

Grant Agreement

The

**United Nations Secretary General
Represented by
UN Economic Commission for Europe
Palais des Nations
CH-1211 Geneva 10**

- hereinafter referred to as "the Recipient" -

and

**Deutsche Gesellschaft für
Internationale Zusammenarbeit
(GIZ) GmbH
Dag-Hammarskjöld-Weg 1-5
65760 Eschborn
Federal Republic of Germany**

- hereinafter referred to as the "GIZ" -

herewith enter into the following Agreement for the Project

Transboundary Water Management in Central Asia

Country: **Central Asia**

For correspondence and invoices (Please quote on all correspondence and invoices)

Contract No.: 81187727

Project Processing No.: 13.9048.3-002.00

Project Management

Section/Division: 3200

Responsible: V. Frobarth

Reference: 3200-VF

Contract Management

Section/Division: 5320

Responsible: S. Winkler

Reference: 5320-SW

Deutsche Gesellschaft für
Internationale Zusammenarbeit (GIZ) GmbH

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The basis for the subsidies for UNECE is the commission from the German Federal Foreign Office as of January 30, 2015. GIZ shall provide the subsidies pursuant to this agreement exclusively on behalf of and for the account of the German Federal Foreign Office.

Article 1

Amount and Purpose of the Grant

- 1.1 On behalf of the Government of the Federal Republic of Germany, the GIZ shall make available to the Recipient a grant of

up to 113.000 EUR

- 1.2 The Recipient shall use the grant exclusively for expenditures within the Project described in Article 2 as attributed to the GIZ grant according to the Schedule of Estimated Expenditures which sets out details of the Project expenditures. The Schedule of Estimated Expenditures is attached hereto (Annex 1) and forms an integral part of the Agreement.
- 1.3 The grant is made available for the period from 01/07/2015 to 30/06/2016 and include the calculation of the Recipient's programme support costs of 13 %. Only expenditures effected during this period and relating to activities carried out during this period may be financed from the grant. Otherwise the written approval of GIZ is required.
The GIZ shall have the right to refuse disbursements after 01/09/2016.
- 1.4 The Recipient shall use the GIZ grant only for necessary and reasonable expenditures in accordance with sound business principles. The Recipient shall use the GIZ grant in accordance with all relevant UN regulations, rules and directives. The Recipient shall ensure that no illegal or corrupt practices relate to the use of the GIZ's contribution.
- 1.5 The GIZ grant may be used only for expenditures not already financed under other subsidies or long-term loans.



- 1.6 The Recipient shall be entitled to spend up to 20% more than the amounts mentioned in Annex 1 for any budget line provided that expenditures are reduced by the same amount in one or more of the other budget lines.
- 1.7 With respect to the reports produced pursuant to Article 3 and all studies, documents or other work results, including computer programs, resulting from the project implementation and financed in whole or in part from the grant, the Recipient herewith grants the GIZ an irrevocable, non-exclusive and transferable right of use in all areas and fields, including their processing and translation and use in electronic media. The Recipient shall hand over one copy of the materials to the GIZ promptly on request by the GIZ. The GIZ is entitled to grant simple sub-user rights to third parties so long as the usual credit to UNECE is included as appropriate.

Article 2

The Project

- 2.1 The primary aim of the Project promoted by the grant is to support the Central Asian states in jointly developing practical approaches for sustainable regional water management and to improve capacities of regional institutions responsible for water management. This overall objective is defined by the following benchmarks:
- 1) Regional cooperation on water and the environment: information management at the regional level as decision support tool to the International Fund for the Saving the Aral Sea (IFAS) and its institutions is improved. Decision making and program implementation by the Inter-State Commission on Sustainable Development (ICSD) as well as the Executive Committee of IFAS (EC IFAS) becomes more effective.
 - 2) The capacity of Central Asian governments to understand and apply international water law and conventions is improved and the relevant instruments and best practices are increasingly used in interstate relations.
- 2.2 In order to achieve this aim, the following measures are planned:

Sub-component 1: Regional Institutions on Water Cooperation



Indicators:

- IA1.1 ICSD approves the Road Map on its institutional and legal strengthening and implementation of the project on the development of a regional water and environmental space starts in mid-2015.
- IA1.2 Improved coordination between information providers and users in the water and environmental sectors in Central Asia.

