

PROJECT DOCUMENT

1 EXECUTIVE SUMMARY

Project Title	European Union Water Initiative Plus for Eastern Partnership countries
Project Manager	Peep Mardiste
Subprogramme	Environment
Implementing Entity	UNECE
Start Date	01.09.2016
End Date	31.08.2020
Budget	3 150 000 EUR
Beneficiary Countries	Armenia, Azerbaijan, Belarus, Georgia, the Republic of Moldova and Ukraine
Cooperating Entities within the UN System	WHO, FAO, UNDP
Other Implementing Partners	OECD

Brief description

The European Commission has chosen UNECE as one of the two agencies for implementation of activities under EU Water Initiative (EUWI) National Policy Dialogues (NPDs) in the region of Eastern Europe, Caucasus and Central Asia. Funding to UNECE for EUWI has been provided by the European Commission in three phases for 2006-2016. The current project represents a new 4-year phase for 2016-2020 and forms part of the programme of work of the UNECE Water Convention for 2016-2018, adopted by the Meeting of Parties in 2015.

While water resources are relatively abundant in Eastern Partnership (EaP) countries, growing pressures on water resources and poor water use efficiency increasingly affect the availability of water and its quality. The overall objective of the project is to improve the management of water resources, in particular of trans-boundary rivers, in Armenia, Azerbaijan, Belarus, Georgia, the Republic of Moldova and Ukraine. More specifically, the project aims to achieve convergence of national policies and strategies with the EU Water Framework Directive (WFD), Integrated Water Resource Management (IWRM) and Multilateral Environmental Agreements (MEAs).

All groups of key stakeholders and partners have been involved in implementation of the EUWI activities in the region since 2006. Most targeted are Ministries of Environment/Natural Resources and their specialised water departments (units), national Water Committees (water agencies) and environmental protection agencies, other relevant line ministries, river basin authorities, basin councils, municipalities and operators of water systems. Academia, water experts and qualified water NGOs, as well as international organizations and donors will be also closely involved.

As a result of the project, two types of achievements are expected in addition to maintenance of regular stakeholder dialogue:

- Support by experts to national processes related to the adoption of law/regulations and implementation of River Basin Management Plans (RBMPs), national plans on harmonization of legal and normative acts with the requirements of the WFD, IWRM and MEAs;
- Organization of series of trainings at national and regional/basin levels on WFD, IWRM and MEAs.

2 BACKGROUND

2.1 Context

Water is a key resource for sustainable economic and social development of Eastern Partnership (EaP) countries: Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine. Freshwater resources are used by industry, agriculture, and households, among others. Prudent water management strategies are fundamental for the provision of safe water, livelihoods, and sustainable energy sources. They have an important contribution to economies' resilience and disaster risk reduction. While water resources are relatively abundant in EaP countries, growing pressures on water resources and poor water use efficiency increasingly affect the availability of water and its quality. Given that the majority of the water resources in the EaP are of trans-boundary nature, water management issues can sometimes cause tensions between bordering countries. Therefore, transboundary water management is an important aspect of regional cooperation.

Over the past few years, EaP countries have demonstrated their willingness to align water sector policies and practices with the general principles and more specific requirements of the European Union (EU) Water Framework Directive (WFD), as well as other relevant water-related directives and Multilateral Environmental Agreements (MEAs). These include, for example, the EU Marine Strategy Framework Directive (MSFD), the United Nations Economic Commission for Europe (UNECE) Convention on the Protection and Use of Trans-boundary Watercourses and International Lakes (UNECE Water Convention), the Convention on Environmental Impact Assessment in a Trans-boundary Context (Espoo Convention), as well as the Convention on the Transboundary Effects of Industrial Accidents (Industrial Accidents Convention). Georgia, Moldova, and Ukraine have assumed commitments to reform water policies as part of the Association Agreements signed with the EU.

The global policy context is also conducive to further water policy reforms. Water quality, water resources management, transboundary water cooperation, and policy integration feature prominently in the Sustainable Development Goals (SDGs) that were set out in the 2030 Agenda for Sustainable Development adopted on 25 September 2015 by the United Nations Sustainable Development Summit. The EaP countries will clearly need further support for the implementation of the water-related SDGs. Furthermore, the Paris Climate Agreement, concluded in December 2015, recognizes and prioritizes the links between water resource and climate change adaptation and mitigation. Improved water resources management is highly relevant for its implementation.

