

**EUROPEAN COMMUNITY CONTRIBUTION AGREEMENT
WITH AN INTERNATIONAL ORGANISATION**

EUROPEAID / DCI-ENV / 2008 / 149674 / TPS

OECD – UNECE INTERIM REPORT

December 2010

TABLE OF CONTENTS

SUMMARY AND CONTEXT OF THE ACTION.....	4
Executive summary.....	4
Objectives of the action.....	5
The EUWI EECCA Working Group	5
National Policy Dialogues.....	5
Highlights of policy outcomes so far	6
NATIONAL POLICY DIALOGUES - PROGRESS MADE IN 2009-2010	8
Armenia.....	10
Azerbaijan	13
Georgia	14
Moldova	14
Kyrgyzstan.....	16
Russian Federation.....	19
Ukraine	21
Tajikistan.....	22
Turkmenistan.....	23
Uzbekistan.....	25
SUPPORT FOR THE ORGANIZATION OF ANNUAL MEETINGS OF THE EUWI EECCA WORKING GROUP.....	26
Annual meeting of the EWUI EECCA Working Group in 2009	26
Annual meeting of the EWUI EECCA Working Group in 2010	27
LESSONS LEARNT.....	28
Lessons learned on the process that makes water policy reforms happen	28
National Policy Dialogues on Integrated Water Resources Management	29
National Policy Dialogue on financing WSS	30
CHANGES INTRODUCED IN IMPLEMENTATION	31
WORK PLAN FOR 2011-12	32
Continuation of the ongoing policy dialogues.....	32
Substantiating the recently started processes	33
Initiation of one new policy dialogue in Kazakhstan.....	33

Tables

Table 1.	Main activities under the ongoing IWRM & WSS-related policy dialogues.....	9
Table 2.	Water Policy Dialogues in Armenia - Highlights.....	10
Table 3.	Water Policy Dialogues in Azerbaijan - Highlights	13
Table 4.	Water Policy Dialogue in Georgia - Highlights	14
Table 5.	Water Policy Dialogue in Moldova - Highlights.....	14
Table 6.	Water Policy Dialogue in Kyrgyzstan - Highlights	16
Table 7.	Water Policy Dialogue in the Russian Federation - Highlights	19
Table 8.	Water Policy Dialogue in Ukraine - Highlights	21
Table 9.	Water Policy Dialogue in Tajikistan - Highlights	22
Table 10.	Water Policy Dialogue in Turkmenistan - Highlights	23
Table 11.	Water Policy Dialogue in Uzbekistan - Highlights	25

SUMMARY AND CONTEXT OF THE ACTION

Executive summary

The European Union's Water Initiative (EUWI) is a political initiative which seeks to assist partner countries in achieving water-related Millennium Development. The EUWI EECCA is the regional component of the EUWI focused on Eastern Europe, the Caucasus and Central Asia (EECCA). It supports work of the European Neighbourhood Policy and of the EU-Central Asia Platform for Environment and Water Cooperation. In addition, it helps to promote the progressive approximation to EU water policies, particularly to the EU Water Framework Directive, in EECCA countries.

The United Nations Economic Commission for Europe (UNECE) is the strategic partner to support the policy dialogue process on integrated water resources management (IWRM). The Organisation for Economic Co-operation and Development (OECD) is the strategic partner for water supply and sanitation (WSS).

National Policy Dialogues (NPDs) on IWRM and WSS is the main operational instrument under the EUWI EECCA. The NPPDs are policy-oriented processes where key stakeholders meet and assess the feasibility of water-related policy objectives (including the Millennium Development Goals on water supply, sanitation, and resource management), the best strategies to achieve them, and the financial means attached to these strategies. The dialogues are conducted under the leadership of a high-level government representative such as the Deputy Minister of Water Resources or Chair of the State Water Committee. The NPDs are also based on the robust analytical input by experts.

In 2009 – 2010, the OECD and UNECE have implemented the NPDs on either water supply and sanitation or water resource management in Armenia, Kyrgyzstan, Moldova, Russia and Ukraine. The National Policy Dialogues on water resource management were initiated in 2010 Azerbaijan, Georgia and Tajikistan. Inception missions were organized to Turkmenistan and Uzbekistan. In 2010, the Government of Kazakhstan submitted a request to the UNECE and the European Commission to start a National Policy Dialogue on water resource management.

Objectives of the action

The objective of the action is to provide active support to the implementation of the EUWI EECCA Working Group's programme of work and budget for 2009-2012, thereby supporting the achievement of the water-related Millennium Development Goals in the region, as well as the management of water resources.

The specific objectives of the action are to provide analytical inputs to the national policy dialogue processes that are already under way or that will be launched in the future and to support the facilitation of these policy dialogues.

Another specific objective is to support the organisation of annual meetings of the EUWI EECCA Working Group, which serves as a platform for dissemination and experience sharing.

The EUWI EECCA Working Group

The European Union's Water Initiative (EUWI) is a political initiative which seeks to assist partner countries in the development and implementation of policies, strategies and priorities for the water and sanitation sector which donors could align with and support. The Initiative ensures that existing resources are more effectively utilised and new resources are attracted in the sector to meet the specific requirements of individual developing countries and river basin organisations. The EUWI has five specific objectives: (i) the reinforcement of political commitment towards action and innovation oriented partnership; (ii) the promotion of improved water governance, capacity building and awareness; (iii) improved efficiency and effectiveness of water management through multi-stakeholder dialogue and coordination; (iv) strengthened co-operation through promoting river basin approaches in national and transboundary waters; and (v) identification of additional financial resources and mechanisms to ensure sustainable financing.

The EUWI EECCA Working Group is a group of senior EECCA countries' officials and their international partners. It identified UNECE as strategic partner to support National Policy Dialogues (NPDs) on integrated water resources management, and the Task Force on the Environment Action Programme (EAP Task Force) as strategic partner on water supply and sanitation (WSS); the Organization for Economic Co-operation and Development (OECD) serves as a Secretariat for the EAP Task Force.

National Policy Dialogues

The main mechanism supported by the EUWI EECCA Working Group is National Policy Dialogues, on water resource management, on water supply and sanitation, and/or on financing water-related infrastructures.

National Policy Dialogues are designed to improve water-related policies. They are structured policy processes where key stakeholders meet and assess the feasibility of water-related policy objectives (including the water-related Millennium Development Goals), the best strategies to achieve them, and the financial means attached to these strategies.

The dialogues are fed with analytical work, robust policy analyses and illustrations from policies that work in other countries. They facilitate intra-government cooperation and donors' coordination.

