

**MEDITERRANEAN COMPONENT
of the EU Water Initiative
(MED EUWI)**

**Strategic Partnership on
Water for Sustainable Development**

Lead Country: Greece

Operation Plan

MED EUWI

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CONTENTS

PART A. THE EU WATER INITIATIVE

A.1. Introduction

A.1.1. Averting a water crisis

A.1.2. The EU and WSSD

A.1.3. Committing targets and action

A.1.4. Achieving the targets

A.2. Objectives

A.3. General principles for the EU Water Initiative

A.3.1. Adding value

A.3.2. Building on existing initiatives through partnerships

A.3.3. A modular approach

A.4. Components of the EU Water Initiative

A.4.1. Regional Components

A.4.2. Cross cutting Components

PART B. THE MEDITERRANEAN AND THE EU WATER INITIATIVE

B.1. Geographical context

B.2. Main problems and challenges within the water sector in the Mediterranean and South East Europe

B.2.1. The Mediterranean

B.2.2. South East Europe

B.3. Regional initiatives for cooperation and partnerships on water issues

B.3.1. The Mediterranean

B.3.2. South East Europe

B.4. Main Objectives of the MED EUWI

B.5. Expected results

B.6. Focus Themes and Approach

B.6.1. Focus Themes

B.6.2. Approach

B.6.3. Examples of activity areas

B.7. Partnership's modalities and Coordination Mechanism

B.8. Funding requirements

B.9. Links with on-going related activities at the international and/or regional level

PART C. ROAD MAP 2003

LIST OF ANNEXES

Annex 1. Call for Building Blocks

Annex 2. Kick-Off Meeting of the Multi-Stakeholder Forum of the Mediterranean Component, 17 February 2003, Brussels - Minutes

Annex 3. EU Informal Council of Environment Ministers, 3-4 May 2003, Lagonissi, Athens – Conclusions by the Hellenic Presidency

Annex 4. International Conference on “Sustainable Development for Lasting Peace: Shared Water, Shared Future, Shared Knowledge”, 6-7 May 2003, Athens - Declaration

Annex 5. 5th Pan-European Ministerial Conference of the “Environment for Europe” process, 21-23 May, Kiev – Extract from the Ministerial Declaration

Annex 6. Euro-Mediterranean Meeting of the Ministers of Foreign Affairs, 26-27 May 2003, Crete – Extract from the Presidency Conclusions

ABBREVIATIONS

AMCOW	African Ministerial Council on Water
BSEC	Black Sea Economic Cooperation
CARDS	Community Assistance for Reconstruction, Development and Stabilization
CEDARE	Centre for Environment and Development of Arab Region and Europe
CEIR	Euro-Mediterranean Network of Irrigators
CIDA	Canadian International Development Aid
CIHEAM	International Centre for Advance Mediterranean Agronomic Studies
CMP	Catchment Management Plans
CZMP	Coastal Zone Management Plans
DABLAS	Danube-Black Sea Task Force
DFID	Department for International Development (UK)
DG	Directorate General (of the Commission of the European Union)
EDS	European Desalination Society
EEA	European Environment Agency
EECCA	Eastern Europe, Caucasus and Central Asia
EIB	European Investment Bank
EMWIS	The Euro-Mediterranean Information System on the know-how in the Water Sector
EU	European Union
EUWI	European Union Water Initiative (or sometimes referred as simply the Initiative)
EUREAU	European Union of National Associations of Water Suppliers and Waste Water Services
FEMIP	Facility for Euro-Mediterranean Investment Partnership
FFA	Framework for Action (for Water in the Mediterranean)
FYROM	Former Yugoslavic Republic of Macedonia
GEF	Global Environment Facility
GWP	Global Water Partnership
GWP-Med	Global Water Partnership – Mediterranean
IFIs	International Financial Institutes
IME	Institut Méditerranéen de l'Eau (Mediterranean Water Institute)
INBO	International Network of Basin Organisations
IWRM	Integrated Water Resources Management
JICA	Japan International Development Aid
MAP/UNEP	The Mediterranean Action Plan of the United Nations Environment Programme