EaP countries have made progress in a number of water policy reform areas. For example, ratification and implementation of MEAs has progressed. Negotiations with countries that have not yet signed the UNECE Water Convention are ongoing. Coordination of river basin management plans along the lines of the EU WFD is now being established at least in some transboundary basins.

Along actions by other donors, several EU-funded regional projects have been instrumental for enabling change. Notably, they include the "Support to the EU Water Initiative (EUWI) in Eastern Europe, the Caucasus and Central Asia" Project (2012-2016); the "Environmental Protection of International River Basins" Project (2012-2016), and the "Improving Environmental Monitoring of the Black Sea" Project (2013-2018). Nonetheless, partner countries still face important challenges. Water quality is affected by discharges of untreated municipal and industrial wastewaters, as well as by diffused pollution from agriculture. While access to water supply and sanitation services is relatively high throughout the region, especially in urban areas, the quality of services is not always sufficient. The increased frequency of severe flooding and droughts is another serious issue.

However, there is an urgent need to reform water sector policies and improve the existing regulatory and institutional frameworks to bring them in line with the principles of Integrated Water Resource Management

(IWRM). Another task is addressing the economic aspects of water management through the introduction/upgrade of a number of economic instruments for water resources management. Water allocation rules as well as flood protection management should be further developed and incentives for water use efficiency identified and implemented, using a mix of policy instruments.

To respond to the challenges faced by EaP countries, a set of targeted activities have been defined and will be fine-tuned with the priorities and needs of partner countries, further elaborated, and implemented under the current project. During the inception phase, indicators and their baseline values will be further defined and specific targets will be set in full cooperation with partner countries. Stakeholder consultations will also help elaborate the previously identified outputs and activities.

2.2 Mandates, comparative advantage and link to the Programme Budget

The project represents a fourth consecutive phase of the EU-funded programme of the EU Water Initiative by UNECE. The project is part of the programme of work of the Convention on the Protection and Use of Transboundary Watercourses and International Lakes for 2016-2018, adopted at the seventh session of the Meeting of the Parties (Programme area 6. “European Union Water Initiative and National Policy Dialogues”, ECE/MP.WAT/2015/3).

The EU has chosen UNECE and OECD as strategic partners for implementation of the EU Water Initiative in the countries of Eastern Europe, Caucasus and Central Asia. European Commission has been providing funding to UNECE and OECD for the activities since 2006. ECE’s knowledge of environmental and economic challenges of the region, as well as trust built with target Governments in past cooperation have been key factors in obtaining this funding.

The project is directly linked to expected accomplishment of (a) “Improved response to environmental challenges by ECE constituencies” of the Subprogramme 1 “Environment” of the UNECE Strategic Framework for 2016-2017 and 2018-2019.

2.3 Country demand and target countries

Launched in 2002, the EU Water Initiative (EUWI) is operational following regions:

- Africa
- Eastern Europe, Caucasus and Central Asia
- Mediterranean
- Latin America

For each of the regions, different implementation arrangement has established by the EU. In the region of Eastern Europe, Caucasus and Central Asia the EUWI process started in 2006. Activities target following countries in the region: Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyzstan, the Republic of Moldova, Tajikistan, Turkmenistan, Ukraine and Uzbekistan. Oversight is provided at regional level by the EUWI EECCA Working Group, chaired by Romania. For 2006-2016 phases, contracts between the Commission's Directorate-General for International Cooperation and Development (DG DEVCO) of the European Commission and OECD/UNECE covered above-mentioned countries. The 2016-2020 phase of EUWI will be funded through two separate contracts, covering:

- 6 countries of the EU Eastern Partnerships (Armenia, Azerbaijan, Belarus, Georgia, the Republic of Moldova and Ukraine)
- 5 countries of Central Asia (Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, Uzbekistan)

During preparation for the 2016-2020 phase of the EUWI in six countries of the EU Eastern Partnerships, the European Commission informed in early 2015 the relevant national agencies in Armenia, Azerbaijan, Belarus, Georgia, the Republic of Moldova and Ukraine and incorporated the comments received. In late 2016, the inception phase of the project will be concluded with specialized missions to all 6 countries in order to agree respective national priorities and work plans with key stakeholders.

