

United Nations
Economic Commission for Europe
Committee on Environmental Policy



**UNECE ROUNDTABLE DISCUSSION ON ENHANCING THE INVOLVEMENT OF THE
PRIVATE SECTOR IN ECE ENVIRONMENTAL ACTIVITIES**

Informal paper

UNECE activities on water and possible links with the private sector

The present paper has been prepared by the UNECE secretariat in order to provide basic information on the main UNECE water related activities carried out within UNECE together with some “food for thought” on the possible enhancement of the private sector involvement.

Water activities in the United Nations Economic Commission for Europe are mostly carried out under the frameworks of the Convention on the Protection and Use of Transboundary Watercourses and International Lakes (Water Convention) and its Protocol on Water and Health.

All countries - State Parties and non- State Parties - as well as to other stakeholders such as international organizations, NGOs, research institutes and the private sector can participate in the activities and bodies under the Convention and its Protocols.

While cooperation with international organizations, academia and NGOs is well established, the one with the private sector is less developed.

A major reason for this is certainly the nature of the work which is mostly linked to inter States relationship, in particular under the Water Convention.

However another important reason is the lack of awareness by the private sector on the two agreements, their activities and the opportunities and advantages of making a contribution.

This is also mirrored by a limited action by the Meetings of the Parties to reach out to the private sector. Moreover both have not thoroughly investigated the mutual benefits of cooperation.

The CEP Roundtable will provide a good opportunity to start this “thinking process”.

WATER CONVENTION

With 150 major transboundary rivers, 40 major international lakes and more than 100 transboundary aquifers, water resources in the pan-European region are characterised by their essentially transboundary nature. The Convention on the Protection and Use of Transboundary Watercourses and International Lakes (UNECE Water

Convention) and its protocols provide a sound and reliable framework to achieve stable, long-term cooperation among riparian countries and sustainable use of the water resources and related ecosystems. The UNECE Water Convention was signed in Helsinki in 1992 and entered into force in 1996. As of October 2008, 35 countries and

the European Community are Parties to the Convention.

The Convention's objectives are:

- Protection of transboundary waters (both surface and groundwaters) by preventing, controlling and reducing transboundary impacts - including impacts on human health and safety, flora, fauna, soil, climate, landscape and historical monuments or other physical structures as well as impacts on the cultural heritage or socio-economic conditions;
- Ecologically sound and rational management of transboundary waters;
- Reasonable and equitable use of transboundary waters and therefore prevention of conflicts;
- Conservation and restoration of ecosystems.

The Convention explicitly recognises the need to apply a number of basic principles such as the precautionary principle, the polluter-pays-principle, and the principle of sustainable management of water resources. It also includes two major categories of obligations.

The first, more general, obligations apply to all Parties and include licensing and monitoring waste-water discharges; setting emission limits for discharges from point sources based on the best available technology; application of best environmental practices to reduce inputs of nutrients and hazardous substances from agriculture and other diffuse sources; environmental impact assessment; development of contingency plans; setting of water-quality objectives; and minimization of the risk of accidental water pollution. The second category of obligations is more specific and must be implemented by Parties sharing transboundary waters. Such Riparian Parties are obliged to conclude specific bilateral or multilateral agreements providing for the establishment of joint bodies, such as river commissions. These are a framework for cooperation and joint management of the resources, set water quality objectives and other planning objectives, joint monitoring and assessment and sharing of information. The majority of bilateral or multilateral agreements between European countries (e.g. on the Danube, Rhine, Sava) are based on the principles and provisions of the Convention.

Organization and focus of work under the Convention

The Meeting of the Parties (MOP) is the highest decision body. It meets every three years and adopts a work plan which aims to support implementation, review progress achieved and provide specific guidance to Parties. To implement the work plan and number of bodies are established: from more "political" working groups, to technical task forces.

The Water Convention's work focuses on three main areas:

- Assistance to implement the Convention in particular to countries with economies in transition;
- Tools to deal with emerging issues such as climate change and payments for ecosystem services, and
- Assessment of the Convention's effectiveness and of future needs.

There are three main kinds of activities:

- Strategic and technical guidelines on specific issues related to transboundary water management, such as Guidelines on Monitoring and Assessment of Transboundary and International Rivers, Lakes and Groundwaters or Model provisions on transboundary flood management;
- Capacity-building activities. An example is the Capacity for Water Cooperation (CWC) project which is intended to strengthen the capacity of transboundary water management in Eastern Europe, Caucasus and Central Asia.
- Pilot or implementation projects to develop the legal basis for cooperation, build institutions, monitoring and assessment of transboundary waters, etc.