MCS D	Mediterranean Commission on Sustainable Development
MDGs	Millennium Development Goals
MedCities	The Mediterranean Network of Local Authorities
MEDRC	Middle East Desalination Research Centre
MEDTAC	Mediterranean Technical Advisory Committee (of GWP)
MedWet	The Mediterranean Wetlands Initiative
MED EUWI	Mediterranean Component of the European Union Water Initiative
MENBO	Mediterranean Network of Basin Organisations
MEPP	Middle East Peace Process
METAP	Mediterranean Technical Assistance Programme
MIO-ECSDE	Mediterranean Information Office for Environment, Culture & Sustainable Development
MSF	Multi-Stakeholder Forum (of the Mediterranean Component of the EU Water Initiative)
MWN	Mediterranean Water Network
NAMCOW	North Africa Ministerial Council on Water (under the AMCOW)
NSSDs	National Strategies for Sustainable Development
ODA	Official Development Aid
OECD	Organisation for Economic Cooperation and Development
PAP/RAC	Priority Action Programme / Regional Activity Centre (MAP/UNEP)
PPP	Public Private Partnerships
PRSPs	Poverty Reduction Strategy Papers
REC	Regional Environment Centre
REReP	Regional Environment Reconstruction Programme
SAP	Stabilization and Association Process
SE Europe	South East Europe
SMAP	Short and Medium Term Priority Environmental Action Programme
SWAPs	Sector Wide Approach Papers
UN	United Nations
UNEP	United National Environment Programme
USA	United States of America
WB	World Bank
WDM	Water Demand Management
WFD	Water Framework Directive (of the European Union)
WSSD	World Summit on Sustainable Development

PART A. THE EU WATER INITIATIVE

A.1. Introduction

A.1.1. Averting a water crisis

Over 1,2 billion people world-wide lack access to safe water supply and almost 2,5 billion people lack basic sanitation. More than 5 million people die each year from water-related diseases that are mostly preventable. Water problems are most acute in Africa where it is estimated that 300 million people are affected by water shortages.

The global water crisis is a threat to economic development, to poverty reduction, to the environment, as well as to peace and security. Water is central to sustainable development and solving water problems means progress across all dimensions of sustainable development: economic, social and environmental.

The challenges for the water sector have been highlighted in many fora at international, regional, national and local level. The global and regional Visions and Frameworks for Action presented at the 2nd World Water Forum (The Hague, 2000) provided a new impetus in formulating comprehensive plans of action to meet the challenges. The International Conference on Freshwater (Bonn, 2001) and the recent 3rd World Water Forum (Kyoto, 2003) reiterated many of the issues and concerns and set out recommended plans of actions in a number of key areas.

A.1.2. The EU and WSSD

The international community, having realised the linkages between water and the key overarching objective of poverty alleviation, as well as the stress that water resources undergo has included the objective of halving the proportion of people that do not have access to safe drinking water by 2015 in the Millennium Development Goals. Water has also been one of the WEHAB themes selected by the UN as priority fields for action for the coming decades.

In Johannesburg, water issues have received new impetus. The targets for halving the proportion of people without access to safe drinking water and basic sanitation by 2015 and the target for developing national integrated water resources management and water efficiency plans by 2005 have been important outcomes of the World Summit on Sustainable Development that will steer international efforts over coming years.

The European Union (EU) recognising the unique opportunity that the WSSD provided to achieve progress on sustainable development, including clear targets and timetables and in response to demands, established the Water Initiative as a key contribution to the implementation of the WSSD programme of action and to help achieve water-related Millennium Development Goals (MDGs).

The European Union's (EU) Water Initiative: Water for Life – Health, livelihoods, economic development and security was formally launched during the WSSD in September 2002. Within this new framework, the EU has reached in Johannesburg agreements with Africa and with Eastern Europe, the Caucasus and Central Asia (EECCA) as well as has announced a third regional Component dedicated to the Mediterranean region.