Work packages:

- a) Preparing and supporting at least two meetings of the coordination group on the regional space for water and environmental information. The group should discuss and agree upon a broad outline of a regional information space.
- b) Supporting the preparation and holding of one meeting of ICSD where a decision supporting the implementation of the Road Map on institutional and legal strengthening of ICSD should be adopted as well as agreement reached on the implementation of at least one project contained in the Road Map.
- c) A set of activities building the capacity of SIC ICSD in the field of information management as a decision support tool for ICSD is implemented. The activities should use primarily local, Central Asian expertise, complemented by international experts as necessary. These activities should be an integral part of work on the planned regional space for water and environmental information.

Sub-component 2: International Water Law and IWRM

Indicator:

- IA 2.1: Central Asian participation in events organized by the UNECE Water Convention including separate workshops for Central Asian participants.

Work package:

- a) Support of representatives from Central Asia to participate in events organized by the UNECE Water Convention (tentatively the IWRM Working Group, Geneva in June and the Meeting of the Parties in Budapest in November 2015) where also separate workshops for Central Asian participants are organized.



Details are laid down in the Project Proposal of UNECE, which is attached hereto (Annex 2) and forms an integral part of the Agreement.

Article 3

Disbursement Procedure

3.1 After entering into the contract, but no later than with the first request for disbursement, the Recipient **shall submit a schedule of financial requirements** drawn up in the contract currency (see specimen in Annex 3) **for the entire term of the contract**, unless this has already been submitted when the contract was entered into. In accordance with the schedule of financial requirements, the Recipient **shall request disbursements** in accordance with the schedule, specified below, in the contract currency to the amount of the expected financial requirement for the given period, taking into account any funds still available. The call for each disbursement shall be submitted in one copy originally signed and must include the project number and the contract number (see specimen in Annex 3).

The total budget of the activity is up to 113.000 EUR for the whole period of the project and will be disbursed to UNECE, **upon receipt of the respective request for payment**, in one tranches:

- First tranche – 100% of the total budget, released immediately after signing the contract, i.e. June 2015

3.2 All payments by the GIZ shall be made into the Recipient's account:

Account holder:	UN Geneva General Fund
Name and place of bank:	UBS AG Rue du Rhône 8 1211 Genève 2, Switzerland
Account number:	240-FP100381.0
Account currency:	EUR
Bank code:	240
Swift code:	UBSW CH ZH 80A

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IBAN: CH85 0024 0240 FP10 0381 0
Transfer Reference: Credit "ECE-E245" (for Transboundary Water Management in Central Asia)

All amounts paid by the GIZ shall remain in the afore-mentioned account as trust funds until they are used for paying the supplies and/or services to be financed from the grant.

- 3.3 The Recipient shall keep a separate project record exclusively for the funds disbursed by the GIZ. In this project record all receipts and expenditures related to the measures and/or expenditure categories to be financed from the GIZ grant are recorded according to the UN financial regulations, rules and directives for trust funds.
- 3.4 Except for the first instalment the Recipient shall submit with each call for disbursement a certified and signed financial statement providing evidence of the use of the payment before the foregoing disbursement and an inventory on the goods purchased according to Article 4.4. The financial statement shall be prepared in accordance with the Recipients normal practice. The financial statement must be made up in the currency of the contract. The expenditures shall be entered chronologically and broken down according to expenditure categories or measures as specified in the Schedule of Estimated Expenditures (Annex 1). In cases where the expenditure categories as per UN financial regulations do not fully correspond to the expenditure categories or measures as specified in the Schedule of Estimated Expenditures (Annex 1), explanations should be provided to relate the expenditures to the categories or measure specified in the Schedule of Estimated Expenditures (Annex 1). Funds remaining from the previous instalment shall be debited. The Recipient's request shall become due upon expiry of a verification period of 15 days after the financial statement has been received. Payment shall be made by the GIZ not later than 30 days after the requests become due, to the amount established and where applicable, corrected, by the GIZ.
- 3.5 If the Recipient does not submit a financial statement or an inventory in the correct manner or by the due date, the GIZ can suspend payments until such a financial statement or inventory is presented. Funds remaining from the previous instalment shall be debited.