2.4 Link to the SDGs

Water quality, water resources management, transboundary water cooperation, and policy integration feature prominently in the Sustainable Development Goals (SDGs) that were set out in the 2030 Agenda for Sustainable Development. The EaP countries will clearly need further support for the implementation of the water-related SDGs. Most relevant for the EUWI+ project is SDG 6 (“Ensure access to water and sanitation for all”). If requested by target countries during inception phase, assistance may be provided to track the respective baseline situation and to develop national targets and indicators.

Furthermore, the Paris Climate Agreement, concluded in December 2015, recognizes and prioritizes the links between water resource and climate change adaptation and mitigation. Improved water resources management is highly relevant for its implementation.

3 ANALYSIS

3.1 Problem analysis

Target countries face a number of challenges in regard to sound water resources management. Water quality is affected by discharges of untreated municipal and industrial wastewaters, as well as by diffused pollution from agriculture. While access to water supply and sanitation services is relatively high throughout the region, especially in urban areas, the quality of services is not always sufficient. The increased frequency of severe flooding and droughts is another serious issue. The key challenges to for implementing the principles of Integrated Water Resource Management (IWRM) include:

- Limited or obsolete regulatory and institutional frameworks;
- Deficient water allocation mechanisms and flood protection management;
- Weak incentives for water use efficiency and underdeveloped policy mixes;
- Slow adoption and implementation of River Basin Management Plans;
- Limited water monitoring infrastructure and capacity.

There is an urgent need to reform water sector policies and improve the existing regulatory and institutional frameworks to bring them in line with the principles of IWRM. Another task is addressing the economic aspects of water management through the introduction/upgrade of a number of economic instruments for water resources management. Water allocation rules as well as flood protection management should be further developed and incentives for water use efficiency identified and implemented, using a mix of policy instruments.

River basin management planning has been executed in all EaP countries for almost 15 years but largely as part of pilot projects which have failed to get beyond the development stage. The standard assessment and analytical stages have usually been performed well, but the plans themselves have been often over-ambitious and shaped for international donors rather than for national funding. Importantly, national support and endorsement has been lacking, and despite the quality of technical content, implementation has been lagging. The methodologies for RBMP varied in the past, but there is a common consensus to apply the WFD methodology, despite its complexity.

The countries have started to undertake first actions to improve transboundary river basin management in light of the WFD principles. The preparation and implementation of the coordination of national RBMP in transboundary rivers remains difficult in some of the countries due to political tensions (as in the Caucasus) or to the different institutional settings in different countries.

Especially in rural areas, women are among these groups in society that have less influence in decision-making on water allocation and can face affordability problems. Therefore, special attention will be given to reach gender equality in making and implementing water policies, strategies and plans, specifically at the meetings and trainings to be organized under the project.

3.2 Country level problem analysis

Convergence with IWRM and the WFD principles is on the agenda of all Environment Ministries of the target countries. Regulatory documents (Water Codes and their annexes, technical guidelines etc.) have been and are being produced, or revised, in line with the WFD requirements and are, albeit slowly, starting to directly or indirectly influence actual management practices. In particular, the countries which signed the Association Agreement with the European Union (Georgia, Moldova and Ukraine) demonstrated their willingness to undertake far-reaching commitments towards the approximation to the EU Directives such as the WFD. Deadlines for approximation of the principles of the EU Directives in the field of water are listed in Annexes to Association Agreements along with other legal acts to be harmonized. For all three countries, water quality and water resources management are one of the most complex areas of the environmental Annex of the agreement. Countries have prepared roadmaps for implementation of the provisions of the agreements which also indicate potential donor support. Association Agreements envisage regular monitoring and assessment of implementation. The status of implementation of EU acquis and IWRM principles in EaP countries is presented in the Table 1 below.

