

EAP Task Force



JOINT MEETING OF

**THE EAP TASK FORCE'S GROUP OF SENIOR OFFICIALS ON THE REFORMS OF THE
WATER SUPPLY AND SANITATION SECTOR IN EASTERN EUROPE, CAUCASUS AND
CENTRAL ASIA**

THE EU WATER INITIATIVE'S EECCA WORKING GROUP

**8TH EUWI - EECCA COMPONENT WORKING GROUP
MEETING, BONN, GERMANY, 23 NOVEMBER 2006**

SUMMARY RECORD OF MEETING

DOCUMENT 18



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Subject: 8th EUWI - EECCA Component Working Group meeting,
Bonn, Germany, 23 November 2006

Introduction: The EUWI - EECCA Component held its 8th Working Group meeting in Bonn back-to-back with the 4th Meeting of the Parties of the Water Convention. The meeting which was hosted by the German Ministry of Environment, had about 40 participants from EECCA governments, EU member states, Switzerland, NGO's, UNDP, GWP, EBRD PPC Secretariat, UNECE, OECD EAP Task Force and EUWI EECCA component Chair and Technical Secretariat.

Annexes: Annex 1: Agenda
Annex 2: List of Participants

The objective of the meeting was to:

- Inform on and discuss an update on the progress of National Policy Dialogues in Moldova and Armenia.
- Inform on and discuss the progress of cooperation between EUWI and UNECE and OECD-EAP Task Force in the implementation of the National Policy Dialogues
- Inform on and discuss the status of the recent developments in Russia within the water sector and discuss how to finalise the Country Paper for Russia prepared by the Technical Secretariat.
- Inform on and discuss the status of water codes and implementation in selected EECCA countries and how the EECCA component may assist in this process through its two pillars of WSS, Financing and IWRM.
- Inform on and discuss the progress made in one of the new EU Member States (i.e. Czech Republic) on the transposition and implementation of the Water Framework Directive.
- Inform on, discuss and approve the procedure for monitoring the progress of the EUWI EECCA component for the EUWI 2007 report and the monitoring of key trends in WSS sector in the EECCA countries.
- Discuss and approve the work programme of the EUWI EECCA component for 2007.

1. The WG was opened by **Mr. Fritz Holzwarth**, German Water Director, who welcomed the participants. Mr. Holzwarth expressed the interest of Germany in EECCA and raised the issue of transboundary water cooperation which was also the topic of the Water Convention Meeting which took place also in Bonn in the days before the WG meeting. Mr. Holzwarth stressed that water was high on the technical agenda, however that it was still not high in all countries on the political agenda and that the EUWI could assist in this. Water could be a catalyst for regional cooperation. In this cooperation we should not forget the climate change and the need for mitigation and adaptation.

2. The WG approved the agenda of the meeting (enclosed as Annex 1). Reference was made to the flyer produced and distributed to the participants (in English language only). It is available in English and Russian languages.

3. The WG took note on the progress of the EUWI National Policy Dialogue in Moldova. The NDP has been initiated in September 2006, and there is a strong commitment in Moldova to this dialogue. The key focus areas of the NDP in Moldova will be on innovative features of the Water Framework Directive, getting the stakeholders more involved and building on the key principles of IWRM. A new water code for Moldova is planned for 2007 and the NDP can assist in supporting the dialogue on this. EUWI can contribute to strengthening of the institutional framework of water management and in development of a concerted action programme. The two key partners will be Ministry of Environment and Apele Moldova.

The WG Chair informed the WG, that Czech Republic would like to be involved in the NDP in Moldova. This involvement was seen as a good way of EU member states to engage in the EU Water Initiative EECCA component. The WG was informed about a new country water partnership of GWP recently established in Moldova.