The dialogues on WSS are high-level multi-stakeholder meetings, usually led by the ministry responsible for WSS and/or the Ministry of Economy. The dialogues on IWRM are usually led by the Ministry of Environment or the State Water Committee. All dialogues involve the ministries of foreign affairs, finance, regional development, environment, health, as well as associations of municipalities, water utilities and water users, representatives of the civil society, and their international partners: the European Commission (EC), UNECE, OECD/EAP Task Force, the country which chairs the EUWI EECCA WG, and international organizations (e.g. UNDP), international financial institutions (IFIs) and individual donor agencies.

National Policy Dialogues facilitate the development of policy packages. These activities pay particular attention to policy reforms towards sustainable water management and financing of water supply and sanitation, including conservation of the environment, water as a polluted natural resource, strengthening regulatory systems, and institutional frameworks. The final outputs of the National Policy Dialogues are policy documents addressing one or more of the above-mentioned issues.

National Policy dialogues result in legislative acts, ministerial orders, strategy documents, implementation plans, as well as recommendations and good practice documents. They can be related to funding mechanisms, including investment plans, infrastructure investment funds (Central Asia Initiative, Eastern Partnership), or medium term expenditure frameworks. National Policy Dialogues can help to prepare, develop and launch technical assistance projects with partners at the national level, to generate concrete results on the ground and advance with the achievement of the water-related MDGs. EUWI-EECCA partners have therefore started to discuss concrete cooperation with UNDP, bilateral donors and other organizations/countries on how to build on and utilize the outputs of the NPDs as a basis for development projects and initiatives in the future.

The Dialogues help adapt EU water policies to EECCA countries. Pilot projects illustrate what can be achieved, constraints to be overcome, and ways forward. The EUWI EECCA Working Group is the Forum where experience is shared and scaled-up.

Highlights of policy outcomes so far

The Interim Report shows that a considerable amount of work has materialised in the first two years of project implementation. Dialogues are active in ten countries, and, where appropriate, are substantiated by significant analytical work. A number of policy outputs have already been delivered and are being implemented.

Some of the major outputs are highlighted below:

- Policy Brief on results and lessons learned from the implementation of the NPD on IWRM in Armenia;

- One policy document on transboundary water cooperation between Georgia and Azerbaijan;
- One Governmental Order on wastewater discharges from municipal sources in Georgia;
- An annotated outline of a water and sanitation sector policy paper, approved by Coordination Council in Kyrgyzstan;
- Regulation on the establishment of a river basin council for the Chu river basin, in Kyrgyzstan;
- One Policy Brief and a draft roadmap on how to overcome WSS fragmentation in Ukraine;
- A concept note for the national strategy on water sector adaptation to climate change in Ukraine.

In addition, contacts have been taken at Head of State level in Tajikistan and Turkmenistan.

A number of projects now require further work to i) facilitate implementation, ii) clarify policy options, iii) articulate national strategies and initiatives at local/river basin level.

NATIONAL POLICY DIALOGUES - PROGRESS MADE IN 2009-2010

National Policy Dialogues are actively underway in five countries, on either water supply or sanitation or water resource management. The countries are Armenia, Kyrgyzstan, Moldova, Russia and Ukraine.

In addition, National Policy Dialogues on water resource management were initiated in 2010 Azerbaijan, Georgia and Tajikistan. Inception missions were organized to Turkmenistan and Uzbekistan. In 2010, the Government of Kazakhstan submitted a request to the UNECE and the European Commission to start a National Policy Dialogue on water resource management.

It follows that eleven out of the twelve EECCA countries are (or will soon be) covered by water-related National Policy Dialogues (Belarus has not shown interest in the process so far). The dialogues are demand driven and adjusted to the specific needs and priorities of the countries. They cover a variety of themes, which all contribute to the objectives of the EUWI.

The table below shows areas of work covered by on-going National Policy Dialogues in eleven EECCA countries. Detailed information is shared on a country basis on activities carried out in 2009 and 2010 and further steps.

Table 1. Main activities under the ongoing IWRM & WSS-related policy dialogues

Instruments/frameworks	AM	AZ	GE	KG	MD	UA	RU	TJ	TM	UZ	KZ*
Water Framework Directive's principles. EU Urban Wastewater Directive	x	x	x	x	x	x		x	x	x	x
UNECE Water Convention (transboundary waters)		x	x	x	x	x		x	x		x
UNECE-WHO Protocol Water and Health	x		x	x	x	x				x	x
Climate change adaptation (EU and UNECE instruments)					x	x					
EU Flood Directive/UNECE instruments						x					
Institutional frameworks (e.g. River Basin Councils)		x	x	x	x		x				
Financing strategy urban & rural WSS; Linking financing strategy into budget process	x		x	x	x						
Overcoming over fragmentation in WSS systems						x					
Financing of water resources management	x										
Private Sector Participation in Water Infrastructure: OECD Checklist for Public Action							x				

* NPD did not start yet – a request for starting the NPD was received from the government

Armenia

Table 2. Water Policy Dialogues in Armenia - Highlights

Proposal	Activities carried out in 2009-10	Main messages / Outputs
Continue NPD on WRM <ul style="list-style-type: none"> • 3 dialogue meetings • 2 policy documents + a Policy Brief 	3 meetings of the Steering Group which covers both projects (December 2009, March 2010, June 2010) 2 policy documents: <ul style="list-style-type: none"> • Action plan on improving health through sustainable water management; the plan was circulated to funding agencies • One Policy Brief: Summary of results and lessons learned from the implementation of the NPD IWRM in Armenia within the UNECE NPD on IWRM Initiation of a pilot project on payment for eco-system services (to be continued in 2011)	Action plan on improving health in Armenia through target setting to ensure sustainable water management, access to safe water and adequate sanitation Proposal for developing financial instruments on payments for ecosystem services in Armenia
Extend NPD on WSS to cover IWRM <ul style="list-style-type: none"> • 2-3 dialogue meetings • One policy document 	3 meetings of the Steering Group (see above) Development of a pilot project on financing IWRM Agreement to develop a similar project at a larger scale	One report on lessons learned on financing IWRM in one pilot river basin

UNECE

UNECE initiated a National Policy Dialogue on water resource management in Armenia in late 2006. The dialogue facilitates the implementation of the principles of integrated water resources management (IWRM) in line with the EU Water Framework Directive and relevant conventions and other international agreements with an emphasis on financial issues. Pilot activities in the Marmarik river basin included studies of the baseline conditions and pressures for IWRM, establishment of desired conditions for water uses and functions in the river basin and identification of measures to achieve the desired conditions for water use. The process is overseen by a Steering Committee. Meetings of the Steering Committee are organised alternatively by UNECE and OECD.

