided comments on Kazakhstan's draft **State Programme for Water Management to 2040**. The programme was adopted in April 2014. It provides a set of targets and priority activities, some of which will be supported through the NPD process.

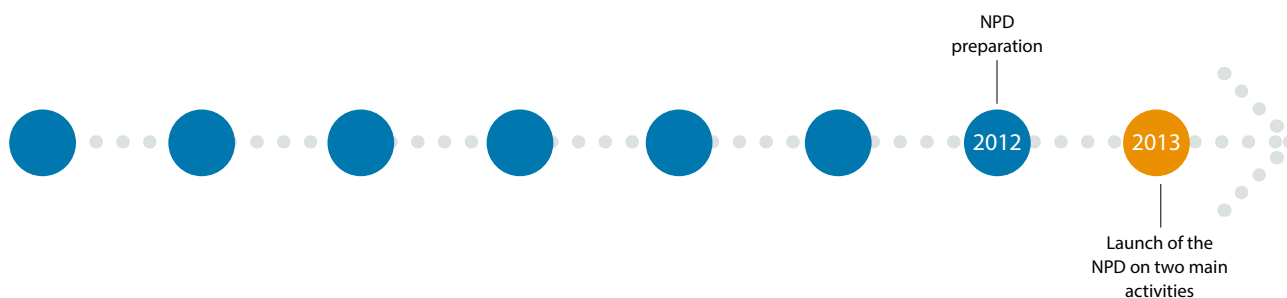
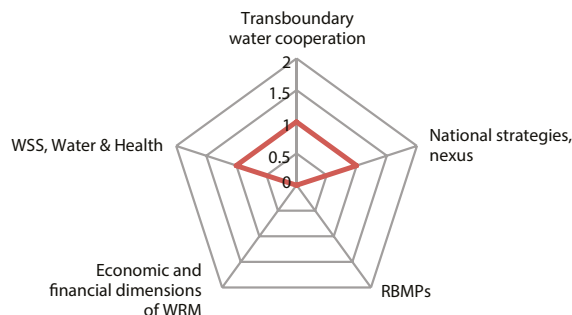
### PLANS FOR THE FUTURE

- Water is a key pillar of the Kazakh Green Economy Concept and this will drive future work.
- The EUWI NPD will support the transition of Kazakhstan towards a Green Economy by 2020 as well as the implementation of the *State Programme on Water Resources Management to 2040*.
- Target setting process in the context of the Protocol on Water and Health is being planned within the NPD.



Bartogai dam on the Chilik river, Kazakhstan

### PROGRESS IN MAIN WORK AREAS



## 2.6. Kyrgyz Republic



<i>NPD launched</i>	2008
<i>Present NPD Chair(s) and strategic partners in government</i>	Department of Water Management & Melioration (Ministry of Agriculture and Melioration) Ministry of Economic Development, State Agency for Construction and Regional Development
<i>Sources of funding for NPD</i>	European Union, Government of Denmark, Government of Finland Government of Germany, Government of Norway, Government of Switzerland

### PRIORITY AREAS OF WORK AND MAIN ACTIVITIES

- Strategic financial planning for WSS to achieve MDG targets.
- Implementation of IWRM principles, including the use of economic instruments.
- Support for establishment of basin councils with a pilot in the Chu River basin.
- Target-setting for the Protocol on Water and Health.

### KEY ACHIEVEMENTS OF THE NPD

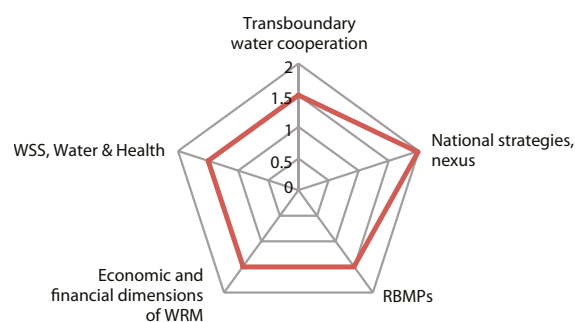
- A national **financing strategy for urban and rural WSS** was developed, including an agreement on targets and policy recommendations to achieve the MDGs for WSS.
- Following the recommendations of the NPD, the government added **clear WSS development targets** to the latest National Strategy for Sustainable Development. This move cleared the way for increased and strategic budgetary allocations for WSS. In direct accordance with the recommendations made by the NPD, the government established a single body responsible for urban and rural WSS. Furthermore, the NPD inspired the first formal State Programme for WSS development.
- The River Basin Council for the transboundary Chu basin was set up by Ministerial Order. The first components of the **river basin management plan** have been drafted through the NPD. The National Water Council was established and it approved the country's basin boundaries in February 2013.
- **Targets on water and health** have been set and adopted in 2013, providing a reference for other countries in the region. Opportunities are being explored to assist Kyrgyzstan in meeting these targets.

### PLANS FOR THE FUTURE

- Work will continue to support the Chu River Basin Council and the stepwise preparation of the basin management plan.
- There are ample opportunities to reform water harmful subsidies in Kyrgyzstan.

Both areas of work contribute to water security in the region.