- 3.6 The Recipient shall submit proof by the bank of the amount that has been credited in the currency of account for the funds disbursed by GIZ. The expenditure in the currency of account shall be converted to the contract currency at the exchange rate resulting from the amount credited to the account and the disbursement in the currency of the contract.

Settlements for expenditure in a currency different to the contract currency or the currency of account shall be made at the rate based on the foreign-exchange purchase vouchers presented in evidence of the amount charged. In the absence of the required documentation, the GIZ may choose either to reimburse the expenditures in foreign currency or to convert the expenditures on the basis of the exchange rate in the monthly GIZ exchange-rate list that can be accessed by the Recipient (www.GIZ.de/en, **Procurement, Important documents**) and reimburse them in the contract currency.

- 3.7 Upon completion of the Project, but not later than 12 weeks after the completion of all measures, the Recipient shall submit to the GIZ a final financial statement originally signed (see specimen in Annex 3) and provide the GIZ with evidence of how the amounts disbursed have been used. The financial statement must be made up in the currency of the contract. The expenditures shall be entered chronologically and broken down according to expenditure categories or measures as specified in the Schedule of Estimated Expenditures (Annex 1). Any funds remaining from the grant, including any interest accrued, shall be returned to the GIZ in the contract currency immediately and without separate request at the exchange rate resulting from the latest advance disbursement/s credited to the account (see article 3.9). To minimize the risk of repayment the recipient shall monitor the effective balance of funds before the final advance disbursement is requested.
- 3.8 All United Nations trust funds are subject to audit by the United Nations Board of External Auditors and the Internal Audit Division under the relevant rules and articles of the UN financial regulations, rules and directives. The Recipient's Board of External Auditors is appointed by the United Nations General Assembly.
- 3.9 The Recipient shall
- a) secure the full financing of the Project and, upon request, furnish the GIZ with evidence proving that all expenditures not financed from the present grant are covered;



- b) keep for five years after submission of the final financial statement books, records and the originals of the supporting documents, clearly identifying all expenditures for the services and supplies for the Project and those services and supplies financed from the grant;
- c) document the transfer of ownership of those items which are destined for third parties according to the Project Proposal and support its financial statements with copies of such documents;
- d) enable the representatives of the GIZ at any time to consult such books and any other records and documents relevant for the implementation of the Project and to visit all installations related thereto;
- e) supply any information on the Project and its further progress which the GIZ may request within 60 days;
- f) of its own accord promptly inform the GIZ of any circumstances seriously affecting or jeopardizing the accomplishment of the purpose of this Agreement or the implementation of the Project;
- g)
- h) not use the grant for expenditures completely financed under other subsidies or long-term loans.

Article 4

Purchasing of Goods and Services

- 4.1 Procurement of supplies and services shall be made according to the Recipient's internal rules and regulations for procurement and contracts, including international competitive bidding when relevant, for which GIZ will be provided with the bids for information purposes on request within 60 days. Written documentation shall be kept of all decisions regarding



invitations to tender and placement of orders, and this shall be kept with the accounting vouchers and documents pursuant to Article 3.

4.2 The Recipient shall ensure, upon entering into contracts for supplies and services to be financed from the grant, that

- a) the terms of payment of these contracts conform to United Nations procurement rules and regulations, which may not be financed from the grant, are to be indicated separately in the contracts to be entered into and in the invoices;
- b) the supplies to be financed are insured against transportation risks to an adequate and customary extent in order to provide for the goods to be replaced or restored to their original state, imported goods being insured in freely-convertible currencies, as far as possible;
- c) reimbursement, insurance, security, warranty or similar payments which may be claimed on the basis of those contracts, are to be transferred to the account indicated in Article 3.2 and reemployed for the Project. The Recipient shall notify GIZ of the amount of such payments within the scope of the project reports.

4.3 The items procured or produced for the Project by the Recipient must be used solely for the purposes of the project. This purpose-specific stipulation shall apply for an indefinite period, subject to the stipulations of Article 4.5. If the items are used for purposes other than those for which they were intended, the Recipient shall provide GIZ with appropriate compensation for their value at a level to be agreed by the GIZ and the United Nations.