In 2009, an interagency working group was established that elaborated a policy document “Action plan on improving health in Armenia through target setting to ensure sustainable water management, access to safe water and adequate sanitation”. The policy document outlines specific proposals for actions aimed to support efforts of the Government of Armenia in signing the Protocol on Water and Health and establishing a programme of actions to implement the Protocol. The policy document was presented and discussed at the Third Steering Committee meeting in December 2009.

At the Fourth NPD IWRM Steering Committee meeting, in March 2010, the document was further elaborated. The proposal for supporting the development of the programme of actions under the Protocol has been submitted to the EBRD Water Fund through the Finnish Wider Europe Initiative.

The fifth NPD IWRM Steering Committee meeting took place in June 2010. A policy document „*Proposal for developing financial instruments on payments for ecosystem services in Armenia*“ was elaborated and submitted for funding to the UNECE. The pilot project will be implemented in 2010 – 2011 with financial support from the Swiss Government. Based on the pilot project, a government policy document will be elaborated, which will include financial schemes supporting payments for the ecosystem services. The policy document will be presented and discussed at a Steering Committee meeting in Autumn 2011.

Finally, in 2010 a Policy Brief “*Summary of results and lessons learned from the implementation of the NPD IWRM in Armenia within the UNECE NPD on IWRM*” was prepared and will be published at the end of 2010 in English, Russian and Armenian. The Policy Brief summarizes the NPD results and formulates recommendations for the further activities under the NPD IWRM that would support the second wave of the water sector reform planned to be implemented by the Government of Armenia in the recent future.

OECD

The OECD carried out an exploratory mission to Armenia in October 2009 to explore possibilities to launch a pilot project on strengthening the economic and financial dimension of water resource management in the country. The Armenian government acknowledges it would benefit from a robust analysis of the costs of water resources management, the financing sources that are available to cover those costs and the benefits that may accrue from adequate water resources management. Such a project builds on OECD’s work on WSS in Armenia and on OECD expertise in WRM financing. It also builds on work carried-out by UNECE, in cooperation with WRMA, in the Marmarik river basin (see above).

In December 2009, the OECD launched a project in the Marmarik river basin to look into some of the measures that can help generate the financial resources required to operate and maintain existing water infrastructure, implement new investments and cover governance costs. Enhanced water efficiency and productivity across sectors or beneficiaries are parts of the solution.

The first results of the analysis of existing situation, baseline and improvements scenarios were presented in March 2010. A draft report on a strategic financial plan for the Marmarik river basin was prepared.

A follow-up Steering Group meeting was organised in June 2010, under the auspices of UNECE, with an OECD session on development scenarios analysis. The analysis was based on forecasts for water demand and economic growth in the basin for the next 20 years. Analysis shows that the financial gaps may be closed through, inter alia, increased water charges, provided that the revenues stay in the basin. The OECD project was completed in September 2010 and a policy document summarizing the key results is available. It will be presented at the next Steering Group meeting in February 2011, organised by UNECE.

Members of the Steering Group strongly supported the idea to replicate a similar project in a larger river basin in 2011-12.

Work plan and follow up

Work will continue in two areas:

- Payment for eco-system services. A pilot project is being implemented, with financial support from Switzerland;
- Strengthening the economic and financial dimension of IWRM. A second pilot project will be developed, at a larger scale. Lessons will be learned on both methodological and policy perspectives.

The Steering Group will meet to oversee these two projects.

Azerbaijan

Table 3. Water Policy Dialogues in Azerbaijan - Highlights

Proposal	Activities carried out in 2009-10	Main messages / Outputs
1 preparatory meeting	2 meetings in April and October 2010	One Roadmap for the NPD on IWRM
1 preliminary draft document		

Following an exchange of the official letters between the Government of Azerbaijan and the UNECE, a pre-mission of UNECE Secretariat was held in April 2010. This included meetings with the authorities and relevant national and international stakeholders. The NPD IWRM Steering Committee has been established and a Memorandum of Understanding on a NPD on IWRM was signed in September 2010. The Steering Committee includes representatives of the Ministries of Foreign Affairs, Economy, and Public Health, Industry and Energy; as well as water companies, non-governmental organizations and academia.

The Steering Committee met first on 12 October 2010 in Baku. The National Policy Dialogue will focus on the development of a governmental strategy for management of water resources based on the principles outlined in the EU WFD and the UNECE Convention on the Protection and Use of Transboundary Watercourses and International Lakes (Water Convention) and its Protocol on Water and Health, as well as other United Nations and EU instruments.

Transboundary water cooperation with neighbouring Georgia, specifically the preparation of a bilateral agreement on management of shared transboundary waters, is another important issue on the National Policy Dialogue agenda.

The policy dialogue in Azerbaijan will build on related works by the UNECE and the OECD. The recently completed second UNECE Environmental Performance Review of Azerbaijan makes recommendations which will feed into the dialogue (see <http://www.unece.org/env/epr/welcome.htm>). In addition, the OECD is considering a project on the economic and financial dimension of water resource management in a transboundary river basin (the Kura river), in coordination with REC Caucasus. This would provide robust analytical background to the NPD.

Work plan and follow up

The activities initiated by UNECE in 2010 have opened avenues for further work on IWRM for the coming years. There is a request from the government for assistance to develop a strategy for management of water resources based on the principles outlined in the EU WFD and the UNECE Water Convention. In addition, cooperation with REC Caucasus has paved the way for work on strengthening the economic and financial dimension of IWRM in a transboundary river basin (Kura river). These projects, not initially covered by the contract, will materialise, if additional financial support is provided.

Georgia

Table 4. Water Policy Dialogue in Georgia - Highlights

Proposal	Activities carried out in 2009-10	Main messages / Outputs
1 preparatory meeting	1 meeting in September 2010	One policy document on transboundary water cooperation with the neighbouring Azerbaijan
1 preliminary draft document		

The UNECE-led National Policy Dialogue on Integrated Water Resource Management (IWRM) started in Georgia on 14 – 17 September 2010 with meetings of the UNECE Water Convention Secretariat with the Ministry of Environmental Protection and Natural Resources, other ministries, private companies, NGOs and international donor organizations involved in water management in Georgia.

The National Policy Dialogue on IWRM in Georgia will be focusing on three major topics:

- Preparation of the National Water Law based on the IWRM principles;
- Setting up the targets for implementation of the UNECE/WHO Protocol on Water and Health of the UNECE Water Convention; and
- The transboundary water cooperation with the neighbouring Azerbaijan.

In addition to the EC grant, the NPD IWRM in Georgia is supported by the Government of Finland.