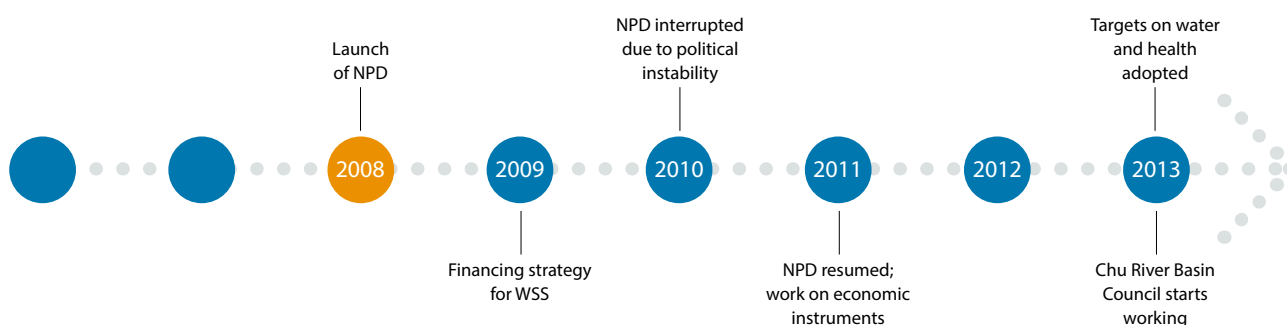
### PROGRESS IN MAIN WORK AREAS



*"NPDs provide an opportunity for all stakeholders to systematically coordinate and align investment priorities, technical assistance and regulatory framework reform support in the water sector. The knowledge and experience gained through the NPD facilitate the design, planning and implementation of EBRD's assistance to improve urban water supply in the Kyrgyz Republic."*



**Larisa Manastirli**, Head of EBRD Office in Bishkek, Kyrgyzstan





## 2.7. Republic of Moldova



<i>NPD launched</i>	2006
<i>Present NPD Chair(s) and strategic partners in government</i>	Ministry of Environment and Ministry of Health
<i>Sources of funding for NPD</i>	European Union, Government of Austria, Government of the Czech Republic, Government of Germany, Government of Switzerland, Government of the United Kingdom

### PRIORITY AREAS OF WORK AND MAIN ACTIVITIES

- Adoption and implementation of IWRM and the principles of the EU WFD.
- Target setting and planning under the Protocol on Water and Health.
- Development of a strategic financial plan and a mid-term action plan for WSS. Work on sustainable business models for sanitation in small towns and villages.
- Development of a strategy to adapt WSS to climate change.

### KEY ACHIEVEMENTS OF THE NPD

Moldova implemented the first Action Plan within the framework of the European Neighbourhood Policy (ENP). The convergence of the environmental and water legislation is of particular importance for the country.

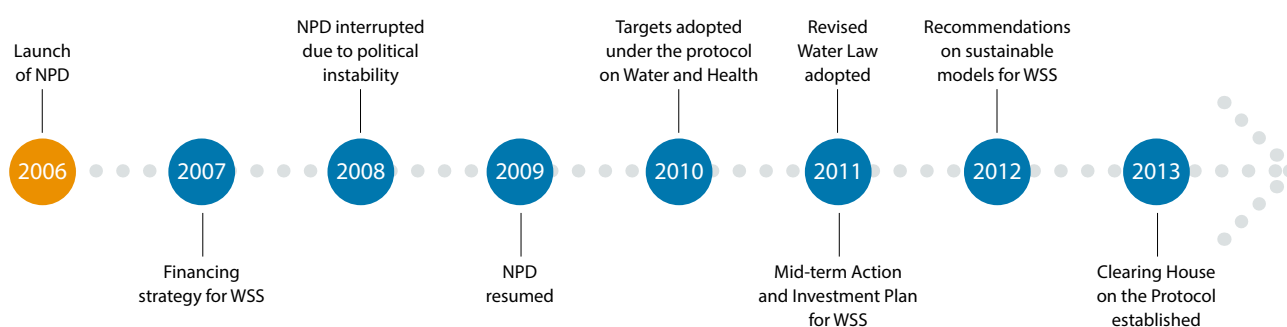
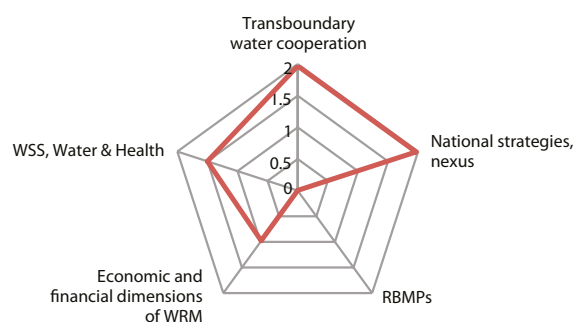
- The **new water law** was discussed in the context of the NPD. The law, which enforces the principles of the EU WFD, was adopted by the Parliament in 2011.
- A draft Government Order was produced on the **establishment of river basin management authorities and river basin councils** in 2009 but was not enacted.
- An NPD-related Government Order was also adopted on wastewater discharges from municipal sources.
- **National targets under the Protocol on Water and Health** were adopted by Government Decision. Assistance is being provided for their implementation. The Clearing House on the Protocol was established in 2013 as an outstanding example for the entire region. Other work was completed on the development of Water Safety Plans as well as capacity building and development of 'norms' for small water service operators.

- **A National Financing Strategy for urban and rural WSS** was developed. It was translated into a mid-term Action- and Investment Plan. Several institutional changes unfolded such as the creation of an independent regulator for WSS, and actions to overcome over-fragmentation of WSS services. The Strategy also facilitated a significant increase in government- and external funding for WSS.
- Sustainable business models for sanitation in small towns and villages were recommended. This served as an input to Germany's work on regional development in Moldova (GIZ started pilot testing one of the recommended models).

### PLANS FOR THE FUTURE

- Work will continue to support the implementation of national targets on water and health and the operation of the newly established Clearing House for information on water and health.
- Recommendations to adapt water services and infrastructure to climate change are being considered for inclusion in the WSS Sector Strategy. The work will also feed into the National Plan for Flood Protection.

### PROGRESS IN MAIN WORK AREAS



## 2.8. Russian Federation



<i>Policy dialogue launched</i>	2010
<i>Present Chair(s) and strategic partners in government</i>	Ministry of Regional Development, Ministry of Economic Development Russian Development Bank
<i>Sources of funding for policy dialogue</i>	European Union, <i>Evrasijskij</i> (a large Russian private operator), Government of Germany, the Russian Development Bank ( <i>Vnesheconombank</i> ), EBRD, the World Bank

### PRIORITY AREAS OF WORK AND MAIN ACTIVITIES

Resuming the EUWI NPD process is currently under discussion in Russia. Previous work under the EUWI EECCA includes:

- A review of the legal, institutional and regulatory framework for private sector participation (PSP) in WSS.
- A review of the economic instruments for water resources management.
- As a follow up, the Minister of Natural Resources of the Republic of Buryatia requested a review of economic instruments for water management, with a view to better integrate environmental performance and economic development in this Republic.