The WG took note on the progress of the Financing Strategy for WSS sector in Armenia. Using the feasible model, two scenarios have been assessed: a basic scenario, aiming at maintaining the service delivery and infrastructure as of 2002 and an expansion of services and infrastructure. The basis scenario was seen as being most feasible with rehabilitation only in Yerevan. Capital costs would be carried by the state and the tariffs would grow as the general economy of Armenia grows. Financing strategies is increasingly seen as a tool to get more realism into the national planning of WSS investments and as a tool for a policy dialogue on how funds can be made available for the service delivery and investments in the sector. Financing strategies can therefore also be an important tool in the National Policy Dialogues of the EUWI EECCA component.

The WG further took note on how the EU member States could be more involved in the EECCA component like e.g. strategic partner in NPD, add to ongoing NPD like e.g. Czech Republic is planning to do in Moldova, involvement in staff exchange, twinning programmes. The overview on how they could be more engaged was considered very useful and member states would go back to their respective countries to discuss how they could be engaged more in EECCA component. The fact that UNECE and EAP task Force are engaged to support the NPD's, means that the role of the member states could be easier with focus on more strategic and focussed

assistance. GWP and UNDP also stressed their interest in being engaged in the NDP's.

3. OECD/EAP Task Force Secretariat presented the status of the work of preparing the rural financing strategy on WSS with the aim to support the implementation of the Millennium Development Goals.

UNECE introduced the results of the 4th meeting of the Water Convention. A new work plan for the coming three years has been agreed with focus on IWRM, Monitoring and Assessment, promotion and legal aspects. The WG took note that the EUWI National Policy Dialogues have been mainstreamed into the water convention, and it has been agreed that national implementation of IWRM is an important contribution to the transboundary water management and the goals of the Water Convention. It was mentioned that the work programme would also comprise activities on water and climate interventions, EU- Water Framework and pilot projects. More information is available at the web-site of the UNECE.

4. The WG took note of the status of the water supply and sanitation situation in Russia, the achievements made, challenges and priorities for future work. While Russia has 20% of the world water resources, there is not enough water in some regions. Main problems in Russia are low quality of WSS infrastructure and on financing of the WSS sector. In particular problems are related to low water quality, floods, climate and lack of water use efficiency. The Russian goal for the period 2004-2010 was to increase safety, improve water supply and sanitation, improve access and sustainable water management and increase financing for the sector. A new water code based on IWRM principles will be enacted in 2007. The WG was informed that EU Russia cooperation on water would take place in the water group created as part of the Mapping of the Economic Space.

The WG broadly expressed its acknowledgement to Russia for again being an active member of the WG.

The Technical Secretariat had produced a Country Paper on Russia, and the EUWI Chair asked WG for comments on this paper. It was noted that the Country Paper on Russia could be of use in the water group under the Mapping of the Economic Space. The WG took note of the document emphasising that it is perceived as a living document (see also below). .

Furthermore, the WG took note on the intention of the Chair to use the Country Papers produced as baseline documents for the NPDs, while at the same time emphasising that they are perceived as living documents. The fact that the Country Papers are perceived as living documents implies that they could - and most probably should - be improved on an ad hoc basis. The Technical Secretariat will produce a CD ROM with all Country Papers produced up to now and send this to the WG members. The WG broadly supported to provide inputs to the update of the Country Papers.

5. The WG took note on the status of Water Codes and plans for implementation in Armenia, Azerbaijan and Tajikistan. The WG took note on the potential in Armenia of cooperation with EUWI on IWRM, Water Framework Directive, WSS and financing building on the ongoing work on Rural financing of WSS. In Azerbaijan the main problem was seen to be water pollution and lack to treatment of waste water.

The WG took note on the potential in Azerbaijan for cooperation on Water Framework Directive, IWRM, Ecosystem protection and institutional development from the centralised to the basin level. The WG took note on the potential in Tajikistan on cooperation with EUWI on Water Framework Directive, IWRM and Institutional development including basin management organisations. The WG took note on the proposal to assist in the review of the new Water Code, however was uncertain whether this code had already been approved.