Work plan and follow up

The policy dialogue in Georgia will be coordinated with three related projects:

- Under an agreement with the Finnish Environment Institute (SYKE), UNECE will facilitate the development of a National Water Law based on the IWRM principles;
- Under the same agreement, UNECE will work on setting up targets for the implementation of the UNECE/WHO Protocol on Water and Health of the UNECE Water Convention;
- The OECD is considering developing a project on strengthening the economic and financial dimension of IWRM in a transboundary river basin (Kura river). This project, not initially covered by the contract, will materialise, if additional financial support is provided.

Moldova

Table 5. Water Policy Dialogue in Moldova - Highlights

Proposal	Activities carried out in 2009-10	Main messages / Outputs
----------	-----------------------------------	-------------------------

Transformation of the former financial strategy for urban WSS into an action plan and an investment plan, linked into the budgetary decision making process <ul style="list-style-type: none"> • 2-4 dialogue meetings • 1-2 policy documents 	3 EUWI National Policy Dialogue (NPD) meetings, in February, June and November 2010 Draft action plan	Work was delayed in 2009 for political reasons, but resumed smoothly in 2010
Finalise/implement policy packages related to adaptation to climate change and flood management <ul style="list-style-type: none"> • 4 dialogue meetings • 2 policy documents 	2 stakeholder meetings, in February and September 2010 3 policy documents <ul style="list-style-type: none"> • A Governmental Order on wastewater discharges from municipal sources • A draft Order of the Agency Apele Moldovei on the establishment of river basin management authorities and councils • An action plan to achieve the water-related MDGs 	Final Steering Group meeting scheduled in February 2011 Implementation of the plan to achieve the MDGs started in August 2009 with financial assistance of Switzerland

WSS

The National Policy Dialogue on WSS has been going on since 2006. A first phase, focused on the development of a strategic financial plan for WSS in urban areas was completed in 2008. A second phase was launched in 2009, focused on developing a mid-term Investment/Action Plan to help implement the new governmental strategy for water supply and sanitation. The project benefits from financial support from EC, Austria and the Czech Republic; in addition to financial support, the Ministry of Agriculture of the Czech Republic provided in-kind assistance to transfer relevant Czech experience and knowledge.

The overall objective of the project is to strengthen the capacity of the Government of Moldova to plan and implement prioritised water supply and sanitation infrastructure investments, to mobilise and effectively allocate financial resources for reaching water-related Millennium Development Goals (MDGs), while ensuring that WSS services are affordable.

Project implementation was delayed due to political changes in Moldova in 2009. However, project implementation resumed in January 2010, and the following outputs have been produced so far:

- One Inception Report;
- Three EUWI National Policy Dialogue (NPD) meetings, in February, June and November 2010;
- Draft output documents, including one action plan, a template for presenting project concept to donors and financiers, a dedicated web-site on water in Moldova that informs

and improves communication with local and international stakeholders and the general public.

The documents were presented at a NPD meeting in November 2010.

IWRM

The NPD IWRM started in 2006. It contributes to, and facilitates the implementation of the principles of the EU WFD and the UNECE Water Convention with a link to financing issues.

The dialogue has led to three policy packages adopted in the 2009-10 period:

- A Governmental Order on wastewater discharges from municipal sources (2009);
- A draft Order of the Agency Apele Moldovei on the establishment of river basin management authorities and river basin councils (2009); and
- An action plan to achieve the water-related Millennium Development Goals. Implementation of the plan started in August 2009 with financial assistance of Switzerland under an agreement between the Swiss Agency for Development and Cooperation and UNECE. It resulted in a Government Decision on the targets under the Protocol adopted on 20 October 2010.

Work plan and follow up

Work on WSS will continue in 2011. The Action Plan will be finalized, in coordination with work done by UNECE. The Investment Plan will be developed, based on feasibility studies prepared by the World Bank.

The NPD on IWRM in the Republic of Moldova will end in early 2011 when the final Steering Committee meeting will take place. The Government of Moldova requested the continuation of the NPD IWRM. Topics for the continuation include:

- adoption of a new water law based on the EU WFD;
- monitoring of implementation of the established targets under the UNECE –WHO Protocol on Water and Health; and
- development of the government strategy on water sector adaptation to climate change. This work will benefit from analytical input from the OECD, which plans to look into water resource management in the context of adaptation to climate change, with financial support of DG Environment

Kyrgyzstan

Table 6. Water Policy Dialogue in Kyrgyzstan - Highlights

Proposal	Activities carried out in 2009-10	Main messages / Outputs
Linking the financing strategy for	3 EUWI National Policy Dialogue	Work was delayed in 2010 for political

<p>urban WSS with the budgetary decision making process</p> <ul style="list-style-type: none"> • 2-3 dialogue meetings • 1-2 policy documents 	<p>(NPD) meetings, in April, June and December 2009</p> <p>1 policy document + accompanying instruments</p> <ul style="list-style-type: none"> • annotated outline of a water and sanitation sector policy paper, approved by Coordination Council • instruments to integrate the Financing Strategy into the budget process 	<p>reasons. Work is expected to resume early in 2011</p> <p>Additional work is needed to finalise the policy paper on WSS</p>
<p>Strengthen the institutional framework for IWRM, by setting up a river basin Council for the Chu basin and developing a plan for sustainable water management</p> <ul style="list-style-type: none"> • 4 dialogue meetings • 2 policy documents 	<p>3 stakeholder meetings in April, October 2009; February 2010 2 Steering Committee meetings in June, October 2009</p> <p>2 policy documents</p> <ul style="list-style-type: none"> • Regulation on the establishment of a river basin council for the Chu river basin • An action plan to achieve the water-related Millennium Development Goals 	<p>Project on hold because of social and political unrest</p> <p>Final Steering Group meeting scheduled in February 2011</p>

IWRM

In Kyrgyzstan, the dialogue process started in 2008 and focused on i) setting-up of a River Basin Council for the Chu basin, and ii) developing an action plan to achieve sustainable water management, safe drinking water supply and adequate sanitation.

Two missions by the UNECE Secretariat and two stakeholder meetings were organised in April and October 2009. Two Steering Committee (SC) meetings (Second and Third) were held in June 2009 and October 2009 in Bishkek. They were jointly organized by UNECE, the Kyrgyz Ministry of Agriculture, Water Management and Processing Industries and the Kyrgyz Institute for Automatic Water Measuring Devices. A “Common Understanding” on the NPD process 2008-2011 was signed, which sets out the major NPD-IWRM activities and stipulates that the SC will coordinate to the extent possible existing and forthcoming assistance programmes in the field of IWRM, including those carried out under the auspices of UNECE, UNDP, the World Bank, the Tacis Water Governance project for Central Asia (Kyrgyz components) and projects by Germany (GTZ) and Switzerland.