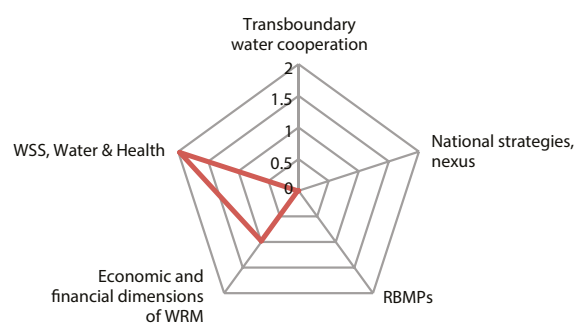
### KEY ACHIEVEMENTS OF THE POLICY DIALOGUE

- Due to the vast size and institutional complexity of the Russian Federation, a new approach was used when designing the proposed new NPD process. A pilot region of Buryatia has been chosen to test how the NPD process can support the reform of water policies at sub-sovereign level.
- The NPD in 2010 was instrumental in reaching a shared understanding among Russian authorities on the **framework conditions needed to attract private operators and investors** in the water sector. It was influential in changing the legal framework, in particular the Federal Law on concession agreements; the new Federal Law on water supply and sanitation; and a shift to performance-based contracts in the water sector.

### PLANS FOR THE FUTURE

- In 2014, the policy dialogue on economic instruments for water resources management in the Republic of Buryatia (Lake Baikal basin) will continue, exploring options to combine resource protection and economic development. This is expected to feed into a National Policy Dialogue on water management at a later stage.

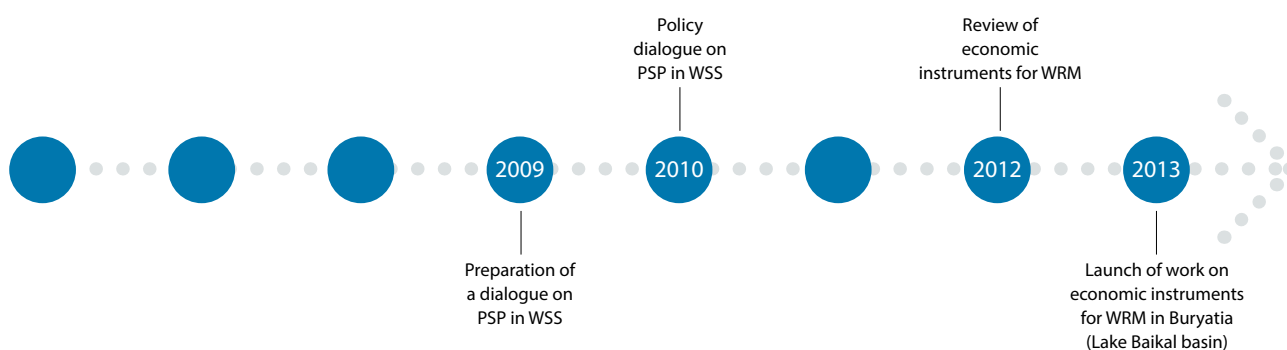
#### PROGRESS IN MAIN WORK AREAS



*"The dialogue in 2010 helped identify avenues for developing water supply and sanitation in Russia; key results of the dialogue are reflected in the new Federal Law "On water supply and sanitation" adopted in 2011, as well as in related sub-law regulation."*



**Alexei Makrushin**, Executive Director, National Union of Water Utilities, Russia; former Deputy Director of the Department of tariff regulation, infrastructure reform and energy efficiency, Ministry of Economic Development and Trade



## 2.9. Tajikistan



<i>NPD launched</i>	2009
<i>Present NPD Chair(s) and strategic partners in government</i>	Ministry of Energy and Water Resources
<i>Sources of funding for NPD</i>	European Union, Government of Denmark, Government of Finland, Government of Germany, Government of Norway

### PRIORITY AREAS OF WORK AND MAIN ACTIVITIES

- Design and implementation of a programme for water sector development based on IWRM principles; including basin management.
- Further implementation of the Water Supply Programme for 2000-2015, including the reform of water pricing.
- Strengthening of transboundary water cooperation with Kyrgyzstan and Afghanistan.

### KEY ACHIEVEMENTS OF THE NPD

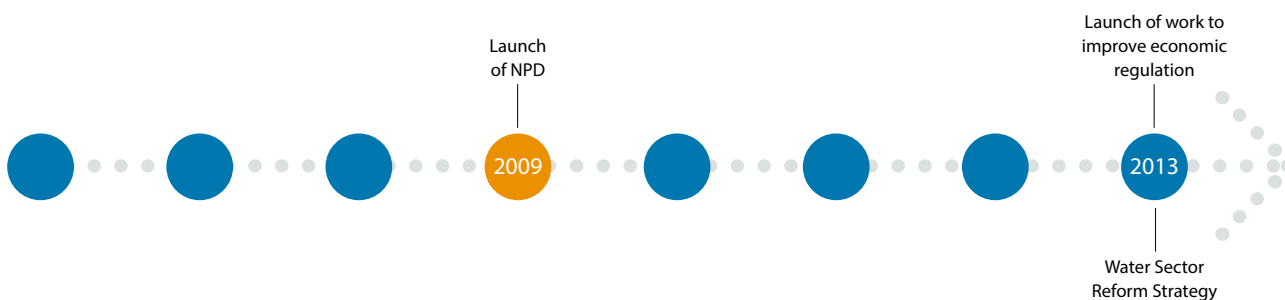
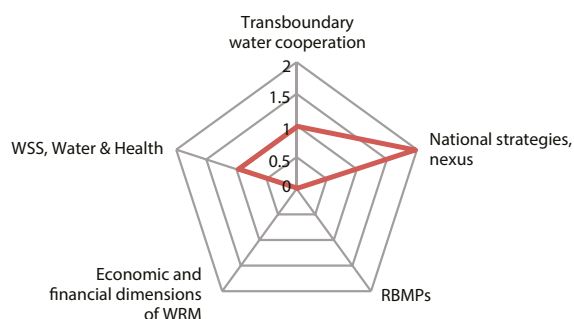
- Over 60 professionals attend the NPD Steering Committee meetings in Tajikistan. Several active working groups demonstrate excellent stakeholder engagement.
- A key achievement of the NPD was the development of the **Water Sector Reform Strategy for Tajikistan**. A final draft was discussed in May 2013 and the implementation of recommendations started in late 2013. The strategy proposed the separation of policy-making and operational functions (being currently implemented) and the adoption of river basin management principles. Institutional changes are to be supported by new legislative initiatives. A special working group analysed necessary changes in a wide range of legal acts and outlined a proposal in December 2013.
- The NPD acted as an umbrella process for **transboundary water diplomacy** to advance the cooperation with Afghanistan and the management of a transboundary basin with Kyrgyzstan in the Isfara basin (project led by GIZ).
- Targets have been proposed for the application of the **Protocol on Water and Health**.