Table 1. Status of implementation of IWRM principles and EU water legislation

Country	Implementation of basin principle	Water costs recovery (incl. environmental and resource costs)	Harmonization of WFD principles in watercode / water law
Armenia	Progressed, 2 RBMP for basin district approved out of 6 required (per total, 3 plans have been drafted)	Partial Operations & Maintenance (O&M) and capital costs recovery	Partially transposed, Water Code dates back to 2002
Azerbaijan	Started, 2 RBMPs being developed while basins not yet delineated	Partial O&M costs recovery	Partially transposed, Water Code planned to be revised
Belarus	Progressed, RBMPs being developed for 2 out of 5 basins	Partial O&M and capital costs recovery	Partially transposed, new Water Code enacted in 2015
Georgia	Started, RBMPs being developed for 1 out of 6 basins while basins not yet delineated	Partial O&M costs recovery	Partially transposed, new Water Law drafted but not yet adopted

Moldova	Progressed, RBMPs being developed for 2 out of 3 basin districts	Partially achieved, new tariff regulation for WSS based on full O&M and capital costs recovery is introduced but its implementation yet to be seen	Transposed
Ukraine	Progressed, RBMPs developed or being developed for 4 out of 7 basin districts while basins not yet delineated	Partial O&M costs recovery	Partially transposed, revised Water Code pending in Parliament

All 6 target countries have made progress in a number of water policy reform areas. For example, ratification and implementation of MEAs has progressed (Table 2). Negotiations with countries that have not yet signed the UNECE Water Convention are ongoing. Coordination of river basin management plans along the lines of the EU WFD is now being established at least in some transboundary basins.

Table 2. Status of ratification of the key MEAs

Convention / Country	Armenia	Azerbaijan	Belarus	Georgia	Moldova	Ukraine
Convention on the Protection and Use of Trans-boundary Watercourses and International Lakes	Not signed	Party	Party	Not signed	Party	Party
Protocol on Water and Health to the Water Convention	Signed*	Party	Party	Signed	Party	Party
Convention on Environmental Impact Assessment in a Trans-boundary Context (Espoo Convention)	Party	Party	Party	Not Signed	Party	Party
Protocol on Strategic Environmental Assessment to the Espoo Convention	Party	Not signed	Not signed	Signed	Signed	Signed
Convention on the Transboundary Effects of Industrial Accidents (Industrial Accidents Convention)	Party	Party	Party	Not signed	Party	Not signed
Convention on Co-operation for the Protection and Sustainable Use of the River Danube	-	-	-	-	Party	Party

* ratification process being discussed in the framework of the EUWI National Policy Dialogue

3.3 Stakeholder analysis and capacity assessment

A general overview of the project activity covering 6 countries with broad range of stakeholders is provided below. Specific country-based capacity assessments will be conducted in the inception phase

of the project, resulting in the design of specific training plans.

In EaP countries, key stakeholders in the management of water resources include a variety of actors. Specifically, this project targets Ministries of Environment/Natural Resources and their specialised water departments (units), national Water Committees (water agencies) and environmental protection agencies, other relevant line ministries, river basin authorities, basin councils, municipalities and operators of water systems (or associations thereof).

Other line ministries such as the Ministry of Agriculture, the Ministry of Emergency, the Ministry of Energy, the Ministry of Geology, the Ministry of Regional Development (land management and urban planning), the Ministries of Economy and Finance, the Ministry (or Committee) of Housing and Utility Services, the Ministry of Health and the Ministry of Foreign Affairs (in charge for MEAs) are also key actors; in particular regarding policy coordination and mainstreaming of environmental policies in development plans and budgetary frameworks. Parliamentary committees are another stakeholder group.

Citizens and individual small farmers or co-operatives thereof are the end-beneficiaries represented by water users associations, and federations thereof. Another group of key stakeholders is represented by large water users operating in agriculture, energy and processing industries as well as providers of drinking water for urban/domestic users.

Academia, water experts and qualified water NGOs, including those led by women representing civil society is another important group of stakeholders.

Finally, international partners contributing to water sector development in EaP countries: European Union through EC (mainly DG NEAR and DG Environment) and EU Delegations in respective countries, UN structures (WHO, FAO, UNDP) and other inter-governmental organisations, bilateral donors (ADA, GIZ, SDC, USAID etc.) and International Financial Institutions (foremost the EBRD, EIB, ADB (in the Caucasus) and the World Bank), as well as international water NGOs (such as Global Water Partnership, International Water Association). EU Delegations in EaP countries have a significant role to play in the NPD process and this role will only be increasing in the future, especially in the countries signed the Association Agreement (Georgia, Moldova and Ukraine). Their role concerns the coordination of donors support from EU member-states, as well as support to water policy reforms provided through relevant EU instruments. This includes support to follow up actions, such as technical assistance and investment projects identified through the NPDs and this project.

