



**10th MEETING OF THE STEERING COMMITTEE OF THE
NATIONAL WATER POLICY DIALOGUE ON IWRM IN ARMENIA/2nd MEETING OF THE EPIRB
PROJECT NATIONAL COORDINATION COMMITTEE IN ARMENIA**

Date: September 26, 2013

Location: "Regance" Hotel Complex, 10/1 Davit Anhaght Street, Yerevan

PROCEEDINGS

In the **opening session** Mr. Narimanyan, Chairman of the 10th Steering Committee (SC) meeting of NPD on IWRM in Armenia/2nd Meeting of the EPIRB Project National Coordination Committee (NCC) in Armenia, welcomed the participants of the meeting. While presenting the main agenda items for adoption, he informed the participants that the composition of the SC/NCC has been updated and welcomed the new members.

Opening statements were also made by Mr. Peep Mardiste, NPD Regional Coordinator of the United Nations Economic Commission for Europe, and Ms. Tatiana Efimova from OECD/EAP Task Force Secretariat.

Afterwards, Mr. Narimanyan summarized the status of NPD activities, and updated on recent development in water sector of Armenia. He mentioned that thanks to the fact that priorities of the Armenian Government in water sector coincide with the main approaches and directions of international initiatives in the same field, significant progress is achieved in recent months in policy issue discussions.

The **First session** of the meeting was devoted to EU-funded "Environmental Protection of International River Basins" project. Mr. Vahagn Tonoyan, EPIRB project country water management expert for Armenia, presented the main progress achieved since the first NCC meeting and status of current activities. In his presentation Mr. Tonoyan presented the main coordination and guidance mechanisms of the project, pilot river basin, the main progress by all activities since the first NCC meeting. Important part of the presentation related to lessons learnt.

Mr. Aram Gevorgyan, Chairman of the "Environmental Policy Analysis" NGO presented the works on identification, delineation and preliminary classification of surface and groundwater bodies in Akhuryan Water Basin Management Area of Armenia, conducted within the framework of service contract with EPIRB project. The presentation of Mr. Gevorgyan included 3 main sections: delineation of surface water bodies, delineation of groundwater bodies, and classification of surface and groundwater bodies. Corresponding maps visually presented all the results of the delineation and classification works.

Mr. Zurab Jincharadze, Deputy Team Leader of the EPIRB project, presented the workplan of the upcoming 12 months. The timeline of the planned activities was presented according to the expected 2 major results of the project: increased monitoring capacity and river basin planning. Special attention



was paid to development and implementation of pilot projects, and taking into consideration the relatively short timeframe, Mr. Jincharadze stressed the important of early selection of pilot projects.

After the above-mentioned 3 presentations Q&A session was held. The SC/NCC members stressed the importance of development of WFD compliant monitoring system, delineation of water bodies, and development of program of measures. Discussion was held on the process delineation of groundwater bodies, and identification of groundwater bodies at risk. Several participants of the meeting expressed their satisfaction with monitoring activities and joint field surveys, which served as practical on-site training in monitoring hydrobiological, hydromorphological and physical-chemical quality elements.

The SC/NCC **decided** to express its satisfaction with the significant progress achieved within the EPIRB project in Armenia, and asked the project to closely coordinate the development of the preliminary pilot projects with the Water Resources Management Agency of the Ministry of Nature Protection of Armenia and its Akhuryan Water Basin Management Authority.

The **second session** of the Steering Committee meeting was facilitated by OECD and related to economic instruments in water management. Ms. Gloria de Paoli, Economist of “ACTeon” Scientific-Research Organization, and Vahagn Tonoyan made joint presentation on facilitating the reform of economic instruments of Armenia. They presented the preliminary results, which included development and assessment of the proposed options for reform. More specifically, Mr. Tonoyan presented the proposed reform of water abstraction and pollution fees, and Ms. De Paoli presented the reform of land/property taxes and renting system.

The proposed reform of water abstraction and pollution fees raised several important topics to discuss among the SC/NCC members. One of the interesting points of discussion was the proposal to charge water users based on permitted volume and not actually abstracted volume. Different participants of the SC/NCC proposed different rates of water abstraction fee for hydropower sector, which was proposed by the presenters to introduce in Armenia. A request was made to try to get assessment on what kind of additional burden will cause the proposed reforms for businesses (hydropower, mining and other industries) in terms of % of their profit or operational cost.

Taking into consideration the discussions, the SC/NCC **decided** the following: a) ask the OECD Study team to explore different gradation options for introduction of water abstraction fee for hydropower sector; b) assess the impact of the proposed reform in case of increasing water resource fee for drinking water supply companies under scenario I (instead of proposing it in scenario IIa); c) estimate the share (in %) of the fees proposed for introduction/revision of profit or operational costs for industries, fisheries and HPP; d) consider the proposed options for establishment of water component in the land and property tax/renting system in the vicinity of Lake Sevan as good starting point for further discussion among the stakeholder institutions.