- A training workshop was organised with the Antimonopoly Agency with a view to building capacity quickly to monitor the performance of water utilities, to review proposals for tariff increase by operators, and to measure and address affordability issues.

### PLANS FOR THE FUTURE

- The NPD Working Group on legal issues will contribute to the process of drafting the new Water Code and will propose changes in other legal acts.
- In response to the Antimonopoly Agency's request, further cooperation will aim at capacity building to strengthen the economic regulation for WSS.
- The development of the strategic plan for the irrigation sector is envisaged to combine food and water security, and achieve financial sustainability.

### PROGRESS IN MAIN WORK AREAS



## 2.10. Turkmenistan



<i>NPD launched</i>	2010
<i>Present NPD Chair(s) and strategic partners in government</i>	Ministry of Water Economy
<i>Sources of funding for NPD</i>	European Union, Government of Germany, Government of Norway

### PRIORITY AREAS OF WORK AND MAIN ACTIVITIES

- Convergence of national water management legislation and processes with the EU WFD, including the principles of IWRM and river basin management.
- Key areas of work include the review of existing national legislation and the development of a new National Water Code.

### KEY ACHIEVEMENTS OF THE POLICY DIALOGUE

- An inter-ministerial expert group was established to review the national legislation with a view to adopting the standards of the Water Convention. The group concluded that the Water Convention corresponds to the interests of the country and in August 2012, **Turkmenistan acceded to the Water Convention.**

- In 2013, the inter-ministerial expert group drafted a **National Water Code** in order to enact necessary legal changes in line with the Water Convention and principles of IWRM. The adoption of the National Water Code is in the 2014 work plan of Mejlis, the National Parliament.

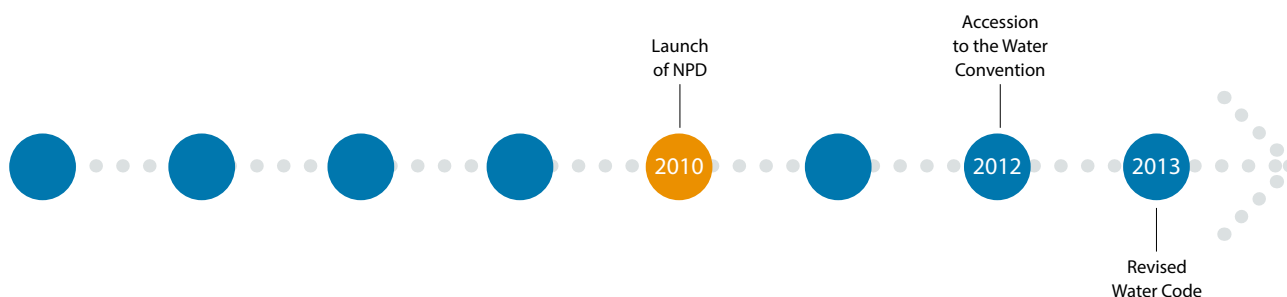
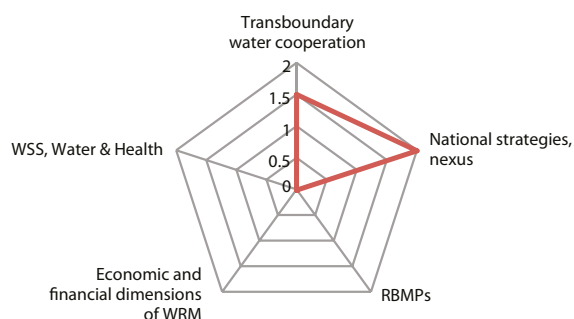
### PLANS FOR THE FUTURE

- UNECE will continue its support to the process of having the draft Water Code adopted by the national Parliament in 2014.
- Based on the successful work related to Turkmenistan's accession to the Water Convention in 2012, an elaboration of the possibility to join the Convention on the Transboundary Effects of Industrial Accidents and the Protocol on Water and Health will start in late 2014.
- In 2014, the roadmap for implementation of the IWRM principles in Turkmenistan will be drafted.



Satellite view of Turkmenistan

### PROGRESS IN MAIN WORK AREAS



## 2.11. Ukraine



<i>NPD launched</i>	2007
<i>Present NPD Chair(s) and strategic partners in government</i>	State Committee for Water Management Ministry of Regional Development, Construction and Housing and Communal Services
<i>Sources of funding for NPD</i>	European Union, Government of Israel, Government of Norway

### PRIORITY AREAS OF WORK AND MAIN ACTIVITIES

- Strengthening the legal and institutional framework for water management in order to adapt to climate change. This covers water diplomacy activities in the transboundary Dniester river basin shared with the neighbouring Republic of Moldova. Activities were conducted in cooperation with OSCE and UNEP.
- Achieving sustainable water management, safe drinking water and adequate sanitation under the Protocol on Water and Health.
- Addressing the over-fragmentation of water supply services, and identifying the necessary reforms and barriers to their implementation. The government is now considering options for the consolidation of the WSS sector.