Two policy packages were elaborated:

- A regulation on the establishment of a river basin council for the Chu river basin. The regulation was submitted in June 2009 to the joint Kyrgyz-Kazakh Commission on the Chu and Talas for implementation; it was adopted as Ministerial Order of the Government of Kyrgyzstan in October 2009; and
- An action plan to achieve the water-related Millennium Development Goals (policy package) adopted in June 2009.

One stakeholder meeting was held in Bishkek, Kyrgyzstan, in February 2010. This included consultations with the newly established Water Agency, other national NPD actors as well as with the international organisations including the EU Delegation in Kyrgyzstan and the EU TACIS project on Water Governance project implementation unit. Preparation for the June 2010 Steering Committee meeting started. However, the NPD process was interrupted by the political tensions and outbreaks of violence in Kyrgyzstan. The next Steering Committee meeting is planned for February 2011.

In 2010 – 2012, the NPD IWRM in Kyrgyzstan is supported by the EC and the Government of Finland.

WSS

In 2008, a National Policy Dialogue sponsored by DG AidCo was initiated on Financing Urban and Rural Water Supply and Sanitation (WSS) in the Kyrgyz Republic. A National Coordination Council (Steering group) was established by the Kyrgyz Government to provide a platform for the policy dialogue. The project supported the development of a National Financing Strategy for Urban and Rural WSS and its adoption by the Coordination Council.

A second phase followed, focused on integrating the Financing Strategy into the policy framework and budget process (mid-term budgetary framework and annual budgets). The annotated outline of a water and sanitation sector policy paper was developed and approved by the Coordination Council, together with a number of instruments aimed at the integration of the Financing Strategy into the budget process (e.g. recommendations on the integration and a template for presenting investment project concepts).

The NPD made apparent that Kyrgyzstan needed a sector policy document, as well as improving overall WSS sector coordination. It was planned to continue the dialogue in 2010 focusing on the elaboration of the National WSS policy. The first steps towards this objective were taken: preparatory mission to Bishkek, development of terms of reference, selection of a local consultant. However, the project is on hold since April 2010 due to the political situation.

Work plan and follow up

It is expected to resume work on WSS in 2011, when the electoral cycle is over. Main focus will be the completion of the water and sanitation policy paper. In addition, the OECD is considering empirical analysis of the use of economic instruments for IWRM in a river basin, building on the work initiated by UNECE.

Russian Federation¹

Table 7. Water Policy Dialogue in the Russian Federation - Highlights

Proposal	Activities carried out in 2009-10	Main messages / Outputs
	<p>2 EUWI National Policy Dialogue (NPD) meetings, in January and June 2010</p> <p>One policy paper: a draft roadmap on water policy reform to facilitate PSP for WSS</p>	<p>Analytical work was developed to substantiate the policy dialogue. This includes:</p> <ul style="list-style-type: none"> • A review of PSP in EECCA • An Assessment of the framework conditions for PSP in water infrastructure in Russia

WSS

The NPD on WSS issues in Russia was launched in January 2010 with a special session on Russia in the framework of a Regional Meeting on Private Sector Participation (PSP) in WSS in EECCA, held in Moscow on 28-29 January, 2010. The 1.5-day meeting was organised and sponsored jointly by the World Bank (WB), the OECD and their Russian partners, foremost, the Ministry of Regional Development (Minregion) and the Russian Development Bank (*Vnesheconombank*, or *VEB*), with financial contributions from Evraziyskiy (one of the largest domestic water operators in Russia), European Commission and the European Bank for Reconstruction and Development (EBRD).

Prior to the meeting, the following background documents were prepared:

- An overview of PSP in WSS in the EECCA countries;
- A country case-study on recent experience with PSP in WSS in Armenia;
- A draft Assessment of the framework conditions for private sector participation in water infrastructure in Russia.

The 1st NPD meeting helped identify several areas for improving the framework for PSP in WSS in Russia. Therefore, it was decided to continue the dialogue, with Minregion, the Ministry of Economic Development (MoED) and the Center for PPPs at the Russian Development Bank.

A 2nd NPD meeting organised jointly with the Center for PPP at VEB took place in June 2010. The meeting endorsed the final assessment of the framework conditions for PSP in WSS in Russia, prepared by the OECD. The assessment helped organize lively and open discussions on tariff regulation, national water policy and issues related to multi-level governance of water.

¹ The contract does not explicitly mention a Dialogue in Russia. This dialogue was discussed in the context of the Programme of Work for 2010, which was endorsed at the EUWIEECCA Working Group meeting in Bucharest, in 2009. The costs of analytical work and most of meeting costs were covered by other sources of finance.

Work plan and follow up

Two priority topics were identified during the second NPD meeting, to be explored further in the framework of the EUWI NPD on WSS in Russia in 2010-2011.

One is support for the formulation of a strategy for the WSS sector in Russia; it could focus on strategy objectives and targets, performance indicators, and reporting on WSS sector performance, and on economic and environmental regulation for the WSS sector. The other topic is guidance on mechanisms to overcome institutional fragmentation in the sector; in particular, standard private sector participation models, including those applicable for pools of small Russian municipalities, could be developed and deployed.

Additional founding is needed to substantiate dialogue on these topics.

Ukraine

Table 8. Water Policy Dialogue in Ukraine - Highlights

Proposal	Activities carried out in 2009-10	Main messages / Outputs
Overcoming fragmentation of WSS systems, through inter-municipal cooperation <ul style="list-style-type: none"> • 2-3 dialogue meetings • 1-2 policy and analytical documents 	3 EUWI National Policy Dialogue (NPD) meetings, in April 2009, February and September 2010 2 policy documents <ul style="list-style-type: none"> • Policy Brief on WSS fragmentation; • draft roadmap of reforms to overcome excessive fragmentation of WSS systems 	The Ministry of Housing agreed that a tailored approach is needed. It would benefit from field research in two regions in Ukraine
	3 EUWI National Policy Dialogue (NPD) meetings, in February and October 2009 and November 2010 1 policy document + accompanying instruments <ul style="list-style-type: none"> • Implementation plan for the Plan to achieve sustainable water management • A concept note for the national strategy on water sector adaptation to climate change • Draft implementation plan for Dniester River 	The work combines policy packages and pilot projects at river basin level. Analytical work was developed to substantiate the policy dialogue. This includes: <ul style="list-style-type: none"> • evidence base of climate change impacts on water resources in the Dniester basin •

IWRM

In Ukraine, the dialogue process started in late 2007. A first policy package, approved by the SG in 2008, was a plan to achieve sustainable water management, safe drinking water and adequate sanitation.