4 PROJECT STRATEGY: OBJECTIVE, EXPECTED ACCOMPLISHMENTS, INDICATORS, MAIN ACTIVITIES

4.1 Project Strategy

Expected Accomplishment 1 (E.A.1): Improved legal and regulatory frameworks for water resources management

Activity 1.1: Ad hoc support by experts to national processes related to the adoption of law/regulations and implementation of RBMPs, national plans on harmonisation of legal and normative acts with the requirements of the WFD, IWRM and MEAs

In response to written requests by the partner countries, and provided it is in line with the project national workplan to be developed during inception phase, technical assistance will be provided to meet requirements of EU water acquis, IWRM and MEAs. As a first step, an assessment of needs will be made in the areas of legal and regulatory frameworks improvement and development and use of economic instruments for WRM and RBMPs implementation. This assessment will provide input for the inception report and regional and

national-level work plans. This activity will help the target countries to move forward the process of adoption of a law or regulation, and any supporting procedural guidance, including for inter-agency coordination, forms, or decision-making trees needed for effective implementation, according to deadlines established either in Association Agreements with the EU or national legal development schedules, and to define and communicate to other Ministries and relevant stakeholders the costs and benefits of the proposed regulation/legislation. Precise activities will be identified during the inception phase of the project and included to the respective workplan(s).

A range of different activities will take place which will derive from the result of the needs assessment and prioritization or from specific demands from the partner countries. In addition to supporting national and basin authorities in the implementation of RBMPs and inclusion of climate change considerations, cooperation on transboundary rivers will be supported. Depending on the situation in a concrete transboundary basin, it will be done through e.g. support to the process of developing bilateral agreements, establishing/developing joint basin organizations, and/or region-wide exchange of experience.

Synergies between relevant Multilateral Environmental Agreements (MEAs) and water-related EU directives will be supported by helping countries to advance the ratification or implementation of relevant MEAs. If so identified during the gap analysis, assistance will be provided to the extent it can be accommodated under this project, to support implementation of some of the specific IWRM principles in EaP countries.

To facilitate and guide the process, at least one NPD meeting for key stakeholders per country will be organized each year. Additionally, regional EUWI meetings on specific topics will be organised annually for key stakeholders from 6 countries in order to facilitate exchange of experiences, lessons learnt and address transboundary issues.

Envisaged deliverables are as follows:

- Draft of laws, by-laws, regulations and any procedural or other types of documents that are necessary for implementation;
- Support to development of bilateral agreements in transboundary basins, such as organization of bilateral working meetings, commissioning background studies, assessing impacts/benefits of an agreement and assistance in drafting the agreements;
- Support to ratification and implementation of MEAs with relevance to water;
- Organisation of at least one NPD meeting per country each year;
- Organisation of one regional meeting each year at least.

Expected Accomplishment 2 (E.A.2): Improved technical capacity of water managers

Activity 2.1: Identification of priorities in the area of capacity development and organization of 12 trainings on WFD, IWRM and MEAs

At the first stage, a study will be carried out to identify the capacity development needs in each country during the inception phase. Based on the draft needs assessment, potential priorities will be identified. Stakeholders will be consulted to identify priorities for action under the project. A national work-plan outlining the training programme for the duration of the project will be developed, approved by the NPD meeting and then it will be reviewed annually as needed. A regional training programme work-plan will be prepared on the basis of activities relevant for all the countries.

In accordance with the national and regional training work-plans and consultation with the EU and in coordination between the organisations leading Results 1, 2 and 3, capacity building activities will be carried out in each country and at regional level. Training activities will contribute to the development and strengthening of national capacities in the areas of water law, water policy, economic analysis of water use and protected areas and other economic and financial aspects of water management. The main target groups for these

trainings are: (a) civil servants in charge of the development and implementation of policies, strategies and budgetary frameworks; (b) staff of government institutions responsible for water management, (c) representatives of expert organisations providing advisory and consultancy services to the government agencies responsible for water management. Capacity building, policy advice and technical support will be provided at the national, subnational (basin, local) and international river basin levels.