### KEY ACHIEVEMENTS OF THE NPD

The NPD in Ukraine has been facing significant challenges due to the unstable political environment and subsequent changes in government personnel. Some significant achievements have been reached nonetheless.

- The **State Programme on Flood Protection** in the basin of the rivers Dniester, Prut and Seret was prepared and adopted in 2008. A bilateral agreement was signed with Moldova on water cooperation.
- In 2009, the **State Programme on Water Sector Development up to 2020** was adopted. This addresses climate change adaptation issues, and the implementation of river basin management principles. The NPD contributed to a strengthened legal, institutional and managerial framework that helps to cope with climate change.
- National Targets were drafted under the **Protocol on Water and Health** with reference to the work in other EECCA countries such as the Republic of Moldova. The draft has been submitted to the Ministry of Environment for consultation.

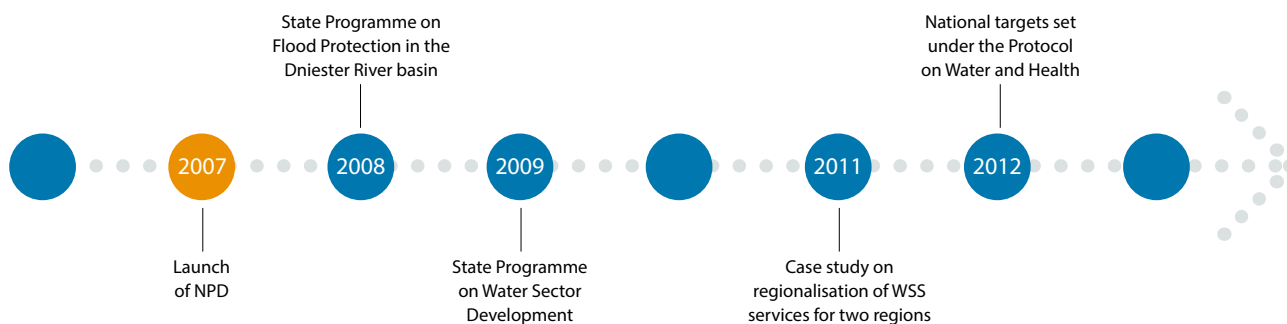
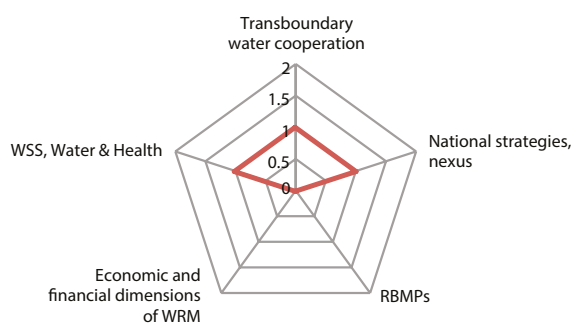
### PLANS FOR THE FUTURE

- The NPD is currently on hold, because of the political instability in the country.



Dniester river, Ukraine

### PROGRESS IN MAIN WORK AREAS



### 3. Water diplomacy under the EUWI in EECCA

The implementation of the EUWI in the EECCA region contributes to water diplomacy in two ways. Firstly, it promotes transboundary cooperation based on the principles of the UNECE Water Convention and on the OECD's work on related issues. Secondly, it supports regional dialogue on water policy issues through annual meetings of the EUWI EECCA Working Group (currently chaired by Romania), and through bilateral exchange of expertise in the region.

### 3.1. The regional dimension of EUWI EECCA

EECCA countries share a common legacy and a number of policy challenges regarding water management. Delegates from EECCA countries, donors and international organisations meet once a year at EUWI EECCA Working Group meetings. These regional meetings provide an opportunity to share lessons on common challenges and progress.

EUWI EECCA Working Group meetings are typically hosted by an EU member state, most recently by Finland in October 2013. The meeting began with a **'tour de table'** where a representative of each EECCA country described progress on key ongoing water reforms. This process served to provide a brief update to all participants on recent activities and progress.

The importance of such Working Group meetings in **disseminating developments in global water policy** was clearly demonstrated: in 2013, it provided the EC with a platform to disseminate its latest policy thinking with a presentation on a holistic vision of EU policies and legislative framework related to water management, including the WFD. In addition, UNECE reported on the UN-led process of establishing post-2015 Sustainable Development Goals (SDGs) to replace current Millennium Development Goals (MDGs). OECD shared latest developments on how water should be managed to drive green growth and how policy instruments should be designed to promote coherence across the water-food-energy security nexus.

Working Group meetings have a key role in facilitating **information sharing among EECCA countries and with EU member states**. This was underlined also in a session on transboundary water management. Presentations were provided for EECCA countries (the Chu-Talas basin in Kyrgyzstan and Kazakhstan as well as the Kura river basin in the South Caucasus); the same session entailed a presentation of EU experience, with the Finnish Environmental Institute (SYKE) discussing transboundary basin management with Russia. This process led to the **identification and sharing of successful practices** such as the functioning of the Inter-state Kazakh-Kyrgyz Chu-Talas River Basin Commission and the compensation mechanism for Russian losses in relation to flood and drought risk in the basin shared with Finland.

Working Group meetings also allow for an **overview and discussion of the EUWI work plan** in the region for the year ahead, including projects planned under each of the EECCA NPDs. This helps to identify in advance opportunities for sharing best practice among EECCA countries and with EU member states. It helps to coordinate the planning of work for international organisations and donors as well.