The EU Water Initiative has been developed in a multi-stakeholder process and is open to all partners and regions. It aims to improve the efficiency of existing financing mechanisms through better co-ordination. A priority is to increase the transfer of knowledge through

institutional capacity building, targeted research and scientific co-operation. EU funding is intended to attract additional financial resources.

The Water Initiative is based on the concept that co-operation between countries sharing an international river basin in managing their water resources is both possible and desirable. Europe's experience shows that such co-operation stimulates economic development and regional integration and prevents conflict over water. Through the Initiative, the EU intends to help its partners to develop integrated water resources management plans by 2005 - another WSSD goal and achieve a sustainable balance between human water needs and those of the environment.

All partners are committed to ensuring that clean water and basic sanitation are given appropriate priority in the future. In this respect, the EU is committed to enhance coordination and increase financial and development assistance to the water sector; partner countries are committed to prioritise and include water as an integral part of their Poverty Reduction Strategy Papers (PRSPs) and National Strategies for Sustainable Development (NSSDs). This Initiative also promotes better water governance arrangements and transparency, building stronger partnerships between governments, civil society and the private sector. Effective public services managed in a transparent way are basic for sustainable water governance.

The Council of the European Union has fully endorsed the Initiative which also carries political support from the European Commission and the 15 Member States. The Initiative is being developed in an open and transparent manner and is based on strategic partnerships in specific regions that draw together government, civil society, private sector and others to help achieve the water-related goals. Initial demand has been articulated by the representatives from both Africa and the EECCA countries and in responding to this demand the Initiative has full political support also from the respective non EU governments, and other stakeholder partners, in these regions. Since the Initiative's launching, two more regional Components were added: the Component dealing with the Mediterranean – including the Balkans- and the Component dealing with Latin America. At the same time, three cross-cutting Components: on Finances, Research and Monitoring are developed

A.1.3. Committing targets and action

Political support for the Initiative is reinforced by commitments to achieve key water-related targets and the EU reconfirms its firm commitment to contribute to:

- By 2015, halve the proportion of people who do not have access to safe drinking water and basic sanitation;
- By 2005, develop integrated water resources management (IWRM) and water efficiency plans in all countries.

Improved access to water supply and basic sanitation can make a major contribution to poverty eradication, health improvements, quality of life and protection of the environment but this contribution is often underestimated. Progress toward targets on water supply and sanitation has been slow, particularly with regard to sanitation, and a higher priority for these in poverty reduction strategies and sustainable development strategies is required.

Water resource management needs to be addressed at all levels and should be based on the natural river, lake or groundwater basin. Integrated water resources management (IWRM) with strong stakeholder participation, a pro-poor emphasis, and gender sensitivity is a key instrument to ensure the integration of water services within an overall water management framework. Integrated water resources management also provides a framework to promote peace and security in transboundary water courses. As such, the EU

also confirms its support for initiatives that promote regional co-operation and economic development in transboundary water courses.

Implementation must ensure a balance between human water needs and those of the environment. Freshwater ecosystems provide a range of vital services related to biodiversity, the hydrological cycle, and self-purification capacity. The health of ecosystems is therefore key to human health, to sustainable development, and to poverty reduction and vice-versa. Improvements in efficiency and sustainability of water use, and river basin management, should contribute to the goals to halt or reverse by 2015 the current trend of loss of natural resources and biodiversity.

A.1.4. Achieving the targets

To meet the challenges, the policy profile of water needs to be higher in all agendas: local, national, regional and global. This political commitment needs to be translated into concrete and co-ordinated action. The primary responsibility for ensuring equitable and sustainable water resources management integrated into development strategies rests with local and national governments, and their sustained ownership of both policies and projects is essential to achieve results. Applying a consistent sectoral approach to support partner countries and regions can also ensure better coherence, co-ordination and complementarity.