The implementation of the plan started in June 2009 with financial support from Norway and in-kind contributions from Israel. Implementation was regularly discussed at Steering Committee meetings where monitoring reports on implementation were presented and discussed. In 2009, a stakeholder meeting was held in February; two Steering Committee meetings took place in July and October 2009. The final Steering Committee meeting was organized in November 2010.

The NPD on IWRM implementation in Ukraine contributed to a strengthened legal, institutional and managerial framework that helps water management authorities, river basin organizations and other water-related entities to increasingly cope with the challenges of climate change. Work was supported by the collection of evidence of climate change impacts on water resources in one river basin.

Policies for sustainable flood management, based on the EU Flood Directive 2007/EC were elaborated.

Two policy packages were elaborated, namely:

- Draft implementation plan based on the relevant UNECE Guidelines on adaptation to climate change in water management;
- Preliminary evidence base of climate change impacts on water resources in the Dniester basin.

Based on the developed policy packages, a transboundary water pilot project for Dniester River under the UNECE Guidance on the water adaptation to the climate change was developed. This work is supported through the ENVSEC programme since 2010.

WSS

The National Policy Dialogue on WSS in Ukraine effectively started in April 2009, with a first meeting in Kiev with the Ministry of Housing and Communal Economy of Ukraine (MHCE). A discussion paper on “Impacts of decentralization on water service provision and measures to cope with over-fragmentation in the water supply and sanitation sector in Ukraine” fueled the discussion. Members of the Steering Group agreed to develop a Policy Brief and a draft roadmap of reforms to create a legal and institutional context that supports inter-municipal cooperation in the water sector, in cooperation with the MHCE.

A Policy Brief focusing on how to develop economies of scale and scope in the water sector was prepared. In February 2010, MHCE organised a meeting of the Steering Group to discuss and agree upon the key policy packages, sequence of needed reforms and potential implementation timeframes. A draft roadmap of reforms needed to facilitate inter-municipal cooperation was prepared and discussed at a EUWI National Policy Dialogue meeting in the Ukraine in September 2010.

Work plan and follow up

It was agreed with the Ministry of Housing that work on overcoming fragmentation of WSS systems would benefit from field work on the appropriate level of aggregation for water supply and for sanitation services, and on alternative ways to stimulate inter-municipal cooperation. A project is under development on this, in two pilot regions in Ukraine.

The Government of Ukraine has requested continuation of the NPD IWRM. It was proposed to elaborate a national strategy for adaptation of water resources to climate change in Ukraine. A policy package will be prepared and presented at the Steering Committee meeting.

The OECD is considering assessing the use of economic instruments for IWRM in Ukraine, to contribute to the national strategy. This is not covered by the ongoing contract.

Tajikistan

Table 9. Water Policy Dialogue in Tajikistan - Highlights

Proposal	Activities carried out in 2009-10	Main messages / Outputs
----------	-----------------------------------	-------------------------

1 preparatory meeting 1 preliminary draft document	Inception missions and high level meetings (at Head of State level) Kick off of the NPD on IWRM Roadmap implementation strategy	One Roadmap for the NPD on IWRM is under development The project requires extensive coordination with local and international partners Additional funding is required to substantiate the dialogue (not covered by the current contract)
---	---	--

IWRM

Preparatory missions by the UNECE Secretariat took place in March and June 2010, which included meetings with the responsible authorities, national and international stakeholders, and a series of high level meetings with the ministers of water, energy and other high level officials.

A presentation on the EU Water Initiative and NPDs was made within the High-level International Conference on the midterm comprehensive review of the implementation of the International Decade for Action "Water for Life, 2005-2015" that took place on June 8-10, 2010 in Dushanbe, Tajikistan. The feasibility of a NPD on IWRM was also discussed during the meetings of the UNECE Executive Secretary Mr. Jan Kubis and Deputy Executive Secretary Mr. Andrey Vasilyev with the President of Tajikistan H.E. Emomali Rahmon and other high level officials in June and September 2010.

As a result of the discussions, it was agreed that the NPD on IWRM will focus on implementation of proposals for the water sector reforms, which were elaborated in December 2009 at a retreat organized by the Food and Agriculture Organization of the United Nations (FAO). The NPD on IWRM will be implemented in a close cooperation with the EU Delegation in Tajikistan, FAO, UNDP and OSCE.

The Ministry of Land Reclamation and Water Resources has appointed the First Deputy Minister as Chairman of the NPD Steering Committee. The Steering Committee was established in autumn 2010. The ministry and the UNECE also jointly identified national experts to work on the development of the NPD Roadmap. The Danish Ministry of Foreign Affairs has provided an international expert who will assist the Government of Tajikistan in drawing a Roadmap for the implementation of the NPD IWRM in 2010 - 2011. Additional support to the NPD on IWRM is provided by the UN Development Account Fund (UNDAF).

Work plan and follow up

The first Steering Committee meeting is planned for December 2010.

Additional funding is required to substantiate the dialogue (not covered by the current contract).

Turkmenistan

Table 10. Water Policy Dialogue in Turkmenistan - Highlights

Proposal	Activities carried out in 2009-10	Main messages / Outputs
-----------------	--	--------------------------------

1 preparatory meeting 1 preliminary draft document	Inception missions and high level meetings (at Head of State level) Kick off of the NPD on IWRM	The Dialogue is expected to kick-off at the end of the year, early 2011. Additional funding is required to substantiate the dialogue (not covered by the current contract)
---	--	---

IWRM

A preparatory mission took place in March 2010 in connection with the international forum “Drop of water – a grain of gold” in Ashgabat. Meetings were held with the minister and senior officials of the Ministry of Water Economy as well as representatives of other ministries, national and international organisations. The feasibility of the NPD on IWRM in Turkmenistan was also discussed during the meetings of the UNECE Executive Secretary Mr. Jan Kubis and Deputy Executive Secretary Mr. Andrey Vasilyev with the President of Turkmenistan H.E. Mr. Gurbanguly Berdymuhamedov and other high level officials in June and September 2010.

As an outcome of the discussions, it was agreed that the NPD on IWRM in Turkmenistan will focus on implementation of the EU WFD principles, including the river basin management approach, and on the principles of the UNECE Water Convention. The NPD will kick-off in December 2010 or January 2011 in Ashgabat, back to back with the national workshop on the UNECE Water Convention.