The Kura river at Mtskheta, Georgia



*“Over the last few years, National Policy Dialogues have been providing outstanding opportunities for EECCA countries to develop sustainable water policies and reach the Millennium Development Goals as well as address some of the most pressing water challenges faced by the region.*”

*It was an honour for me to cooperate with the implementing agencies and with our colleagues and partners throughout the region and to share the EU experience in water management to the benefit of EECCA countries and people.*

*We are proud of the EUWI-EECCA achievements so far and look forward to continuing the effective implementation of water policies designed through the NPDs.”*

**Gheorghe Constantin**, Chair of the EUWI EECCA component, Director of Water Resources Management, Ministry of Environment and Climate Change, Romania

## 3.2. Transboundary water cooperation

National Policy Dialogues on water have been instrumental in the promotion of transboundary water cooperation in EECCA. The UNECE supports this work through the Water Convention and other international tools and standards. The OECD contributes by making the economic case for enhanced cooperation. The table below shows the status of selected EECCA countries with regard to their accession process to the Water Convention and the Protocol on Water and Health.

The Water Convention and the Protocol on Water and Health provide the context for the implementation of a broad range of relevant projects on water cooperation issues in the EECCA region. Such projects include support to transboundary water cooperation in specific basins by applying the EU WFD principle of basin management, as well as the development of specific themes underpinning cooperation. While most of these initiatives are funded by other programmes, efforts are made to use the EUWI NPD framework for national discussions, stakeholder involvement and information exchange.

Projects are currently being rolled out in the **Kura basin** (Azerbaijan and Georgia), **Dniester basin** (Moldova and Ukraine), **Chu and Talas basins** (Kazakhstan and Kyrgyzstan), **Aral Sea basin** (all Central Asian states) and **upper Amu-Darya** (Tajikistan and Afghanistan). The Water Convention also supports horizontal work, across basins, on the water-food-energy-environment nexus as well as climate change adaptation.

Examples of transboundary water cooperation directly included in the EUWI work programme are:

- A transboundary assessment of economic instruments currently in use for water management in the Kura River basin. The study considered reforms of existing instruments as well as recommending new instruments which could be adopted.
- Bilateral negotiations between Azerbaijan and Georgia for joint management of water resources of the Kura basin are being reported and discussed at NPD Steering Committee meetings.
- The NPD in the Kyrgyz Republic included the establishment, and support to the River Basin Council for the transboundary Chu basin which is shared with Kazakhstan.
- The work of the bilateral Commission on the rivers Chu and Talas is being reported on and discussed at the NPD as well as EUWI EECCA meetings.
- The bilateral treaty on water cooperation as well as adaptation to climate change that was signed between Moldova and Ukraine in 2012 was discussed during NPD meetings in both countries.
- In a Steering Committee meeting in Tajikistan, transboundary cooperation with Afghanistan as well as Kyrgyzstan was the core theme of the discussion.

Country	UNECE Water Convention*	Protocol on Water and Health*
<b>Armenia</b>	Not a Party	Signed in 1999. <b>Considering accession</b>
<b>Azerbaijan</b>	Acceded in 2000	Acceded in 2003
<b>Georgia</b>	Not a Party	Signed in 1999. <b>Considering accession</b>
<b>Kazakhstan</b>	Acceded in 2001	Not a Party. <b>Considering accession</b>
<b>Kyrgyzstan</b>	Not a Party	Not a Party but <b>National Targets adopted in 2013</b>
<b>Republic of Moldova</b>	Acceded in 1994	Acceded in 2005; <b>National Targets adopted in 2010</b>
<b>Russia</b>	Acceded in 1993	Accepted in 1999
<b>Tajikistan</b>	Not a Party	Not a Party but <b>National Targets drafted in 2013</b>
<b>Turkmenistan</b>	<b>Acceded in 2012</b>	Not a Party
<b>Ukraine</b>	Acceded in 1999	Acceded in 2003

\* *Bold means that accession and / or national targets were achieved as a result / in the context of NPD activities.*



## Contribution of NPDs to Transboundary Water Cooperation

### CHU

- The Chu river basin Council is established and its work initiated
- First components of the Chu river basin management plan completed



The boundaries and names shown and the designations used on this map do not imply official endorsement or acceptance by the United Nations.

UNEP/DEWA/GRID-Geneva 2011

### KURA

- Bilateral agreement between Azerbaijan and Georgia on the shared water resources of the Kura river basin drafted and under negotiation between the countries



The boundaries and names shown and the designations used on this map do not imply official endorsement or acceptance by the United Nations.

UNEP/DEWA/GRID-Geneva 2011

### SYR DARYA

- Assessment of water-food-energy-ecosystems nexus approach is being prepared (to be completed in 2015)



The boundaries and names shown and the designations used on this map do not imply official endorsement or acceptance by the United Nations.

UNEP/DEWA/GRID-Geneva 2011

UNECE (2011), "Second Assessment of Transboundary Rivers, Lakes and Groundwaters"  
[http://www.unece.org/env/water/publications/pub/second\\_assessment.html](http://www.unece.org/env/water/publications/pub/second_assessment.html)



The Chilik river, Kazakhstan

BOX 2

## The UNECE Water Convention

The United Nations Economic Commission for Europe (UNECE) Convention on the Protection and Use of Transboundary Watercourses and International Lakes (Water Convention) was adopted in Helsinki in 1992 and entered into force in 1996. As of February 2013, it counts 39 Parties – almost all countries sharing transboundary waters in the UNECE region.

The Water Convention provides a unique legal framework and an intergovernmental platform for strengthening transboundary water cooperation and water governance by promoting an integrated approach to transboundary water resources management. The Convention requires Parties to take national measures for the protection and ecologically-sound management of transboundary surface waters and groundwaters.

Since the 1990s, the Convention has made a clear difference on the ground focusing on implementation and directly facilitating legal, technical and practical assistance. The Convention has contributed to and served as a model for the transboundary agreements on the Chu-Talas, Danube, Dniester, Drin, Rhine and Sava Rivers. As a flexible tool applicable in different social, economic and political situations, it has fostered the establishment of joint bodies and strengthened cooperation at both political and technical levels.