Water is not a commercial product like any other but, rather, a heritage, which must be protected, defended and treated as such. Good governance as well as political and sectoral reforms are necessary. Indeed, it has been stated that *'the water crisis is mainly a crisis of governance'* (GWP, 2000) and making water governance effective is a major challenge for almost all countries. Better governance arrangements and measures to safeguard against corruption and financial and operational mismanagement are important and necessary in various degrees throughout the world. Partnerships between public, private and civil society actors have to be promoted, ensuring that those partnerships are essential and active and that they remain equitable and transparent, able to safeguard consumers' and investors' interests while maintaining high standards of environmental protection. Institutional strengthening, capacity building and expanding the knowledge base are all essential to support sound planning and decision-making processes. Such processes should also guarantee participation of all stakeholders and secure through it ownership of policies and strategies.

The targets cannot be achieved without addressing a number of other horizontal or crosscutting issues. Gender inequality hinders growth, poverty reduction and progress in health and education. The role of women in household water provision and use is frequently ignored in planning and management processes and their potential role in income-generation and poverty reduction programmes is often underestimated.

Mainstreaming gender equity is essential in meeting the targets. The importance of water in environmental sustainability and integrity and functioning of natural ecosystems, which sustain our existence, are also key factors. These issues and others can also benefit from research to develop the critical knowledge needed for policy formulation and in order to implement policies and principles.

Closing the financing gap is one of the major challenges. Financial estimates to meet the Millennium Development Goals for water and sanitation, as reported in 2001 by the UN High Level Panel on Financing for Development, suggested that between US\$10-29 billion per year is required on top of the roughly US\$30 billion already being spent. These figures reflect the needs for water supply and sanitation only and significant other resources will also be required for all other aspects of water management. The recent Camdessus Report (2003) presented in Kyoto, estimates the current investment on water related issues to 80

billion USD and suggests that in order to address our needs 180 billion USD are needed annually by 2015.

Improved efficiency of existing financial resources and the identification of mechanisms to attract additional and innovative financial resources will be important factors. Globally, the EU Commission and EU member states spend close to €1,5 billion¹ on water resource development and management projects per year and improving the efficiency of these investments can make a difference. Using these funds to leverage other forms of finance including from users and from the private sector should be investigated.

The outcome of the Conference on Financing for Development (2002), the Monterrey Consensus, has been a commitment to mobilise and increase the effective use of financial resources and to achieve national and international economic conditions to fulfil internationally agreed development targets. Recalling its commitments made in Monterrey, the EU is ready to increase and deliver these resources over the following years within the context of countries' efforts to reduce poverty in the framework of sustainable development. Ensuring some of these resources feed through to water-related activities requires the water sector as a whole to be treated as a key priority both within donors' development assistance strategies and partner countries' PRSPs, NSSDs and SWAPs. Whilst such additional funds can make a contribution to achieving the MDGs on water it is clear that additional efforts will be necessary to close the financing gap. The EU Member States have stated repeatedly that are ready to increase financial resources over the coming years, in response to the priorities developing countries set themselves.

A.2. Objectives

The EU Water Initiative seeks to make significant progress in poverty eradication and health, in the enhancement of livelihoods, and in sustainable economic development. The Initiative also seeks to serve as a catalyst for peace and security.

The Initiative provides a platform for strategic partnerships to implement the programmes of action for the WSSD and to contribute to meeting the Millennium Development Goals on water. Under the Initiative, the EU seeks to work with its partners to:

- *Reinforce political will and commitment to action*
The global water crisis is not on the agenda of many political leaders of the world. The Initiative seeks to support governments in understanding the links between water, poverty and sustainable development and to help translate this into firm commitments for action.
- *Make water governance effective and build institutional capacity*
Making water governance effective is an essential step in supporting healthy and productive lives and safeguarding the environment. The Initiative seeks to promote better water governance arrangements and good practice centred on the principles of integrated water resources management. Capacity to plan, manage and implement programmes of action, at all levels, is central to achieving the desired outcomes. The Initiative seeks to build capacity by providing expertise and knowledge and by facilitating access to information. Research co-operation should form an important part of such activities.