Uzbekistan²

Table 11. Water Policy Dialogue in Uzbekistan - Highlights

Proposal	Activities carried out in 2009-10	Main messages / Outputs
	One joint inception mission	3-4 pilot projects have been identified to kick-off a policy dialogue on IWRM, at both national and basin levels. Additional funding is required to substantiate the dialogue (not covered by the current contract)

IWRM

A joint OECD/EAP Task Force and UNECE mission to Uzbekistan was undertaken in April 2010 with a view to:

- Inform local stakeholders about activities in the framework of the EUWI;
- Identify and discuss key challenges faced by the water sector in Uzbekistan;
- Explore the interest of the Government of Uzbekistan to co-operate in the framework of the EUWI and discuss possible pilot projects that could help promote the use of IWRM principles in water policy development and implementation;
- Identify key local stakeholders and their international partners that should be involved in the dialogue process and the pilot projects.

It was agreed to launch the following pilot projects in the framework of the EUWI:

- Benchmarking the performance of Uzbek vodokanals, using IB-Net indicators;
- Setting targets, reviewing progress and reporting under the WHO/UNECE 1999 Protocol on Water and Health to the 1992 Convention on the Protection and Use of Transboundary Watercourses and International Lakes;
- Developing a Strategic Financial Plan for the water sector at the oblast/river basin level, possibly in Samarkand oblast.

One additional pilot activity will be elaborated by the UNECE in cooperation with the Ministry of Agriculture and Water Resources. The topic and proposed activities are still to be specified.

² The contract does not explicitly mention a Dialogue in Uzbekistan. This project was discussed in the context of the Programme of Work for 2010, which was endorsed at the EUWI EECCA Working Group meeting in Bucharest, in 2009.

SUPPORT FOR THE ORGANIZATION OF ANNUAL MEETINGS OF THE EUWI EECCA WORKING GROUP

Annual meetings of the EECCA Working Group provide a unique platform for the exchange of experiences between EECCA countries on implementation of water-related national policy dialogues. It is also a needed forum where donors can learn about projects implemented by others and coordinate action. The process is chaired by the Romanian Ministry of the Environment and Forestry.

Coordination of the annual meetings with other relevant events in the region has been explored. In recent years, the Group meets jointly with the EAP Task Force group of Senior Officials. The membership of the two groups is largely identical and the work programmes that they oversee are increasingly integrated.

In 2010, the annual meeting of the EUWI EECCA Working Group was organized back-to-back with the first meeting of the EU Central Asia Strategy, under Italian Chair. The water activities of the EU-Central Asian Strategy will build on the ongoing work of the EUWI EECCA Working Group.

In addition to annual coordination meetings, possibilities of linking the National Policy Dialogues on IWRM with relevant international initiatives in Eastern Europe, Caucasus and Central Asia have been explored. In 2010, the NPDs in Central Asian countries were proposed to be included into the regional Aral Sea Basin Programme III, development and implementation of which is coordinated by the Executive Committee of the International Fund for Saving the Aral Sea (EC-IFAS).

Annual meeting of the EWUI EECCA Working Group in 2009

The EU Water Initiative's EECCA Working Group held its 13th Working Group meeting jointly with the EAP Task Force Group of Senior Officials for Water Sector Reform in EECCA, in Bucharest on 24-25 November 2009. The meeting was hosted by the Ministry of Environment in Romania had about 50 participants. The participants included officials from EECCA and EU member States, experts from the water supply, sanitation and water resources sectors, and private sector representatives, IFI, NGOs and international organisations (EU Commission, UNECE, OECD EAP Task Force, UNDP, IWA, and GWP)

The objectives of the meeting in Bucharest were to discuss:

- progress in implementing the work programme: Ongoing National Policies Dialogues and IWRM projects;
- key challenges in financing water resources management in the EECCA region and possible future work in this area;

- achievement of the water related MDGs: translating the goals into national targets;
- integrated water resources management under the EUWI in the EECCA region in view of international cooperation and river basin management;
- ongoing and future projects and initiatives in the region;
- and adopt the work programme of the EUWI EECCA component for 2010 and ideas for cooperation in 2011.

A list of participants and draft minutes of the meeting, prepared by the Technical Secretariat, are available.

Annual meeting of the EUWI EECCA Working Group in 2010

The EU Water Initiative's EECCA Working Group held its 14th Working Group in Brussels on 27-28 October 2010. The meeting was hosted by the European Commission. About 70 participants attended the meeting, including officials from EECCA and EU member States, experts from the water supply, sanitation and water resources sectors, private sector, IFI, NGOs and international organisations (EU Commission, UNECE, OECD EAP task Force, IWAC and FAO).

The objectives of the meeting were to:

- discuss Progress in implementing the work programme: Ongoing National Policies Dialogues and IWRM projects;
- present progress in the EU WFD and lessons learned for the EECCA region;
- discuss key challenges of EUWI in the context of climate change;
- present European Neighbourhood policy, ENP instrument, Eastern Partnership and EU Central Asia Strategy and discuss how it can reinforce EUWI EECCA activities;
- discuss and adopt the Work plan of the EUWI EECCA component for 2011;
- discuss the preparations to the Astana Environment for Europe Conference.

A list of participants and draft minutes of the meeting, prepared by the Technical Secretariat, are available.

LESSONS LEARNT

The OECD and UNECE now jointly cover eleven EECCA countries, implementing national policy dialogues on water policies. Some lessons have been learned, which can inform forthcoming project in the region and on similar issues.

Lessons learned on the process that makes water policy reforms happen

National Policy Dialogues are structured policy processes aimed at the reform of water policies and at the transformation of the status of water supply and sanitation or water resource management in a country.

Experience in EECCA confirms that transformation takes time. The OECD report on Progress towards the achievement of the MGD in EECCA, discussed at the last meeting of the EUWI EECCA Working group confirms that progress over the last ten years is notable but slow. If National Policy Dialogues are to facilitate and encourage reform, they have to be grounded on a medium-term basis, typically 2 to 3 years. This requires visibility and consistency in the supporting mechanisms.

In addition, four messages can be used to facilitate planning and the implementation of a policy dialogue on water policy reforms in EECCA (as in other countries).

Build the constituency

- Water policy reforms require cooperation between water authorities and other constituencies (solution to the water crises do not come from the water community or water policies alone), including agriculture, energy, cities, environmentalists; ministries of Finance need to be involved;
- They require cooperation across jurisdictions (at local, state and federal level) and across states/basins as well (to share information and best practices; to share costs and benefits);
- A national champion is essential, at suitably high level (typically Deputy Minister or higher).

Explore a variety of policy options and build the capacities

- A broad set of instruments is needed (including low cost ones). Optimal policy frameworks combine an array of policies and instruments, including economic instruments (e.g. prices, to manage demand, allocate the resource, and generate revenues), command and control;

- Expertise is needed to make complex technical and non technical choices and to undertake comprehensive options assessments (including economic impact assessments). Choices need a robust analytical basis, building on data and informed outlooks;
- Institutions and capabilities have to be adjusted accordingly. Technical support (from both national and international experts) is needed and should be founded.