In Central Asia, Kazakhstan, Turkmenistan and Uzbekistan are Parties to the Convention. All five Central Asian countries are involved in the Convention's activities such as cooperation on dam safety and water quality projects. The Convention has also been supporting cooperation with the countries bordering UNECE region, for example providing the platform for cooperation between Afghanistan and Tajikistan in the development of hydrology and environment cooperation in the upper Amu Darya basin.

In 2013, the entry into force of the amendment to open the Water Convention beyond the UNECE region turned the Convention into a global legal framework. Since 2010, the Convention has already provided a platform for continuous learning and exchange, with more than 50 countries outside the UNECE region actively participating in the Convention's activities.

The globalisation of the Convention offers a great opportunity for promoting water cooperation worldwide. Moreover, the Water Convention and its Protocol on Water and Health are ready to offer a platform for implementing an eventual sustainable development goal on water in the framework of the post-2015 development agenda.

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More information: [www.unece.org/env/water](http://www.unece.org/env/water)

Hydroelectric dam on the Dnieper river, Kiev, Ukraine



# 4. Opportunities for further work

As a continuation of the policy reforms promoted thus far, opportunities for proposed future work in the context of NPDs can be grouped under the following three interrelated themes:

Managing water for green growth

The water-energy-food security nexus

Transboundary water diplomacy

## 4.1. Managing water for green growth

Several EECCA countries have explicitly embarked towards green growth. Kazakhstan and Moldova have developed concepts in this regard. Green growth is particularly relevant in a region where environmental degradation hurts the poor and compromises poverty alleviation and economic development. In particular, the extension of irrigated land in the Caucasus and Central Asia can be compromised if a reliable water source cannot be provided. Electricity production and agricultural development are already conflicting in several areas within or across national boundaries.

Managing water for green growth requires particular attention to several issues:

- **Extend the coverage of urban and rural water supply and sanitation services.** The return on investment regarding health and environmental benefits is well documented. Further work on the adoption and monitoring of targets under the Protocol on Water and Health will contribute to this. So will robust and financially realistic strategies for water supply and sanitation.
- **Increase water use efficiency in agriculture, industry and water utilities.** Water efficiency avoids wastage of water and public finance, and helps to allocate water where it creates most value for society. OECD experience shows that economic instruments contribute to water efficiency: they signal scarcity where appropriate; promote efficient water use, practices and techniques; and generate revenues to finance water infrastructure and services. Work on these issues needs to be replicated and scaled up.
- **Invest in ecologically sensitive water storage and protection systems.** Protecting water users from risks of too much, too little or too polluted water is essential to social and economic development. Pioneering work on dam safety contributes to this objective and this could be replicated emphasising how investment can be made without compromising the ecosystems on which our well-being relies.



The Ural river at Atyrau, Kazakhstan

## 4.2. The water-energy-food security nexus

NPDs on water in EECCA confirm that water cannot be managed in isolation and that water policies should be coordinated with energy and food policies. Work in this area contributes to several outcomes:

- **Robust RBMPs**, that ensure water is managed in a way that contributes to green and equitable growth. These plans should approximate IWRM principles and promote water efficiency. Economic analysis and instruments have an important role to play. Pilots could be developed in most countries. Recommendations would follow, to replicate, scale up and implement the plan. This topic is gaining traction, as several EECCA countries embark in water management at basin level.
- **Alignment of policies for water-energy-food security.** This requires: (a) an assessment of subsidies in the water sector, their economic and fiscal, social and environmental impacts, with a view to reform water harmful subsidies; (b) a review of prices paid by different water users (households, farmers, energy suppliers, etc.). Sending consistent price signals and removing perverse incentives can balance water uses between different sectors. Measures that can accompany reform and ease transition in these areas are essential.
- **Realistic water infrastructure development plans.** NPDs promote a flexible approach to strategic planning (e.g. large-scale infrastructure versus small-scale and innovative solutions), sustainable business models for operating and financing water infrastructure, and opportunities for innovation.

UNECE is currently conducting nexus pilot assessments in some transboundary basins in the EECCA region to test a methodology which could lead to improved joint understanding and balance with regard to water use between sectors and riparian countries.

## 4.3. Transboundary water diplomacy

The UNECE Water Convention and other frameworks help neighbouring countries to cooperate better in the management of shared water resources. Support to developing transboundary cooperation will be continued and replicated elsewhere in EECCA to promote shared basin management and climate change adaptation. Such cases include cooperation between Azerbaijan-Georgia (Kura, Alazani/Ganych), Moldova-Ukraine (Dniester) and Kazakhstan-Kyrgyzstan (Chu and Talas). Possibilities for joint projects on other transboundary rivers will be explored, potentially including Ural River between Kazakhstan and Russia.

In subregions where tensions around water use are common (Central Asia, the Caucasus), transboundary water diplomacy contributes to peace. As the UNECE Water Convention is becoming global, there will be new opportunities for transboundary cooperation with countries on the Southern borders of EECCA region. Uzbekistan is currently evaluating the option of launching an NPD process which may create further possibilities for transboundary projects in the subregion.

Transboundary water diplomacy also benefits from activities which promote water efficiency and water quality management in upstream countries. National NPD processes are open to provide input into wider regional discussions for water resource management such as in the framework of IFAS.