4.4 The Recipient is obliged to submit current inventories with the financial statement at the end of each year and with the final financial statement.

All items financed from the GIZ grant whose purchase or manufacturing cost warrant will be inventoried under United Nations inventory control regulations.

4.5 After completion of the Project at the latest, the items procured or produced for the Project shall become the property of those to whom they are to be transferred as stipulated by the Project. The GIZ and the Recipient shall agree on this in writing in due course, at the latest



prior to submission of the final financial statement. The transfer of ownership shall be noted in the financial statement and the related certificate of assignment shall be submitted.

Article 5

Suspension of Disbursements and Repayment

5.1 The GIZ shall be entitled to either suspend or terminate disbursements if

- a) the Recipient is not able to furnish evidence proving the use of the grant for the purpose stipulated in this Agreement;
- b) goods purchased by the Recipient for the Project and financed from the grant are not used or cease to be used for the purpose of the Agreement;
- c) the Recipient has violated any other obligation under this Agreement;
- d) before conclusion of the Agreement or during its execution, the Recipient has given false information or withheld relevant information affecting the allocation or disbursement of the grant;
- e) any extraordinary circumstances have arisen which preclude or seriously jeopardize the purpose of the grant, the implementation of the Project, or the performance of the obligations assumed by the Recipient under this Agreement; or
- f) the Government of the Federal Republic of Germany terminates, suspends or modifies the relevant contract with GIZ which is basis for this Agreement.

5.2 The GIZ shall be entitled to demand repayment of all or part of the grant if any of the circumstances referred to in Article 5.1 a) to d) arise and have not been remedied within a period to be stipulated by the GIZ, which shall, however, be not less than 90 days. Where Article 5.1 a) applies, only those amounts shall be repaid for which the Recipient is unable to furnish evidence of the use for the purpose stipulated in this Agreement. Where Article 5.1.b) applies, only those amounts relating to the goods concerned shall be repaid.



Article 6

Implementation of the Project

- 6.1 The description of the measures in Article 2.2 including the Project Proposal (Annex 2) constitutes the binding framework for the implementation of the Project.
- 6.2 Major changes to the measures described under Section 2.2 including the Project Proposal or major changes to the estimated expenditures, must be reported immediately to the GIZ. Such measures may be commenced only on the basis of revised planning and with the prior approval of the GIZ.
- 6.3 The Recipient shall submit half-yearly progress reports. The first report will be due at the end of December 2015. The reports shall be submitted to the GIZ not later than two months after the reporting date.
- 6.4 The Recipient shall draw up a final report describing the implementation and results of the Project in the light of the aims set and submit it to the GIZ not later than eight weeks after the completion of all measures.
- 6.5 In any publication on the Project, the Recipient shall always indicate in an appropriate manner that it is conducting or conducted its activities within the framework of a project financed or cofinanced by the GIZ on behalf of the Government of the Federal Republic of Germany.

Article 7

Final Provisions

- 7.1 The Recipient shall ensure that the persons it entrusts with the preparation and implementation of the project and the awarding of contracts for the provision of materials and services to be financed do not demand, accept, provide, grant, promise or accept promises for illegal payments or any other advantages in connection with these tasks.



7.2 This Agreement shall enter into force upon signature by the GIZ and the Recipient and remain in force until the GIZ and the Recipient have duly fulfilled all obligations, unless terminated earlier by either Party by giving notice in writing to the other Party three months prior to termination.

Amendments and changes to this Agreement as well as any statements and notices which shall be made under this Agreement shall only be valid in writing.

7.3 The Recipient and the GIZ shall seek to settle amicably any differences and disputes arising from or relating to the implementation of this Agreement.

7.4 Any dispute or difference arising out of the implementation or application of this agreement shall, unless it is settled by direct negotiations, be referred to arbitration in accordance with the United Nations Commission on International Trade Law (UNCITRAL) arbitration rule, as at present in force. The parties hereto agree to be bound by any arbitration award rendered in accordance with this section as the final adjudication of any dispute.

