



PROCEEDINGS OF THE
Eight meeting of the Steering Committee of the
National Water Policy Dialogue on IWRM in Armenia

The eight meeting of the Steering Committee of the National Water Policy Dialogue (NPD) on Integrated Water Resources Management (IWRM) in Armenia took place on April 11, 2012 in Yerevan, Armenia.

The meeting was chaired by Mr. Volodya Narimanyan, Deputy Head of the Water Resources Management Agency of the Ministry of Nature Protection of Armenia and the Chairman of the NPD Steering Committee.

In his opening remarks during the **first session** Mr. Narimanyan stressed the importance of the NPD on IWRM in Armenia, and expressed his satisfaction with growing number of participants in the meeting. On behalf of OECD Ms. Tatiana Efimova welcomed the participants and briefly summarized the work done by OECD on analysis of financial dimension of IWRM in pilot river basins of Armenia. UNECE consultant Mr. Rainer Enderlein also welcomed the participants and expressed a hope that the upcoming project on planning target setting in Armenia under the UNECE Water and Health Protocol to be financed by the Government of Finland will be one of the topics of the upcoming NPDs in Armenia.

Afterwards, Mr. Narimanyan made a speech on the status of NPD activities, and provided updated information on recent developments in water sector in Armenia and in the region since the 7th NPD meeting. He mentioned the participation of the Armenian delegation to the World Water Forum 6 in the works of European Target Group 9 session on March 15, 2012, where a commitment was made to include river restoration practices in Arpa River basin of Armenia in the period 2012-2015. He also mentioned about the inception of 2 EC funded regional projects on “Transboundary River Management for the Kura River Basin – Phase III” and “International Protection of International River Basins”, where Armenia is taking active participation, and wished a success to both projects. Finally Mr. Narimanyan talked about the OECD regional meeting within the project “Strengthening the economic and financial dimension of IWRM in Armenia, Azerbaijan and Georgia”, held in Tbilisi, Georgia, where most of the NPD Steering Committee members also participated.

Mr. Rainer Enderlein talked about the United Nations Economic Commission for Europe Convention on the Protection and Use of Transboundary Watercourses and International Lakes (UNECE Water Convention), adopted in Helsinki, Finland on March 17, 1992, which is the only international framework agreement in force on transboundary freshwater. He summarized the main achievements over the past 20 years of the UNECE Water Convention

During the **second session** the economic policy instruments for water resources management were discussed. OECD project expert Mr. Vahagn Tonoyan made a presentation entitled “The OECD Debed River Basin Initiative in a Nutshell”. In his presentation Mr. Tonoyan talked about the main objectives of the “OECD Debed Initiative” and presented the works done since the 7th NPD Steering Committee meeting.



Mr. Pierre Strosser from “Acteon Environment” French Scientific Research Company made a presentation on “Innovative Economic Instruments for Water Management and Lessons Learned”. In his presentation Mr. Strosser talked about considered economic instruments, the assessment framework for each of the proposed economic instruments, as well as the main lessons learned from the initial assessments. Within that presentation Mr. Tonoyan showed an illustrative example of the assessment of proposed economic instrument on extending abstraction tax on hydropower sector and informed that similar assessment is done for all 15 proposed instruments.

Ms. Verena Mattheis from “Acteon Environment” French Scientific Research Company presented a “Review of Economic Instruments for Hydropower and Illustration of the German Bonus”. In her presentation Ms. Mattheis talked about economic instruments applied in the hydropower sector as the outcomes of the EPI-Water project, illustration on the German bonus for ecologically friendly hydropower plants, and the possible potential application of the instrument in Armenia.

The last presentation of the second session was made by Mr. Strosser on “Priorities for Further Assessments and Possible Work under the OECD initiative”. He summarized the general lessons learned from the Debed project and presented some ideas on further work.

In the Q&A session the participants asked several questions about the economic instruments, revenue generation, earmarking and other aspects of the proposed tools for Armenia and Debed River basin. As a result of discussions the Steering Committee chairman asked all members of the Committee to provide their vision on what are the most appropriate priority economic instruments which can be applied in Armenia and which need to be studied in detail.

The **third session** was devoted to other activities supporting national policy consultations. Mr. Pierre Defrance made a presentation entitled “Learning from international experience: Review of PES and the case of the Evian Natural Mineral Water”. In his presentation he talked about PES, description of the Evian case study, efforts required for the PES design and implementation. At the end of his presentation he presented some conclusive remarks and food for thoughts for the Armenian context.

This presentation was followed by another presentation on PES specific for Armenia. Mr. Benyamin Zakaryan, Director of “Geoinfo” LLC presented the “Outcomes of the Armenian PES Pilot Project in Upper Hrazdan River Basin of Armenia”, which was prepared within the UNECE component of the NPD in Armenia, and financed by the Swiss Government. In his presentation Mr. Zakaryan mentioned the main concepts related to water-related PES schemes, described the general approaches in PES schemes, and presented the scope of the work, implemented steps, the results of the characterization of the pilot basin, analysis of natural resources use, diagnostic analysis, and legislative framework for applying economic tools. He then presented the proposed PES schemes for the pilot river basin, as well as proposals to revise the legal framework of Armenia, so the proposed scheme can be applied in practice. The results of the UNECE project were summarized in a tri-lingual publication, which was distributed to all participants of the NPD meeting.