*“Notably, the National Policy Dialogue has been supporting the development of a basin management plan for Chu, our main trans-boundary river with Kazakhstan.”*

**Chyngyz Uzakbaev**, former Minister of Agriculture and Melioration, Kyrgyzstan; former Chair of the NPD Steering Committee



## 5. National Policy Dialogues as a process

**National Policy Dialogues (NPDs) on water are the main operational instrument of the European Union Water Initiative (EUWI) component for Eastern Europe, the Caucasus and Central Asia (EECCA). Since 2006 EUWI NPDs have been carried out in nine countries: Armenia, Azerbaijan, Georgia, Kazakhstan, Kyrgyz Republic, the Republic of Moldova, Tajikistan, Turkmenistan and Ukraine. Cooperation with Russia is being tested in a pilot region of Buryatia.**

NPDs are policy platforms where stakeholders meet to advance water policy reforms. NPDs are driven by the demand from the host countries. They are usually chaired by heads of respective government agencies. A variety of stakeholders participate in the meetings, such as ministries and government agencies and institutions, as well as non-governmental organisations, the business community, parliamentary bodies. Participants also include several international organisations and EU Member States active in water policy reforms in each country.

Discussions at NPD meetings are substantiated by robust analytical work and international best practice. For instance, reviews of water pricing benefit from assessments of affordability and competitiveness impacts of alternative pricing scenarios; development of river basin management plans build on similar experience in European countries. Officials from EU member state governments and organisations are invited to participate, share experience and demonstrate EU policies and practices.

The main outcomes are policy packages, such as legislative acts, national strategies, ministerial orders and plans for implementation. In most cases these apply the principles of the EU water policy. Emphasis is also set on the implementation of previously adopted policies through pilot projects or technical assistance.

NPDs are financially supported by the EC, several EU member states and other donors specified in section 2 and are facilitated by the OECD and UNECE, which contribute on substance and help chairs of NPDs to manage the process.

EECCA countries benefit from the on-going EUWI NPDs in many ways, not least through better cooperation with EU Member States. Improved coordination with donors on water issues helps to increase cost-effectiveness of Official Development Assistance provided by EU Member States as well as other donors. Furthermore, NPDs provide opportunities to transfer best practices and knowledge from EU Member States and a number of international organisations (foremost, the OECD and UNECE) to beneficiary countries.

*"The NPD is a useful and effective coordination mechanism for government bodies, civil organisations and private sector, with the objective of improving water policy in the country and implementing needed reforms. Moldova is firmly interested in continuing this dialogue."*

**Gheorghe Șalaru**, Minister of Environment, Republic of Moldova



## References and further information

### **EUWI EECCA specific websites**

#### **The European Union Water Initiative (EUWI)**

<http://www.euwi.net/>

#### **OECD: National Policy Dialogues on water in EECCA**

<http://www.oecd.org/env/outreach/npd-water-eecca.htm>

#### **UNECE: National Policy Dialogues on Integrated Water Resources Management**

<http://www.unece.org/env/water/npd>

### **Publications on water policy reforms in EECCA**

#### **UNECE and OECD (2013), *The European Union Water Initiative National Policy Dialogues***

[http://www.unece.org/env/water/publications/euwi\\_npd.html](http://www.unece.org/env/water/publications/euwi_npd.html)

#### **OECD (2011), *Ten Years of Water Sector Reform in Eastern Europe, Caucasus and Central Asia*,**

OECD Publishing, Paris,

<http://dx.doi.org/10.1787/9789264118430-en>

### **Principles and tools guiding water policy reform in EECCA**

A number of internationally agreed principles guide NPDs in EECCA:

- **The European Union Water Framework Directive**  
<http://ec.europa.eu/environment/water/water-framework/>
- **The UNECE Convention on the Protection and Use of Transboundary Watercourses and International Lakes (The Water Convention)**  
<http://www.unece.org/env/water>
- **UNECE/WHO-Europe Protocol on Water and Health**  
[http://www.unece.org/water/pwh\\_text/text\\_protocol.html](http://www.unece.org/water/pwh_text/text_protocol.html)
- **UNECE Industrial Accidents, Espoo and Aarhus Conventions**  
<http://www.unece.org/env>
- **The Almaty Guiding Principles**  
<http://www.oecd.org/env/outreach/2390168.pdf>

- **The Recommendations of the OECD Council on water management**

- **Management Policies and Instruments** (1978)  
<http://acts.oecd.org/Instruments/ShowInstrumentView>

- **Water Resource Management Policies: Integration, Demand Management, and Groundwater Protection** (1989)  
<http://acts.oecd.org/Instruments/ShowInstrumentView.aspx?InstrumentID=36&InstrumentPID=34&Lang=en&Book=>

- **Use of Economic Instruments in Environmental Policy** (1991);  
<http://acts.oecd.org/Instruments/ShowInstrumentView.aspx?InstrumentID=41&InstrumentPID=38&Lang=en&Book=>

- **Good Practices for Public Environmental Expenditure Management** (2006)  
<http://acts.oecd.org/Instruments/ShowInstrumentView.aspx?InstrumentID=175&InstrumentPID=171&Lang=en&Book=>

**Several tools are supporting analytical work:**

- OECD (2009a), **Strategic Financial Planning for Water Supply and Sanitation**  
<http://www.oecd.org/env/resources/43949580.pdf>

- OECD (2009b), **Private Sector Participation in Water Infrastructure: OECD Checklist for Public Action**, OECD Publishing, Paris,  
<http://dx.doi.org/10.1787/9789264059221-en>

- OECD (2012), **A Framework for Financing Water Resources Management**  
<http://www.oecd.org/environment/aframeworkforfinancingwaterresourcesmanagement.htm>

- UNECE (2009), **Guidance on Water and Adaptation to Climate Change**  
<http://www.unece.org/index.php?id=11658>

- UNECE and WHO (2011), **Guidance on Water Supply and Sanitation in Extreme Weather Events**  
[http://www.euro.who.int/\\_\\_data/assets/pdf\\_file/0016/160018/WHOGuidanceFVLR.pdf](http://www.euro.who.int/__data/assets/pdf_file/0016/160018/WHOGuidanceFVLR.pdf)

- UNECE and WHO (2011), **Small-scale Water Supplies in the pan-European region**  
[http://www.euro.who.int/\\_\\_data/assets/pdf\\_file/0018/140355/e94968.pdf](http://www.euro.who.int/__data/assets/pdf_file/0018/140355/e94968.pdf)



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