7.5 Place of arbitration shall be Frankfurt am Main.

Eschborn 16.06.2015

Deutsche Gesellschaft für
Internationale Zusammenarbeit
(GIZ) GmbH

Geneva, 622 juin 2015

UN Secretary General
represented by
UN Economic Commission for Europe

i.v. Wille

Contract Management

i.v. B. Veigel

Director of Division

Europe, Caucasus, Central Asia

Ms Leslie Cleland

Executive Officer



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Annexes:

(Annexes 3 can be downloaded from www.GIZ.de/en/, Procurement, Important documents)

Annex 1: Schedule of Estimated Expenditures

Annex 2: Project Proposal of UNECE

Annex 3: Financial Guidelines for Grant Agreements

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Annex 1 – Schedule of Estimated Expenditures

Indicative budget	in EURO*
Subcomponent 1. Regional Institutions on Water Cooperation	
Work package 1 : Strengthening the regional framework	
a. 2 meetings of the coordination group on the regional information space and consultants	€ 38.000,00
b. Approval of road-map, ICSD meeting in Ashgabat	€ 10.000,00
c. Capacity building SIC ICSD	€ 20.000,00
<i>Subcomponent 1 Subtotal</i>	€ 68.000,00
Subcomponent 2. International Water Law and IWRM	
Work package 2: Capacity building on international water law and IWRM	
a. Travel and accommodation for Central Asian representatives' participation in events organised by the UNECE Water Convention and G-staff costs	€ 32.000,00
<i>Subcomponent 2 Subtotal</i>	€ 32.000,00
Subcomponents 1 and 2 Subtotal	€ 100.000,00
Overhead 13%	€ 13.000,00
TOTAL (Inc. of 13%overhead)	€ 113.000,00

*Basis for the financial reports are the costs actually occurred.




Project Outline

v. 10 March 2015

Phase III of the German Federal Foreign Office's Water Initiative

Program Component "Regional dialogue and cooperation on water resources management in Central Asia"

Background

The long-term economic, political and social stability of Central Asia directly depends on the sustainable management of the region's shared water resources. The water resources are already limited and scientific research produces increasing evidence that climate change is likely to have consequences with regard to increased evaporation and a changed runoff seasonality due to earlier snow-melt. The growing irregularity of water supply combined with increasing demand for water due to rapid population growth and economic development as well as deterioration of water quality throughout the region constitute a challenge that can only be met through improvement of domestic water governance and regional cooperation. If regional institutions are unable to address this challenge effectively, disputes over water might degenerate into open conflict.

While the Kazakh Chairmanship of IFAS was characterized by an open discussion and proposals for legal strengthening with regard to the IFAS cooperation framework, the Uzbek chairmanship give less priority to discussions on organizational or legal reforms thus limiting the possibilities to develop regional cooperation.

The political relations between countries in Central Asia are in many respects tense. The increasing security problems in Afghanistan as well as indirectly the conflict in Ukraine are external factors as are the declining economic situation in oil- and gas-exporting countries. The plans of Tajikistan to build the Rogun dam and the non-engagement of Kyrgyzstan in IFAS under the Uzbek chairmanship are specific issues that negatively impact the relations of the two countries with Uzbekistan. Against this background the efforts of this project will help to continue a necessary dialogue while there is certainly a risk (see Risk and implementation modalities) that joint win-win decisions cannot be taken for granted because of political realities.

The global opening of the UNECE Convention on the Protection and Use of Transboundary Watercourses and International Lakes (Water Convention) as well as the entering into force of the UN Watercourses Convention in 2013-2014 is strengthening the position of international water law



including in Central Asia and opens up the opportunity of neighbouring countries to ratify these conventions.

The new Executive Secretary of UNECE Mr Christian Fries Bach has been engaged in the regional cooperation in Central Asia from the beginning of his term. Mr Bach was the highest level participant in the IFAS donor meeting in Urgench in October 2014 where he made a key-note speech stressing the need to improve regional cooperation. He has also visited and held high-level consultations in the Capitals of Kazakhstan, Tajikistan and Turkmenistan.