¹ EU Water Initiative – Financial Issues, DFID / European Union, August 2002

- *Improve co-ordination and co-operation*
A vast range of water-related activities are currently underway or planned but their inter-relationship is not always apparent. The Initiative seeks to provide a platform to co-ordinate and streamline activities and to establish multi-stakeholder processes to bring partners together. The Initiative seeks to support regional and sub-regional activities where clear commitment to collaboration exists. As a contribution to peace and security it seeks specifically to support the build-up of river basin organisations and to assist in the development and application of river basin approaches in transboundary waters.
- *Increase the efficiency of existing EU aid flows*
Meeting the Millennium Development Goals will require considerable financing efforts. The Initiative seeks to make the most of available funds and to increase the effectiveness of existing and future EU aid flows. It seeks to use official development assistance as a lever for other forms of finance, including user finance and private finance, and to encourage the development of innovative funding mechanisms to create higher efficiencies.

A.3. General principles for the EU Water Initiative

A.3.1. Adding value

The Initiative seeks to provide an umbrella under which a range of geographical and thematic components can be designed and implemented. It offers several mechanisms by which value can be added to on-going and future actions through improved co-operation and co-ordination, increased efficiency and effectiveness through synergies and promotion of sector-wide approaches.

The EU can draw on a wealth of experience and knowledge in many fields of water related activities and has much to offer in promoting capacity and best practices. For example, at the local-level, EU development programmes strongly advocate the integration of water supply together with sanitation and hygiene education programmes. At the basin scale, the EU is implementing the Water Framework Directive (Dir 2000/60), which constitutes a legal framework and a comprehensive response and translation of Integrated Water Resources Management for the EU Member States which also directly influences the policies of acceding and other neighbouring countries.

The EU has a long standing experience in the management of transboundary rivers. The Water Framework Directive that also includes an international, integrated river basins approach, sets clear environmental objectives and requires that all partners in a given river basin manage their waters in close co-operation irrespective of international borders. The European Union experiences show that at an integrated river basin management level, participation by all stakeholders together with knowledge and information exchange could promote economic development, institutional sustainability and conflict prevention. This experience of water management is not only confined to Europe itself. It can inspire others to move towards similar schemes.

Lack of knowledge sharing can engender economic inefficiency and social inequity in water allocation and use and thus comes with potentially high social and economic costs. Scientific knowledge is becoming more generally recognised as crucial for socio-economic development in relative harmony with the natural environment of a country or region and is looked upon as an important confidence building mechanism for transboundary issues. As a result, there is growing demand in partner countries for intensified scientific co-operation with Europe's research community on water issues.

Europe has developed a relevant research and innovation potential in the water sector. Research and innovation is essential for developing new technologies and approaches for the sustainable use of water resources. This advanced scientific and technological skill applies particularly to water supply and sanitation, as well as to the development of tools, methodologies and approaches for the implementation of integrated water resources management policies. Solutions to problems have to derive from the analysis of the local situations. Therefore, partnerships with local research institutions, stakeholders and citizens is essential for developing long-lasting sustainable water management solutions.

A.3.2. Building on existing initiatives through partnerships

The Initiative does not ignore pre-existing initiatives and structures. It intends to reinforce existing partnerships and bilateral and regional programmes. Indeed, the Initiative strongly recognises the importance of on-going and planned activities and wishes to consider them as “building blocks” under its overall umbrella. Similarly, the importance of existing networks and partnerships (e.g. GWP’s Regional and National Water Partnerships), is fully recognised and the aim is to use and co-ordinate closely, not duplicate, such activities.

The Initiative seeks to promote a range of financial mechanisms already available to water projects and to draw from relevant EU and partner experience. It actively seeks to locate the gaps in the provision of financing and to take co-ordinated and joint action to fill them. Overall, the aim is to seek the right mix of financing options both for capital finance and cost recovery programmes. The Initiative also provides a strong platform calling for additional financing into the sector and could serve as leverage to direct some of the Monterrey Consensus to action programmes on water.

The success of the Initiative relies on political commitment from the partners together with stakeholder ownership. As a strategic partnership, the Initiative is open to all partners willing to commit to its objectives, targets, and guiding principles. Basic principles of flexibility and transparency will be applied throughout the design and implementation of the Initiative. Components should be demand-led with specific objectives and ownership resting with a lead partner or partners.