Training plans and training packages will be developed taking into account the specificity of each target group. Trainings will include practical case studies related to WFD and will increase the capacity of the aforesaid institutions officials and other stakeholders to develop and implement the water policies through “learning by doing”, exchanges of experience, pilot activities and tailored-to-the-needs trainings. These activities will contribute to adopting an improved and harmonised approach to water resource management in the region. Lessons learnt will be shared through selected regional platforms to exchange experience and facilitate coordination.

To ensure long-term sustainability of the project in the area of local capacity development, some trainings will be implemented in partnerships with distinguished local training institutions (universities, research institutes, well-established water NGOs etc.). To this end, dedicated trainers in selected training institutions will be trained (train-the-trainers approach); and developed training packages will be transferred to the training institutions for free so that they will be able to continue trainings after the project end. Where possible, the project will aim at including the trainings and respective training packages in the curricula of the partner universities or in regular training programmes of partner training institutions to ensure that in the future not only acting professionals (officials, experts) will have an opportunity to get trained but also young future professionals, not least female trainees.

Expected deliverables are as follows:

- Six national and one regional training plan;
- A list of criteria developed and training participants identified in compliance with such criteria;
- Competence profiles and individual training targets (both in terms of knowledge and skills) identified, and their achievement verified at the end of each training;
- Cost-effective capacity building activities carried out in a timely manner, according to the national workplans in each EaP country;
- Cost-effective regional trainings organized in a timely manner, according to the regional workplan – at least one per year with the participation all EaP countries, whenever feasible;
- A summary report (in the end of the project) on the training packages developed, trainings provided, outputs and outcomes achieved and lessons learnt.

4.2 Logical Framework

Table 3. Logical Framework

<u>Intervention logic</u>	<u>Indicators</u>	<u>Means of verification</u>
Objective: Improve the management of water resources, in particular of trans-boundary rivers, in the Eastern Partnership countries		
E.A.1: Improved legal and regulatory frameworks for water resources management		
A.1.1: Ad hoc support by experts to national processes related to the adoption of law/regulations and implementation of RBMPs, national plans on harmonisation of legal and normative acts with the requirements of the WFD, IWRM and MEAs	<ul style="list-style-type: none"> • The number of draft laws, bylaws, regulations, recommendations based on reviews of existing policies and strategies, draft of new national strategies and policies, draft national and basin plans • Sections on the ratification and progress in the implementation of MEAs, and on support to development and implementation of bilateral agreements in annual progress reports • The number of on-demand policy studies and analysis • Number of national and regional NPD meetings organised 	<ul style="list-style-type: none"> • Reports on the legislative activities of government agencies, and of the legislator (parliament) • Reports on state of transposition of EU <i>aquis</i> to EC by countries with AA • For MEAs: UN Treaty collection database • Interviews with relevant stakeholders, where possible, and their reports at NPD meetings • Progress reports on implementing the project • Dedicated assessment reports (e.g. by the EC; or by UN structures) • Website of the project (meetings organized, reports produced)
E.A.2: Improved technical capacity of water managers		
A.2.1: Identification of priorities in the area of capacity development and organization of 12 trainings on WFD, IWRM and MEAs	<ul style="list-style-type: none"> • Existence of six national training plans and one regional training plan; • National and regional trainings organised according to the workplan • Training Agendas and Evaluation of the trainings by the participants • Training materials developed 	<ul style="list-style-type: none"> • Website of the project (list of trainings, participants, training materials)

4.3 Risks and mitigation actions

Activities of the project were prepared, keeping in mind the following key assumptions:

- Political support from Governments of the six EaP countries for continuation of the process of National Policy Dialogue;
- A key ministry/agency is nominated to lead and coordinate the process at national level and the designated Chair of the NPD is an official at an appropriately high level (minister, deputy minister) which is needed to maintain interest of other stakeholders;
- Officials dealing with water management at national and regional/basin level are sufficiently interested in, and available to contribute to, the capacity development exercises;
- There is sufficient capacity of policy and decision makers to translate analyses and debates into policies;
- Close coordination of the project with EU Delegations in EaP countries continues;
- Stakeholders show interest in the NPD process and participate actively in the discussion of the implementation.