UNECE continues to actively facilitate regional water cooperation and support the development of integrated water resources management. While the EU Water Initiative National Policy Dialogues in four of the five Central Asian countries focuses mainly on national policy issues, transboundary water cooperation is also part of the respective dialogues. Work on the water-food-energy-environment nexus in the Syr Darya river basin is underway after a workshop held in the beginning of December 2014. The facilitation of the hydrology and environment cooperation between Afghanistan and Tajikistan in the Pyanj (upper Amu Darya) basin is giving positive results as is the continuation of the work on regional cooperation on dam safety. It is expected that a new project to further develop the cooperation on water quality management between the five countries will start in 2015. In 2015 a project funded by GEF to further develop the water cooperation between Kazakhstan and Kyrgyzstan on the Chu and Talas rivers will start with the participation of UNECE. This project aims to expand the cooperation between the two countries in particular with regard to protection of water quality and ecosystems. Synergies with these activities will be developed where possible in the work under this grant.

Some other directions of UNECE work may contribute to the Phase III project. This includes the support to the application of Shared Environmental Information System (SEIS) principles in Central Asia and the establishment of agreed sustainable development statistical indicators for the ECE region.

Phase III directions of work

Phase III of the program component will continue to be based on the mandate received from the 2009 Summit of Heads of State of IFAS member countries. In addition, a more detailed mandate follows from the approval by the Governments of all IFAS member countries of the Third Aral Sea Basin Program. Direction 4 of the Program includes project proposals (Institutional Structures, Legal Frameworks and Capacity Building – IWRM) which foresee the modernization, improvement and harmonization of regulatory frameworks and institutional strengthening of regional organizations.



Implementation of Phase III will focus on continuing those activities that received support during Phase II and on building the capacity of the incoming Turkmen Chairmanship of IFAS (2016-2019) to revitalize the successful work under the Kazakh Chairmanship on the institutional and legal strengthening of IFAS¹.

Building on the decision of the Inter-State Commission on Sustainable Development on 28 November 2014 in Dushanbe and the Statement of Intent signed between the UNECE and the Executive Committee of IFAS on 30 October in Urgench, both documents supporting the setting up of a coordination group for the development of a regional space for water and environmental information in Central Asia, the first meeting of such a group could take place in June 2015 in conjunction with the next meeting of the FLERMONECA project.

The project will further provide support to the preparation and holding of the meeting of the Inter-State Commission on Sustainable development, planned for June 2015 in Ashgabat, with the objective of seeking the approval of / support by ICSD to the implementation of the Road Map on institutional and legal strengthening of ICSD and a capacity building program for the Scientific and Information Center of ICSD under the guidance of the coordination group mentioned above. The program would aim to build an information management capacity at SIC ICSD to provide more effective decision support to ICSD and to actively participate in the development of a regional space for water and environmental information. The UNECE will continue its close cooperation with the Turkmen Government during the Turkmen Chairmanship of ICSD, including projects on institutional and legal strengthening and information management. In an ideal case support to the ICSD Chairmanship could become a "dress rehearsal" of cooperation with the Turkmen chairmanship of IFAS starting in August 2016. The project contributes to the general objective of the German Federal Foreign Office and GIZ to strengthen ownership of interventions to improve regional cooperation with regard to effective, integrated water resources management within Central Asian partner institutions. Thus, UNECE will coordinate closely with CAREC and involve its respective project management staff in particular into its activities to strengthen (SIC) ICSD.

¹ The first phase of the Program Component supported Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan in analyzing the effectiveness of the current institutions and legal frameworks for trans-boundary water cooperation and developing proposals for institutional and legal strengthening. The "Conceptual Elements for the Improvement of the Organizational and Legal Basis of the International Fund for Saving the Aral Sea", elaborated in the framework of the Program Component, contains building blocks for a regional institutional agreement that could replace the great number of often contradicting documents that presently constitute the legal basis of IFAS.



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The UNECE efforts to improve transboundary water cooperation in the region were supplemented by strengthening the understanding and application of international water law in the region through capacity building activities: over 15 regional and national capacity-building activities were organized during the first and second phases of the GIZ project. A publication "Strengthening Water Management and Transboundary Water Cooperation in Central Asia: the Role of UNECE Environmental Conventions" provides an additional basis for further work.