The WG further took note on the status on reforms on IWRM in the EECCA countries and the progress made on IWRM plan and road-maps with support from Global Water Partnerships in partnership with UNDP (in Kazakhstan) and with UNEP (in Tajikistan, Uzbekistan and Kyrgyz Republic). The WG took note of the offer by GWP to assist in the further development of the NPD's in EECCA through its regional and national water partnerships.

6. The WG took note on Czech Republic's status of transposition of the Water Framework Directive in the Czech Republic and major lessons learnt and identified particular issues of particular relevance to the EECCA countries. The WG broadly supported that the experience of EU member states on the Water Framework Directive and its implementation is of value for EECCA countries.

7. The WG took note on the key trends in the WSS sector in the EECCA countries presented by the OECD EAP Task Force and in particular on the implications on the health situation. Data on performance of WSS utilities have been collected from 600 Utilities using the World Bank performance indicator system. The WG broadly supported the continuation of this work and the value it has for the NPD. Further the WG broadly supported ongoing work of WHO to further develop the indicators and monitor the status of WSS and the progress towards the MDG's in EECCA. It was generally agreed in the WG that the present monitoring data from the Joint Monitoring programme of UNICEF and WHO could be misleading showing that the situation is not as bad as it really is.

The WG further broadly supported the need to monitor the progress of the EUWI EECCA component with the aim to provide an input to the overall EUWI report to be presented in August 2007 during the World Water Week in Stockholm. The WG broadly agreed to the following procedure: 1) the EUWI Chair send a letter to EECCA and EU member states asking for data and describing procedures and deadlines 2) enclosed with this letter is a reporting format with all data pre-filled which is available from other sources 3) after all additional data have been provided the final input from EECCA component to the EUWI report WG members will be asked to provide comments on a no-objection basis. The monitoring will be further discussed at the next WG meeting.

8. The WG took note on the recent appointment of a PPC officer to be positioned in Tbilisi funded by Sweden and the recent progress on Financing workshops. The WG broadly supported that financing of WSS and IWRM should be discussed in more detail at the next WG meeting.

9. The WG took note on the EU position for Belgrade presented by the Finnish Presidency of EU. EU priority is that Belgrade will be a conference of delivery and a

conference of assessment, and that Belgrade should have its main emphasis on EECCA countries. EU sees a strong role of the new EU instruments targeting difference sub-regions of EECCA and Balkans in the future reform process. Also EU strongly supports the preparation of the assessment report for Belgrade from the Environment Agency, EAP Task Force, PPC and UNECE. Next meeting in the preparation for Belgrade will be in February 2007.

10. The WG discussed the draft EUWI EECCA Work Programme for 2007 presented by the EECCA Chair. The Chair informed that one item was missing in the Work programme, namely the preparation of the EUWI EECCA report for Belgrade. The WG members made the following comments to the work programme:

- There was a need to further outline the joint process (work programme item 5). It is suggested to put this on the agenda next WG meeting.
- The work programme on financing (item 8 in the Work Programme). It was recommended to include financing strategies, relevance of relations between EUWI EECCA and the EU instruments for the sub-regions of EECCA, Central Asia Strategy. It is suggested to take Financing on the next WG meeting.
- On monitoring it was suggested that EUWI EECCA could assist in informing about the water situation in EECCA,
- It may not be feasible to have a high level meeting in 2007, as there may not be a need or demand to have such a meeting due to the Belgrade meeting.
- The EU member states recognised the kind offer from the EU Commission to be the chair of the WG for another year. It was made clear that this is the last year the Commission will chair the WG and that member states need to take over the chair.

The WG adopted the Work Programme for 2007 with the above comments. The Chair will revise the draft Work Programme for 2007 along these comments and send out the final Work Programme for 2007.

The next WG meetings will most likely take place in April and November 2007. The Chair will explore the possibility of holding these meetings in Finland and Russia. Information about exact dates and place will be sent to WG members ASAP. Documents to be discussed will be sent out beforehand.