Highlights of the current work plan 2007-2009 and opportunities for cooperation with the private sector

Impacts of climate change on water and water-related ecosystems are already measurable, thus adaptation of water management is essential. However, very few countries have developed adaptation strategies so far. In 2006, the Meeting of the Parties recognized the importance of this topic and decided to develop a Guidance on

water and adaptation to climate change for possible adoption in 2009. The Guidance will provide a step-by-step framework for assessing climate change impacts on water resources, identifying adaptation measures to climate change and developing adaptation strategies that take into account the transboundary context.

Also the private sector is seriously challenged by the impacts of climate change and is developing adaptation strategies which in many cases are linked to water. Exchange of experience and expertise in this area could be mutually beneficial.

The first *Assessment of Transboundary Rivers, Lakes and Groundwaters* has been prepared for the Sixth Ministerial Conference "Environment for Europe" (Belgrade, 10–12 October 2007). The activity has been a major undertaking by UNECE countries - both Parties and non-Parties, with more than 150 experts taking part in it. This first Assessment includes 140 transboundary rivers (most of them with a basin area over 1,000 km²) and 30 transboundary lakes in the European and Asian parts of the UNECE region, as well as 70 transboundary aquifers in South-Eastern Europe, Caucasus and Central Asia. It describes the hydrological regime of these water bodies, pressure factors in their basins, their status and transboundary impact, as well

as trends, future developments and envisaged management measures. Water sharing among riparian countries, increasing groundwater abstraction for agricultural purposes and drinking water supply, pollution from diffuse sources (e.g. agriculture, urban areas) as well as point sources (e.g. municipal sewage treatment and aging industrial installations), and the effects of climate change on water resources are among the many issues documented. Preparations for the second Assessment have already started in 2008. The second edition will put a special focus on thematic issues such as climate change, human health and water related ecosystems. It will also include institutional aspects of transboundary water cooperation.

The Assessment will provide summarized information on the status and future trends of waters in the UNECE region which might be a useful source of information also for the private sector, for instance during the preliminary stage of decision on future investments. Thus the private sector could be interested in financially supporting the preparations of the second Assessment.

Direct work at the country level is carried out within the framework of *National Policy Dialogues* on integrated water resources management (IWRM) that are carried out in countries of Eastern Europe, Caucasus and Central Asia within the framework of the EU Water Initiative. The final aim of the dialogue process is to introduce policy packages (e.g. new governmental regulations), in order to improve the implementation of IWRM.

Currently, Armenia, Kyrgyzstan, Moldova and Ukraine participate in these policy dialogues with different country specific objectives. By 2012 it is planned to develop new dialogue processes in Azerbaijan, Georgia, Tajikistan and Turkmenistan. Within the Ukraine National Policy Dialogue, there has been a direct involvement of Coca Cola which has supported specific activities in the process.

The experience in Moldova might be replicated in other countries within the National Policy Dialogue process.

Another area where the private sector has already engaged is the work on *water and industrial accidents*, in particular in the development of technical guidelines such as the *Safety Guidelines and Good Practices for Pipelines* adopted in 2006. Representative of insurance and re-insurance companies as well

as industrial operators were also involved in the negotiations of the *Protocol on Civil Liability and Compensation for Damage Caused by the Transboundary Effects of Industrial Accidents on Transboundary Waters* adopted in 2003.

This is an obvious area where work can only be effective through close cooperation between the national authorities and the industry sector.

Finally under the Water Convention, attention is paid to *ecosystem services* and in particular the benefits that water-related ecosystems (forests, wetlands and land) can provide to water management, such as flood prevention, control and mitigation, regulation of runoff, improvement of water quality and erosion reduction. Work has in particular focused on *payments for ecosystem services (PES)* with the development of Recommendations on Payments for ecosystem services in Integrated Water Resources Management. The Recommendations provide a step-by-step guidance for the design and implementation of PES, from how to determine whether ecosystems can provide the necessary services to solve existing water management issues, to how to value such services in order to make

informed decisions and optimal choices, how to balance the requirements of economic efficiency with broader societal and equity objectives, and the main principles to follow in establishing a PES scheme. The Recommendations also highlight key ingredients of a properly functioning PES scheme, such as sound legal and institutional frameworks and adequate monitoring and research.

Current work focuses on the implementation through pilot projects and on capacity building activities.

The private sector has also been looking at PES as a useful tool to sustain its activities in particular in relation to bottled water production, to guarantee the water quality.

This also seems to be an area where there are obvious mutual benefits. The national and local authorities might see the advantages of the private sector playing a direct role in protecting the resources and financing directly such protective measures; at the same time the private sector needs an enabling environment to do so (e.g. abolition of legal obstacles to PES establishment). Furthermore both actors need to further exchange experience and expertise in this area where there are still many knowledge gaps.