Although Central Asian countries have considerably improved their understanding of the international water law and Turkmenistan acceded to the UNECE Water Convention on 29 August 2012, further capacity building is needed as the governments still do not fully understand and take full advantage of using international water law instruments and best practice. As Tajikistan and Kyrgyzstan are not Parties to the Water Convention, additional efforts are required to ensure that Central Asian States share a common legal framework based on the recognized principles of international law. The Government of Tajikistan at the end of 2014 signaled its cautious support to UNECE capacity building on international water law of Tajik experts. These activities could facilitate a gradual continued positive shift in the position of the Government on Tajikistan's eventual accession to the UNECE Water Convention.

Under this grant capacity building efforts will be continued by funding the participation of Central Asian representatives to meetings organized by the UNECE Water Convention and organizing specific Central Asia events in conjunction with these events that will also include links to the Espoo and Industrial Accidents conventions.

The implementation of the Program Component will observe the following broad principles:

- Disputes and controversies over regional water resources management cannot be effectively addressed without careful analysis and taking fully into account the broader historic, political, economic, social and environmental aspects of the problems.
- Due attention should be paid to the need to generate sufficient political will for the implementation of the package of reform proposals to be developed, i.a. through emphasizing the direct link between much needed legal and institutional strengthening and the ability of upstream and downstream countries of the region to elaborate and implement win-win solutions to the problems associated with the water-energy nexus.
- Full advantage should be taken of the impartial forum provided by the UNECE as it offers a neutral UN umbrella for discussions on the regional institutions for water resources management.
- Full advantage should further be taken of UNECE as a custodian of several international environmental agreements, in particular the Water Convention, but also the Espoo Convention and Industrial Accidents Convention. Available guidance documents and best practice developed under the umbrella of these instruments should as well as their



institutional structures will be used to the extent possible. The mechanism of the Water Convention – the Implementation Committee – may provide further support to the efforts to settle differences over the use of shared water resources in the region.

- Conscious efforts should be made to maximize the conflict-prevention and confidence-building effect of activities undertaken in the framework of the projects: strengthened confidence is a sine qua non of successful reform of the legal framework and the strengthening of institutions for water resources management.
- Since it would be unrealistic to expect a fundamental change of the legal framework and the institutions for regional water resources management in one step, the project should aim at maintaining the process of gradual reform. The ultimate objective should be a negotiated, legally binding umbrella-agreement among the states of Central Asia, with a robust implementation mechanism (including institutions), on the joint operation of a system, which would provide increased security (guarantees) and additional benefits to all of them.
- Strengthened regional cooperation should, i.a. improve capacities for effective donor coordination, thus facilitate better targeted funding of project implementation by regional institutions and more efficient use of resources, including implementation of the set of proposals elaborated as a result of the projects.

The project will be carried out between 15 April 2015 and 01 April 2016 and will be implemented in close cooperation with GIZ. The UNECE expects to regularly coordinate project implementation with the Federal Foreign Office and GIZ as well as work with GIZ field offices and project personnel deployed in Central Asia. Further, regular exchange and coordination with CAREC, esp. as to Work Packages to achieve Objective 1, is foreseen.

Objectives

- 1) Improved regional cooperation on water and the environment: information management at the regional level as decision support tool to IFAS and its institutions is improved. Decision making and program implementation by the Inter-State Commission on Sustainable Development as well as the Executive Committee of the International Fund for the Saving the Aral Sea becomes more effective.
- 2) The capacity of Central Asian governments to understand and apply international water law and conventions is improved and the relevant instruments and best practices are increasingly used in interstate relations.

Main activities

The activities under this project are grouped into two major directions of work: sub-component 1 - Regional Institutions on Water Cooperation, and sub-component 2 – International Water Law.



Sub-component 1. Regional Institutions on Water Cooperation

Expected accomplishments

EA1.1: Decision making and effectiveness of program implementation by the Inter-State Commission on Sustainable Development is improved.

EA1.2: A master plan for the development of a decentralized regional space for water and environmental information is elaborated and agreed upon.

EA1.3: The capacity of the Scientific and Information Centre of the Inter-State Commission on Sustainable Development to provide decision support to ICSD and to actively contribute to the development of the regional information space is strengthened.

Indicators

IA1.1 ICSD approves the Road Map on its institutional and legal strengthening and implementation of the project on the development of a regional water and environmental space starts in mid-2015.

IA1.2 Improved coordination between information providers and users in the water and environmental sectors in Central Asia.