Table 4. Risks and mitigation actions

Risks	Mitigating Actions
R1. Governments are unstable	M1. Building on long lasting experience in the region, OECD and UNECE continue to build and maintain contacts at a variety of political and administrative levels. This provides some continuity, even in the case of political changes (as is recently experienced in Moldova). In the past, short-term political instabilities have not significantly disturbed longer term cooperation. In addition, international cooperation and peer pressure (through EU Delegations or Chair of EUWI EECCA working group) are strong driving forces for water policy reforms and the continuation of existing policy dialogues on this issue.
R2. The culture of participatory processes in EaP countries remains weak and it's difficult to mobilize stakeholders	M2. The experience of implementing NPDs shows that there is a considerable interest on the part of stakeholders to participate since the topics addressed by the NPDs are coming from the governments and stakeholders. Moreover, strong partnerships have been established in all countries with relevant and well-connected NGOs that support the involvement of the civil society. Efforts to disseminate results of the dialogues to inform and involve stakeholders are an important part of the project.
R3. Reliable data for robust analytical work is not available	M3. OECD and UNECE have accumulated experience in EaP countries to make the best use of existing data, to mobilise local expertise, and to refer to expert knowledge when needed. Coordination with other projects (e.g. SEIS, EPIRB or UNDP/GEF project on Kura basin) will provide opportunities to share data and identify common sets of indicators in areas of mutual interest.
R4. Delay in starting of the activities under Results 2 and 3 of the broader EUWI+ project work is not available	M4. In such situation, OECD and UNECE will first consult with DG NEAR and would propose to delay start of certain planned activities that are most closely linked to Results 2 and 3 (such as activity on basin planning support). Respective national work-plans would also need to be adjusted through consultations with national counterparts.
R5. Absorption capacity in countries is not sufficient to implement the project effectively	M5. Mitigating the risks of absorption capacities needs the continuous and joint monitoring and coordination of the Partners of the project and the appropriate countermeasures, which are hard to be foreseen. The partners will focus inter alia on the following key mitigation measures: <ul style="list-style-type: none"> - Absorption capacities will be a constant element in developing the project

	<p>and its priorities, especially within the Inception Phase in each EaP country. A reality check in terms of the speed and sustainability of development is important.</p> <ul style="list-style-type: none"> - Absorption capacities will be a constant element of national and regional steering committee meetings and the NPD process. - Close coordination with the multi-donor coordination units of the water sector in each country will ensure to identify potential risks due to parallel activities in the sector and should allow concluding on appropriate countermeasures. - Expertise by local consultants can help overcoming potential bottlenecks. Sustainability of the project within the target organizations and alignment with past and planned capacity building measures needs careful consideration in this respect.
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4.4 Sustainability

UNECE has been providing policy advice and assistance to EaP countries under EUWI process since 2006 as well as other projects and bilateral activities. Therefore a long experience exists which helps to plan the activities in a sustainable manner and avoid potential risks to materialize.

UNECE and implementing partner OECD are stable and sizeable international organisations with a well-documented experience in managing complex projects, providing thus a guarantee for institutional and financial sustainability. During the implementation of EUWI activities during past years, both OECD and UNECE have been able to use own funds and raise necessary co-funding from other donors in order to guarantee stable funding and cash flow for the EUWI activities. Services of professional finance units in both organisations will continuously be used for budgeting, accounting and financial reporting. EaP countries will be routinely asked to provide at least minimal in-kind contribution to planned activities (such as by providing meeting facilities and staff time), increasing ownership and preparing for the long term sustainability of self-governed NPD processes at national level. Fundraising efforts by UNECE will be continued to ensure additional resources for activities that may be identified during needs assessment but could not be covered with funds for EUWI+.

In the changing political landscape of EaP countries, institutional engagement towards the EUWI process will be achieved by building and maintaining contacts at a variety of political and administrative levels. The implementing partners will continue to establish and strengthen working relations both at high political level (to guarantee political support) and at expert level (to preserve institutional memory of e.g. EUWI and EPIRB projects). This approach will provide continuity even in the case of political changes. In the past, short-term political instability has not shattered longer term cooperation.