PROTOCOL ON WATER AND HEALTH

Even though most Europeans take clean water for granted nowadays, an estimated 140 million people, that is one person in seven, do not have access to safe drinking water and adequate sanitation in the UNECE region, making them vulnerable to water-related diseases and even threatening their lives. It is estimated that every year 18,000 deaths of children under 14 years of age in Eastern Europe and Central Asia are due to poor water conditions. But also in the western part of the region, emerging diseases, such as

those related to the increasingly complex chemical environment, are more and more being recognised as a serious health threat and require significant efforts to bring them under control.

The UNECE/WHO-EURO Protocol on Water and Health is the world's first international treaty in force designed to reduce water-related deaths and diseases through improved water management and universal access to safe water and adequate sanitation. It entered

into force in 2005 and has currently 21 Parties.

As the causing factors of water-related diseases belong to different policy sectors: health, environment, agriculture, water, infrastructure, tourism, etc, there is a need for cooperation between different authorities and other actors to set common, coherent and reachable targets in order to tackle causes and effects, address the issue in a holistic manner and ensure step-by-step progress.

Thus the Protocol's require Parties to set national and local targets in the water, environment and health sectors and by this promoting the integration of different

policies. In particular Parties needs to set targets on access to water and sanitation, the quality of drinking water and the quality of discharges, as well as for the performance of water supply and waste-water treatment.

The Protocol promotes a partnership approach that brings closer together health and environmental legislation and institutions, national and local authorities, the public and private sectors, donor and recipient countries. It offers a sound and predictable framework where all different actors, including the private sector, can join forces to address these complex issues in a more efficient way, learning from each other.

While the Protocol is a younger tool, the stakes and interest for the private sector are much more obvious and cooperation is better established compared to the Water Convention.

Highlights of the current work plan 2007-2009 and opportunities for cooperation with the private sector

Setting targets, identifying indicators and measuring progress is at the core of the Protocol implementation. Many Parties are currently engaged in the process of setting targets which requires by its nature a close involvement of all stakeholders, including the private sector (in particular water supply and sanitation operators). Indeed the private sector is an important actor to achieve the Protocol's objectives, and needs to be closely involved in its implementation at the national level as well as in the work at the intergovernmental level that supports national implementation.

The Protocol on Water and Health includes several provisions on non-discrimination and equity aspects. In particular, article 5 requires that "*equitable access to water*, adequate in terms both of quantity and of quality, should be provided for all members of the population, especially those who suffer a disadvantage or social exclusion". The current workplan includes a specific activity aiming to support access to water and sanitation for poor, vulnerable and socially excluded people through the development of a good practice document on (i) targeted measures to overcome water affordability issues; and (ii)

solidarity measures to improve access to water and sanitation in rural areas.

Climate change impacts will also affect managers of water and waste water utilities that in many cases will have no other option than to adapt their operations to this changing natural environment. In *extreme weather events*, protection of water supply and sanitation utilities and the continuity of health services appear to be crucial to protect population exposure to emerging and re-emerging risks (direct impacts, infectious diseases) associated to climate change and variability. To address these specific problems, guidelines for water supply and sanitation in extreme weather events are currently being developed under the Protocol. Expanding *access to water supply and sanitation* of currently unserved populations has clear implications for public works (construction, maintenance of hydraulic infrastructures).

Better control of the *recreational water quality* has an important link to private industry in the spa and wellness sector as far as enclosed recreational water environments are concerned, and is particularly important in

connection with the tourism sector when marine recreational waters are concerned.

In this context, it should be remembered that the Mediterranean is the world's prime tourist destination with an important resident population and a transient tourist population of comparable size. Tourism in the Mediterranean is still very much focussed on the northern side of the Mediterranean, i.e. in the countries eligible to become party to the Protocol. There is therefore a direct link between the provisions of the Protocol and the improvement or further development of the tourism industry in the Mediterranean.

Water quality is an important determinant of the safety of marine food products, whether caught in the near shore environment or resulting from *aquaculture*. Some countries have indicated disease transmission through unsafe seafood as being amongst the most

important water related disease pathways. The Protocol foresees strict control of the water quality destined for aquaculture and for the production and harvesting of shellfish and therefore has a direct link with the food industry and its food safety programmes.

Finally, the Protocol has important activities related to the *reuse of treated wastewater and sewerage sludge*. Water scarcity is expected to become increasingly important in certain areas of the European region, particularly in the Mediterranean. Agriculture especially irrigated crop production, is still the most intensive water user. Reuse of treated wastewater in a manner that protects human health will be an important element in demand management in agriculture. Also the agricultural industry would therefore be involved in the Protocol's implementation.

The obvious links to the private sector are in the area of water supply and sanitation services. Cooperation has been established with relevant international professional organizations such as EUREAU and AQUAFED which participate in activities under the Protocol. However, the scope of the Protocol is broader. It is crucial that cooperation is further strengthened - in particular in other sectors, such as tourism, food processing, aquaculture, agriculture, etc. and that it works effectively at the national level in the Protocol's implementation.