Factor financial sustainability in, from the start

- The financial dimension needs to be taken into account early in the process (not to design a plan that is not financially affordable); cost reduction potentials have to be systematically considered;
- There are only three ultimate sources of finance: revenues from user charges, taxes, transfers from the international community. All other sources of finance have to be paid back. The three ultimate sources of finance have to be considered and blended.

Manage the political process

- Transformation builds on a policy dialogue, i.e. a process where stakeholders are involved;
- Transformation requires alliances and appropriate incentives. Dialogues should be designed to explore and address the political economy of reform (building supportive constituencies, addressing resistances). In particular, winners and losers should be clearly identified. The voice of the poor ought to be heard and factored into dialogue, i.e. by involving civil society and by robust analyses;
- Much can be learned from best practices. Sharing experience in water policy reforms is essential. Intergovernmental organisations such as UNECE and OECD can substantiate dialogues with illustrations of successful reforms in a variety of contexts.

National Policy Dialogues on Integrated Water Resources Management

- A holistic approach to IWRM, as the selected topics of the dialogue cover one or more of the four pillars of IWRM (enabling environment, institutional framework, management instruments, and cross-cutting issues as financing and public involvement);
- Taking advantage of the experience of UNECE and the Parties to the Water Convention, the topics for the National Policy Dialogues should be closely linked to the Convention's provisions, particularly those on prevention, control and reduction of pollution as well as the work of joint bodies, consultations among Parties, and joint monitoring and assessment;
- The NPDs are successfully building on the multiple UNECE activities, including activities under the UNECE Water Convention, UNECE environmental performance reviews (EPR) and others. The UNECE direct contacts and regular cooperation in different UN foras with the governments of the countries in Eastern Europe, Caucasus and Central Asia helps to achieve political commitment of these governments to the NPDs implementation and

ensures their long-term sustainability. Synergies of the NPDs IWRM with other UNECE activities – under the UNECE Water Convention and beyond should be maintained and extended;

- Using the Environmental Performance Review (EPR), conducted by UNECE in EECCA countries as a solid basis for choosing the right topics for the policy dialogue and for developing a holistic understanding of environmental problems and sustainable solutions;
- So far there is only one benchmarking report produced by the Global Water Partnership (GWP) in 2004 (*Status and plans of EECCA countries in fulfilling the WSSD target on IWRM plans by 2005*, GWP 2004) that made an evaluation of implementation of IWRM principles in the institutional and legal basis of the EECCA countries. This kind of benchmarking needs to be made on a regular basis in all NPD countries; if possible simultaneously for all the countries in Eastern Europe, Caucasus and Central Asia. The benchmarking would allow also identifying gaps for further both technical assistance and directions of the national policy dialogues in those countries. Such a benchmarking could be done through studies, organization of regional (Eastern Europe, Caucasus and Central Asia region) or subregional meetings (Eastern Europe and Central Asia), working groups on specific topics and use of EU expertise in IWRM for such studies. Presently, funding for this is not available. It could be recommended that a comprehensive benchmarking of implementation of IWRM principles in countries of Eastern Europe, Caucasus and Central Asia should be organized on a regular basis to ensure accurate evaluation of results of the activities promoting implementation of IWRM principles in the region and giving guidance on the future direction of the NPDs.

National Policy Dialogue on financing WSS

- Policy packages, action plans and strategies should be plugged into existing financing mechanisms. In particular, Medium Term Expenditure Framework can provide an appropriate bridge into the budgetary process (MTEF);
- Donors can help facilitate dialogue and provide incentives, but should not undermine ownership from the country. Aid should be aligned with strategic financial plans.

CHANGES INTRODUCED IN IMPLEMENTATION

Dialogues were initiated in two countries which were not initially covered by the contract: the Russian Federation, Uzbekistan.

This is consistent with the overall objective to expand geographical coverage. This expansion was undertaken at marginal costs only. In both cases, the financial support from AidCo was limited to mission costs. In the case of Russia, analytical work supporting the Dialogue and meeting costs were covered by other funds.

In both cases, the projects had been discussed in the context of the annual meeting of the EUWI EECCA Working Group (in Bucharest, in 2009).

In two countries, progress was slowed by social unrest and/or political cycles: Kyrgyzstan and Moldova. In each country, work has already resumed, or is expected to resume early in 2011.

WORK PLAN FOR 2011-12

The work plan derives from the progress made in 2009-10. It will focus on

- continuation of the ongoing policy dialogues;
- substantiating the recently started processes;
- initiation of one new policy dialogue in Kazakhstan (following the recent letter of intent sent by the Kazakh government to UNECE).

In addition, the OECD and the UNECE will jointly organised annual meetings of the EUWI EECCA Working Group.

Continuation of the ongoing policy dialogues

Armenia

Implementation of a pilot project on payment of eco-system services

Second pilot project on strengthening the economic and financial dimension of IWRM plan in one river basin

Georgia

Preparation of a national water law

Strengthening the economic and financial dimension of IWRM plan in one transboundary river basin (additional funds required)

Moldova

Finalisation of the Action Plan for urban WSS; development of an investment plan

Continuation of the NPD on IWRM, focused on implementation of existing policy documents and on the development of a national strategy on adaptation of the water sector to climate change (additional funds required)

Kyrgyzstan

Resume work on policy document for WSS

Continue work on IWRM in a pilot basin river basin, including strengthening the economic and financial dimension of an IWRM plan (additional funds required)

Russian Federation

Support to the formulation of a national strategy for WSS (additional funds required)

Adjusting regulatory framework to facilitate PSP in WSS (additional funds required)

Ukraine

Ways to enhance inter municipal cooperation to overcome fragmentation of WSS systems

Support to the elaboration of a national strategy for adaptation of water management to climate change, including the use of economic instruments (additional funds required)

Substantiating the recently started processes

Azerbaijan

Assistance for the development of a national strategy for IWRM (additional funds required)

Strengthening the economic and financial dimension of IWRM plan in one transboundary river basin (see the project in Georgia above; additional funds required)

Tajikistan

Implementation of water sector reforms (additional funds required)

Turkmenistan

Move towards river basin water management (additional funds required)

Uzbekistan

Pilot projects on strengthening the economic and financial dimension of IWRM plan in one river basin (additional funds required)

Initiation of one new policy dialogue in Kazakhstan

UNECE will launch a NPD on IWRM, with focus on water quality issues and transboundary river management; the OECD will contribute on the use of economic instruments. Based on preliminary discussions, the dialogue could cover two WSS issues as well, namely private sector participation and overcoming excessive fragmentation of WSS systems as well.