The use of stable internationally approved policy frameworks will contribute to policy sustainability. In EaP countries with EU Associate Agreements, the relevant provisions of AAs will be followed. All 6 countries have stressed their interest to apply principles of WFD which provides a good policy framework for the work. In countries that are Parties to MEAs, the work will build on the relevant legal commitments. In addition, Memoranda of Understanding (or Statements on Common Understanding) will be signed with ministries or agencies that lead the NPD process in countries, further specifying priority field of action under EUWI framework. In November 2015 such MoUs for future work under NPDs were already renewed by UNECE with Georgia and Moldova. Set of similar MoUs are being negotiated with EaP countries.

Water policy reforms require good cooperation between water authorities, basin organisations and other constituencies, including environment, agriculture, energy, land management, urban and rural development agencies. Ministries of Finance and Economy also need to be involved. A national champion is essential, at

suitably high level (typically Deputy Minister or higher). Cooperation is required across jurisdictions and different levels of governments (at local, state and federal level) as well as across states and basins (to share information and best practices; to share costs and benefits).

The project should be conscious of the national water management agenda and help guide along IWRM and WFD principles, but avoid leading the debate. The countries must maintain their independence of thought and the project must be flexible and respond to reasonable requests. The countries with a clear WRM policy and strategy are those which will benefit most from the project. The implementing organisations need to develop empathy for the beneficiary countries and understanding of their economic status and development pathways and not to assume technically that one size fits all.

The project should support wherever possible the national execution of measures and foster linkages between the beneficiaries and national consultants and NGOs, encouraging long-term service provider relationships. National consultants and NGOs have a much clearer understanding of the needs and constraints the beneficiaries operate under and the products they produce are more viable and less prone to being left on the shelf and not implemented. The international consultants are best placed to provide direction and guidance and not through direct execution. The national execution assists with the constitutional building (see above) and helps to avoid the capture of a project by a single beneficiary organisation.

5 MONITORING AND EVALUATION

Narrative and financial reporting to project donor (DG NEAR of the European Commission) will be conducted annually for monitoring the progress. Progress will be measured against planned activities, using the Logical Framework as a practical tool in measuring the success. Vis-a-vis the water-related SDGs, foremost SDG 6, monitoring of progress will be based on respective national targets and indicators that should be developed, and the baseline situation measured by countries; taking into account existing data gaps and constraints.

The project steering structure will play an active role in monitoring of progress. Progress made in the implementation of work-plans is to be presented and discussed by UNECE first with the EU. EUWI NPD meetings in EaP countries and annual regional meetings will give possibilities to collect feedback on the progress reports. For the activities linked to IWRM, reporting structures under the UNECE Water Convention are to be used as EUWI+ East forms part of the Conventions workplan. Written reports will be prepared in advance of the annual meetings of IWRM working group under the Convention. At national level, oversight is provided by NPD Coordination councils and they will provide feedback on progress.

According to the respective Action Document from 2015, the independent evaluation of the broad 24.8 mEUR project (which includes current project) will be commissioned and funded by the EU.

6 MANAGEMENT AND COORDINATION AGREEMENTS

For project implementation, existing management and coordination structures will be maintained. UNECE has been cooperating with OECD in implementing the activities under EUWI framework since 2006. Existing and well-functioning organizational and steering structures are to be continuously used for the purpose of the project.

At the regional level, political oversight will be provided by the EUWI working group. The working group meets annually and brings together representatives of countries from the region (including Chairs of the national NPD Steering Committees), OECD, UNECE, EU representatives, as well as selected NGOs or associations, interested bilateral donors and development banks. The European Commission and the Member State that is chairing the working group of the EUWI EECCA component (currently Romania) are expected to continue to provide regular guidance to the activities.

Existing EUWI NPD Steering Committees are the main steering structures at national level. Steering Committees are led by Chair (or co-Chairs) with whom implementing agencies UNECE and OECD discuss the draft national workplans and agendas in advance of meetings. NPD Steering Committees are involving all key ministries and agencies, as well as representatives of academia and NGOs. EU representatives and donors are taking part in the meetings. Attempts will be made to increase the level of Government officials attending the NPD Steering Committee meetings where necessary (i.e. having minister or deputy minister as Chair and ministries represented at the level of heads of divisions or departments).

For coordination within the EU-funded broad 24.8 m EUR project that involves also several EU Member States as implementing agencies, additional coordination structures will be created, such as a Regional Steering Committee and National Executive Strategic Boards.