Work packages

Work package 1: Strengthening the regional framework

- a) Preparing and supporting at least two meetings of the coordination group on the regional space for water and environmental information. The group should discuss and agree upon a broad outline of a regional information space.
- b) Supporting the preparation and holding of one meeting of ICSD where a decision supporting the implementation of the Road Map on institutional and legal strengthening of ICSD should be adopted as well as agreement reached on the implementation of at least one project contained in the Road Map.
- c) A set of activities building the capacity of SIC ICSD in the field of information management as a decision support tool for ICSD is implemented. The activities should use primarily local, Central Asian expertise, complemented by international experts as necessary.



Annex 2

These activities should be an integral part of work on the planned regional space for water and environmental information.

Sub-component 2. International Water Law and IWRM

Expected accomplishments

EA 2.1: The capacity of IFAS member countries to apply international water law, in particular on the issues of water management and protection, planned projects (EIA)/policies (SEA), and hazardous activities is strengthened.

Indicators:

IA 2.1: Central Asian participation in events organized by the UNECE Water Convention including separate workshops for Central Asian participants.

Work packages

Work package 2: Capacity building on international water law and IWRM

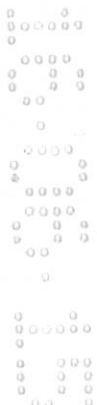
- a) Support of representatives from Central Asia to participate in events organized by the UNECE Water Convention (tentatively the IWRM Working Group, Geneva in June and the Meeting of the Parties in Budapest in November 2015) where also separate workshops for Central Asian participants are organized.

These work packages will be implemented in close coordination with other activities under the programme "Transboundary Water Resources Management in Central Asia".

Risks and implementation modalities

There are several direct risks associated with the implementation of this program component: political risks as well as bottlenecks in terms of limited capacity in the beneficiary countries. At the same time the status of Uzbekistan as a Party to the Water Convention provides some assurances as to its willingness to engage in the implementation of the Program.

Since the reduction of political risks is a precondition of success, UNECE will maintain close coordination with EC IFAS and other IFAS organisations, as well as the national governments. Visits by the UNECE Executive Secretary and Deputy Executive Secretary to Central Asian



Annex 2

Capitals will be used to solicit political support and also manage specific political problems. UNECE staff regularly travels to the region to ensure close coordination also on the technical level. Effective cooperation is developed with permanent missions of Central Asian countries to the United Nations in Geneva. Consultations will be maintained with the German Ministry of Foreign Affairs and the GIZ Program senior management.

The project addresses to some extent the risks associated with bottlenecks in local capacity: Capacity building and support to the functioning of institutions are expected to address the needs of the countries and the development of supportive legal frameworks as well as national capacity.

The strategy envisages full use of synergies and complementarities, including possible co-funding of activities, between other projects implemented by UNECE (see above) and the present project, as well as other projects of the German Ministry of Foreign Affairs Water Initiative and other donors and international organisations active in the region.

The broad range of work packages included in this proposal will allow for prioritizing activities depending on the political opportunities and thus decreasing the over-all risks at the project level.

Budget

UNECE will make substantial in-kind contributions to this project by the active engagement of senior staff. This will include in particular the two Regional Advisers that will continue to be involved but also the top management of the UNECE on the political level as well as the Secretaries of UNECE Conventions. See detailed budget below.



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Annex 2

Indicative budget	
	April 2015- October 2016 Total, EURO
Subcomponent 1. Regional Institutions on Water Cooperation	
Work package 1 : Strengthening the regional framework	
a. 2 meetings of the coordination group on the regional information space and consultants	38,000
b. Approval of road-map, ICSD meeting in Ashgabat	10,000
c. Capacity building SIC ICSD	20,000
<i>Subcomponent 1 Subtotal</i>	68,000
Subcomponent 2. International Water Law and IWRM	
Work package 2: Capacity building on international water law and IWRM	
a. Travel and accommodation for Central Asian representatives' participation in events organised by the UNECE Water Convention and G-staff costs	32,000
<i>Subcomponent 2 Subtotal</i>	32,000
Subcomponents 1 and 2 Subtotal	100,000
Subcomponents 1 and 2 Subtotal incl. Overhead 13%	113,000
TOTAL	113,000



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