Afterwards, Ms. Tatiana Efimova briefly talked about the OECD project on “Strengthening the Economic and Financial Dimension of Integrated Water Resources in Armenia, Azerbaijan and Georgia – Case Study on the Kura River Basin”. The project has been launched by OECD with the financial support of the German Federal Environment Ministry, and seeks to support the



Governments of Armenia, Azerbaijan and Georgia in assessing the economic and financial dimension of water management in the Kura river basin, in line with the requirements of the EU WFD. Mr. Efimova also talked about the specific objectives of the project, and mentioned that once draft report is ready, it will be provided to the Steering Committee members for comments.

The last presentation in the third session was made by Mr. Rainer Enderlein, who talked about forthcoming UNECE-SYKE (Finnish Environmental Institute) on “Setting Targets and Target Dates under the Protocol on Water and Health in Armenia”. In his presentation Mr. Enderlein described in details the objective of the Protocol on Water and Health, is the world’s first legal treaty designed to control and reduce water-related diseases through improved water management. He also talked about basic steps of the target setting process under the Protocol, and gave some examples of targets and examples of proposed measures.

The Steering Committee agreed that the proposed project on “Setting Targets and Target Dates under the Protocol on Water and Health in Armenia” is important for Armenia and expressed readiness to work in setting targets under the Protocol on Water and Health in Armenia.

The **fourth session** of the meeting included presentations from the representatives of technical assistance projects in Armenia in order to cross-fertilize with the NPD process.

Mr. Harald Leummens, UNDP/GEF “Reducing Transboundary Degradation in the Kura-Aras River Basin” project demonstration project coordinator made a presentation on the European Center for River Restoration (ECRR) and its involvement in Armenia. Mr. Leummens presented essential facts about ECRR, ECRR vision on river restoration, guiding principles for river restoration, and ECRR and World Water Forum (WWF) 6 process. Within WWF6 process he mentioned the commitment made on Arpa River basin, which includes incorporation of river restoration practices in the Arpa integrated river basin management plan, awareness raising and capacity development for the planning and implementation of river restoration, and development of practical pilot projects.

Ms. Mary Matthews, UNDP/GEF "Reducing Transboundary Degradation in the Kura-Aras River Basin" project coordinator and chief technical advisor, made a presentation on project activities. She described the project activities in Arpa pilot river basin, activities in wider Kura-Aras River basin, IWRM trainings organized jointly with the EU Kura River Phase III project, IWRM MSc curriculum development, NGO forum which links biodiversity and water management, scientific training for demonstration project, as well as upcoming activities the project will be implementing.

Expert of the USAID Clean Water and Energy Program in Armenia Ms. Lilit Harutyunyan made a presentation on project activities. In her presentation Ms. Harutyunyan talked about the river basin planning process, including the main stages of river basin planning process, technical instruments applied, use of GIS in the planning process, public participation, as well as applicability of different approaches in river basin planning.

Team leader of the EC funded “Transboundary River Management for the Kura River Basin – Phase III” regional project Mr. Anatoly Pichugin introduced the participants with the project. He presented the main project partners, how phase III of the project builds on the results of the phase II, main project components, water classification systems in Armenia, Azerbaijan and Georgia, as well as regional meetings and field surveys planned in 2012.



All the presentations of representatives of international organizations and projects were followed by Q&A sessions, during which the participants asked questions, provided comments and observations.

The **fifth session** of the meeting was the last one. Discussions were held, where the participants of the meeting mentioned their comments and observations on NPD process and the issues that need to be addressed. Mr. Boris Mnatzakanyan from Armenian State Pedagogical University mentioned the need to update the hydrological reference books, which are based on data from 1970s, since old and inaccurate hydrological data affects the quality of decisions made. In this regard the Steering Committee asked Mr. Mnatzakanyan to prepare a one-page summary strategy on how the reference books can be updated, and after that apply to international projects and initiatives to support that process.

The **decisions of the Steering Committee** are summarized as follows:

1. Within one week the Steering Committee members will provide their vision on what are the most appropriate priority economic instruments out of the 15 proposed instruments within the OECD report “Preliminary Assessment of the Innovative Economic Instruments for Water Management in the Debed River Basin”, which can be applied in Armenia and which need to be studied in detail.
2. Steering Committee agrees that the proposed project on “Setting Targets and Target Dates under the Protocol on Water and Health in Armenia” is important for Armenia and expresses readiness to work in setting targets under the Protocol on Water and Health in Armenia.
3. Steering Committee requests Mr. Mnatzakanyan to prepare a one-page summary strategy on how the hydrological reference books of Armenia can be updated, and applies to international projects and initiatives to support that process.