

**POSITION PAPER OF THE NON-GOVERNMENTAL ORGANISATIONS
ON THE MAIN DISCUSSION ISSUES OF THE ALMATY MINISTERIAL CONSULTATIONS
16-17, OCTOBER 2000**

We, the Non-Governmental Organisations (NGOs) from the New Independent States (NIS), welcome the Ministerial Consultations in Almaty, Kazakhstan, 16-17 October 2000. The issues proposed for the agenda of the Consultations are of great importance for the NIS region and cover the areas where national governments of the NIS need to pursue active reforms.

We broadly support the main positions, presented in meeting documents: the integration of environmental and economic decision-making, the finance strategies, the reform of urban water supply and sanitation sector and the private sector participation. At the same time, we consider it important to attract the attention of the participants of the Almaty Consultations to the following issues:

1. Integrating economic and environmental decision-making

- 1.1. We believe that the discussion of this agenda item by the Ministers of Economy/Finance and Environment will be extremely important. In order to achieve significant progress in this area, *it is essential to promote greater awareness in society about the importance of the integration*. To this end, it would be important to organise information campaigns to draw attention of decision-makers at all levels, and of the broad public, to the links between environmental conditions, public health and the rate and quality of economic development at micro and macro levels.
- 1.2. Taking into account the specific aspects and the uniqueness of the transition to a market economy, we suggest that the Ministries of economy/finance and environment, with the assistance of international organisations and donors, should undertake the following steps:
 - To review the official methodologies for valuing environmental damages and assessing natural resources currently in use in the NIS, and to adjust them to the new, emerging conditions of market economies; non-governmental organisation will need to be involved in this activity;
 - To organise a series of seminars on valuation of costs and benefits for experts, consultants and governmental officials working in environmental and resource-management departments of the national governments;
 - To provide regular training for public officials on the main elements of, and procedures for, cost-benefit analysis including environmental and nature-management issues;
 - To organise a series of training seminars on the mechanisms for public involvement in decision-making in areas with potential environmental impact for officials in the Ministries of economy/finance and environment.

2. Reform of the urban water supply and sanitation sector

- 2.1. During the process of designing and implementing reforms of the urban water sector in the NIS, the governments should remember that the *final goal of the reforms is the improvement of the wellbeing of the population, protection of public health and the environment.*

We believe that implementation of the “Guiding principles for reform of the urban water supply and sanitation sector in the NIS” should be oriented towards *gradual integration of urban water management into water basin management, as well as in the territorial management system overall.*

- 2.2. When determining the general direction of water sector reforms, *strategic environmental impact assessment (SEIA)* should be carried out to analyse alternative approaches and their social, economic and environmental impacts. Public should be actively involved in the SEIA.
- 2.3. National governments need to be aware of *the role of the “Guiding principles” in the overall process of water sector reforms in the NIS.* It should be clarified that this document applies exclusively to the urban areas with the central water supply and sanitation systems. Such clarification is needed since, in a number of NIS, urban and rural water management are combined in a single framework.
- 2.4. National governments should *elaborate national plans (programs) for the reform of the urban water supply and sanitation sector*, which would identify main areas of reforms and specific measures, their time lines (long, medium and short-term perspective), as well as sequencing and resource availability.
- 2.5. *The public* should *be actively involved* in the reform of the urban water sector. We support the authors of the “Guiding principles”, who reflected the importance of public participation in the reform process in a separate section.

We would like to stress the following principles, which need to be followed by national governments, local authorities and water utilities:

- The public authorities and vodokanals should actively provide information on the urban water reform to the public and to NGOs from the outset of the process. A system of information registers should be established to facilitate active and addressed provision of information to target groups of the population;
- Democratically elected public representatives should participate in all working groups, councils and commissions involved in the urban water sector reform;
- Procedures for public consultations and public oversight need to be developed for all stages of the reform (public opinion polls, public hearings, open sessions to respond to public complaints, joint inspections); the public should be involved in the scrutiny of public expenditures in the urban water sector, including the provision of support to socially vulnerable groups of the population;
- The public should participate in the elaboration and conclusion of contracts between the population and the vodokanals, and/or in procedures ensuring that the vodokanal complies with the provisions set out in its contract with the local authority. Prior to the conclusion of a contract with a vodokanal, local authorities need to establish a procedure guaranteeing

compliance by both parties, as well as a mechanism for the protection of the rights of the population. The local authorities should appoint their staff specially to monitor the compliance with contracts and to respond to public complaints;

- Support should be provided to initiatives which aim to strengthen co-operation between national and local authorities, vodokanals and the public in the areas of information dissemination, studies of public opinion, demand for services provided by vodokanals and willingness to pay by the population;
- Regular public participation in “state environmental examinations”, and the possibility of public environmental examination, should be ensured. The potential and capacity of NGOs should be used effectively for the resolution of conflicts and for representing consumer interests in courts;
- Information, education and awareness-raising programmes for the population should be elaborated using the NGO potential.

2.6. *We consider it impossible to raise tariffs for water supply and sewage before the preliminary conditions for the creation of market institutional environment are met*, which include:

- Establishing a clear regulatory framework in this area, including legal provisions for the modification of tariff formula;
- Establishing provisions which allow factors such as willingness and ability to pay for water, and water quality and saving potential, to be taken into account in the tariff setting procedure;
- Establishing a guarantee mechanisms to ensure that vodokanals fulfil their obligations to the clients (population, industrial enterprises, budget organisations);
- Ensuring the transparency of tariff setting procedures for consumers;
- Wide-scale installation of water meters;
- Establishing a mechanism for targeted support to the poor and careful consideration of a one-off amnesty of debts accumulated by the poor.

2.7. We welcome the efforts to identify additional sources of financing for the operations of vodokanals. Private sector participation in the development of the water sector can improve the operation of vodokanals and provide financing for their development. However, international experience provides several negative examples in this field. Therefore, *the need for private sector participation, as well as its specific forms, should be carefully analysed in each case and with obligatory public participation*. Investment tenders should be based on clear rules, established in consultation with all stakeholders, reflecting stakeholders’ interests to the maximum possible degree; tender procedures should be open for public participation. Public authorities and the private sector should strictly comply with their obligations. Legislative authorities should pay special attention to the need to adopt legal acts with direct effect, which would facilitate the inflow of investments into the water sector. The judiciary system should be strengthened, as well as the enforcement of legal acts regulating the water and other sector.

We suggest to the participants to elaborate a Program for public involvement in the implementation of the decisions of the Almaty Ministerial Consultations with the participation of the European EcoForum, other interested NGOs and the New RECs from the NIS.

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