The **third session** of the Steering Committee meeting was devoted to discussing the transition to EU WFD compliant system of water quality monitoring and assessment. First, Liana Margaryan, Deputy Head of the Environmental Impact Monitoring Centre of the Ministry of Nature Protection of the Republic of Armenia presented the new surface water quality standards in Armenia. In her presentation Ms. Margaryan outlined the main deficiencies of the old system based on maximum allowable concentrations, and the advantages of the new surface water quality norms, and its comparison to EU WFD approaches. In the next presentation Ms. Gayane Hovsepyan, Secretary of the



NPD Steering Committee, introduced the SC/NCC members the proposal for transition from the current approaches to water quality monitoring and assessment to a common approach based on the EU WFD. The presentation of Ms. Hovsepyan was largely based on the recommendations of the corresponding policy document of the EU Kura Phase III project, and included identification of the main drawbacks in the current water quality monitoring and assessment systems versus the WFD approaches, as well as road-map on how to make a transition towards a WFD compliant system.

During the Q&A session the participants stressed the importance to initiate works towards moving to EU WFD compliant monitoring and assessment system, and agreed that the establishment of corresponding working group is the first step towards that direction. Mr. Jincharadze stressed that establishment of such working group is very much in line with the activities 1.3 and 1.4 of the EPIRB project, and the project is ready to provide a consultancy support to the working group. Several representatives of the SC/NCC expressed interest to have representatives of their agencies and institutions in the working group. As a result of discussions, the SC/NCC **decided** to approve the idea of establishing water quality monitoring and assessment working group and apply to the Ministry of Nature Protection of the Republic of Armenia to officially initiate the process of establishing such working group.

The **fourth session** of the SC/NCC meeting dealt with implementation of the project on setting targets within the Protocol on Water and Health under the UNECE component of the NPD in Armenia. Mr. Peep Mardiste presented the workplan for the remainder of the project. Afterwards, Ms. Emma Anakhasyan from the NGO "Armenian Women for Health and Healthy Environment" made a presentation on the preliminary results of baseline analysis for setting national targets under the Protocol on Water and Health in Armenia.

The presentations were followed Q&A sessions, during which the participants of the meeting asked several clarification questions and made remarks and observations on the initial version of the baseline analysis. Ms. Anakhasyan thanked the participants for the comments and remarks, since they were found helpful for inclusion into the revised version of the baseline analysis. The SC/NCC **decided** to adopt the results of the baseline analysis as preliminary results, and asked the local team to make corresponding revisions in the analysis taking into consideration observations from the participants of the meeting.

The **fifth session** of the Steering Committee meeting dealt with cross-fertilization with the NPD process and technical assistance projects in Armenia. Presentations were made by 2 water-related projects in Armenia: USAID Clean Energy and Water Project in Armenia (Lilit Harutyunyan, Task Leader of the project) and UNDP/GEF "Reducing Transboundary Degradation in the Kura-Aras River Basin" regional project (Lusine Taslakyantsyan, Project National Coordinator for Armenia).

Presentations were followed by Q&A session. Steering Committee **decided** to thank the representatives of the projects for their continuous coordination efforts within the NPD process in Armenia. SC/NCC highlighted the success of activities of UNDP/GEF "Reducing Transboundary Degradation in the Kura-Aras River Basin" on implementing biological monitoring and development of draft river basin management plan in Arpa River basin of Armenia. At the same time the SC/NCC expressed its disagreement with numerous declarative statements included in the draft Strategic Action Program (SAP), asked to be more specific and action-oriented in the revised version of the SAP, and take into consideration the work already implemented in the basin in the last 10 years.



Before closing the meeting the chairman of the NCC/SC Mr. Narimanyan recalled the Steering Committee **decisions** made, as follows:

- EPIRB project:
 - SC/NCC expresses its satisfaction with the significant progress achieved within the EPIRB project in Armenia,
 - SC/NCC asks the project to closely coordinate the development of the preliminary pilot projects with the Water Resources Management Agency of the Ministry of Nature Protection of Armenia and its Akhuryan Water Basin Management Authority.
- OECD study:
 - SC/NCC asks the OECD Study team to: a) explore different gradation options for introduction of water abstraction fee for hydropower sector; b) assess the impact of the proposed reform in case of increasing water resource fee for drinking water supply companies under scenario I (instead of proposing it in scenario IIa); c) estimate the share (in %) of the fees proposed for introduction/revision of profit or operational costs for industries, fisheries and HPP; d) consider the proposed options for establishment of a water component in the land and property tax/renting system in the vicinity of Lake Sevan as good starting point for further discussion among the stakeholder institutions.
- Water quality monitoring and assessment working group:
 - SC/NCC approves the idea of establishing water quality monitoring and assessment working group,
 - SC/NCC applies to the Ministry of Nature Protection of the Republic of Armenia to officially initiate the process of establishing such working group
- UNECE study:
 - SC/NCC adopts the results of the baseline analysis as preliminary results,
 - SC/NCC asks the local team to make corresponding revisions in the analysis taking into consideration observations from the participants of the meeting.
- Other projects
 - SC/NCC thanks the representatives of the USIAD Clean Energy and Water Program and UNDP/GEF "Reducing Transboundary Degradation in the Kura-Aras River Basin" project for their continuous coordination efforts within the NPD process in Armenia,
 - SC/NCC highlights the success of activities of UNDP/GEF "Reducing Transboundary Degradation in the Kura-Aras River Basin" on implementing biological monitoring and development of draft river basin management plan in Arpa River basin of Armenia,
 - SC/NCC expresses disagreement with numerous declarative statements included in the draft Strategic Action Program (SAP) of the UNDP/GEF "Reducing Transboundary Degradation in the Kura-Aras River Basin" project, proposes to be more specific and action-oriented in the revised version of the SAP, and take into consideration the work already implemented in the basin in the last 10 years.