Components under the umbrella of the Initiative should complement and reinforce other development processes for poverty reduction and sustainable development. Links to PRSPs, NSSDs, regional and national frameworks for action, and water action programmes are important. Implementation should also maximise the use of existing knowledge, methods and best practices.

Initial partners from the European side include the EU Member States, the European Commission, European civil society and the private sector. The development of specific Components has been done through consultations involving initial partners and stakeholders in the partner regions. As the Initiative develops, more governments, the IFI’s, the UN agencies and other relevant organisations and stakeholders are being encouraged to become partners.

A.3.3. A modular approach

The Initiative is building on a modular approach with specific Components addressing thematic priorities in different geographical contexts as well as other critical crosscutting issues. Within any one regional Component there may be one or more thematic priorities identified and each Component should have specific objectives.

The modular approach enables the Initiative to develop appropriate responses for different geographical regions and their priorities. This evolutionary process ensures it is shaped

through response to demand rather than being pre-determined. Shaping the Initiative should remain transparent and is centred on a policy of equal partners working toward common objectives and targets.

Each Component consists of building blocks. The design phase for each component includes identification of current building blocks, which may be existing networks and alliances or programmes and projects, which are either on-going, planned or under preparation. The overall coherence of the Component relies on an inter-relationship between the building blocks so that they reinforce each other in achieving the specific component objectives. Where gaps are evident these will be addressed through new building blocks. The design phase concludes with the definition of an action programme and subsequent implementation will ensure local ownership and leadership of these programmes.

A.4. Components of the EU Water Initiative

A.4.1. Regional Components

In response to political commitments and identified needs the initial regional Components are:

African Component

Two key thematic areas have been identified under the African component, namely:

- Water Supply and Sanitation – with a focus on water supply and sanitation in rural, urban, peri-urban areas. The Lead Country of the Theme is Denmark.
- Integrated Water Resources Management – with a focus on transboundary river basins. The Lead Country of the Theme is France.

EECCA Component

Two key thematic areas have been identified under the EECCA component, namely

- Urban water supply and sanitation, including financing of water infrastructure
- Integrated water resources management, including transboundary river basin management issues

The Lead Country of the Component is Denmark.

Mediterranean Component

The thematic areas identified under the Mediterranean Component are:

- Water supply and sanitation, with emphasis on the poorest part of the societies
- Integrated water resources management, with emphasis on management of transboundary water bodies
- Water, food and environment interaction, with emphasis on fragile aquatic ecosystems
- Non-conventional water resources
-

while as horizontal Themes are identified

- Transfer of technology, transfer of know how, capacity building and training on water issues
- Education

The Lead Country of the Component is Greece. *An overall description of the main context and content of the Mediterranean Component is presented in the Operation Plan in hand.*

Latin America Component

The thematic areas identified under the Latin America Component are:

- Basic water supply and treatment
- Integrated Water Resources Management
- Prevention and mitigation of situations resulting from extreme events

The Latin America Component is the most recently announced Component and is currently taken its first steps. The Countries of the Latin America Component are Spain and Portugal.

A.4.2. Cross cutting Components

Financing Component

In recognition of the central role financing plays in implementing the emerging joint action programmes a separate finance Component is under development within the Initiative to address these issues. The Lead Country of the Component is the United Kingdom.

Research Component

Research is included as an initial crosscutting Component that seeks to build on the existing successful experience on bilateral and EU scientific/technical co-operation to strengthen partnerships and streamline activities. The Lead Organisation of the Component is DG Research of the Commission of the European Union.

Monitoring Component

The Component, which was recently initiated (May 2003), focuses on enhancing cooperation of water supply and sanitation programmes funded by the EU in partner regions / countries. The Lead Organisation of the Component is EUREAU – the European Union of National Associations of Water Suppliers and Waste Water Services.

PART. B. THE MEDITERRANEAN AND THE EU WATER INITIATIVE

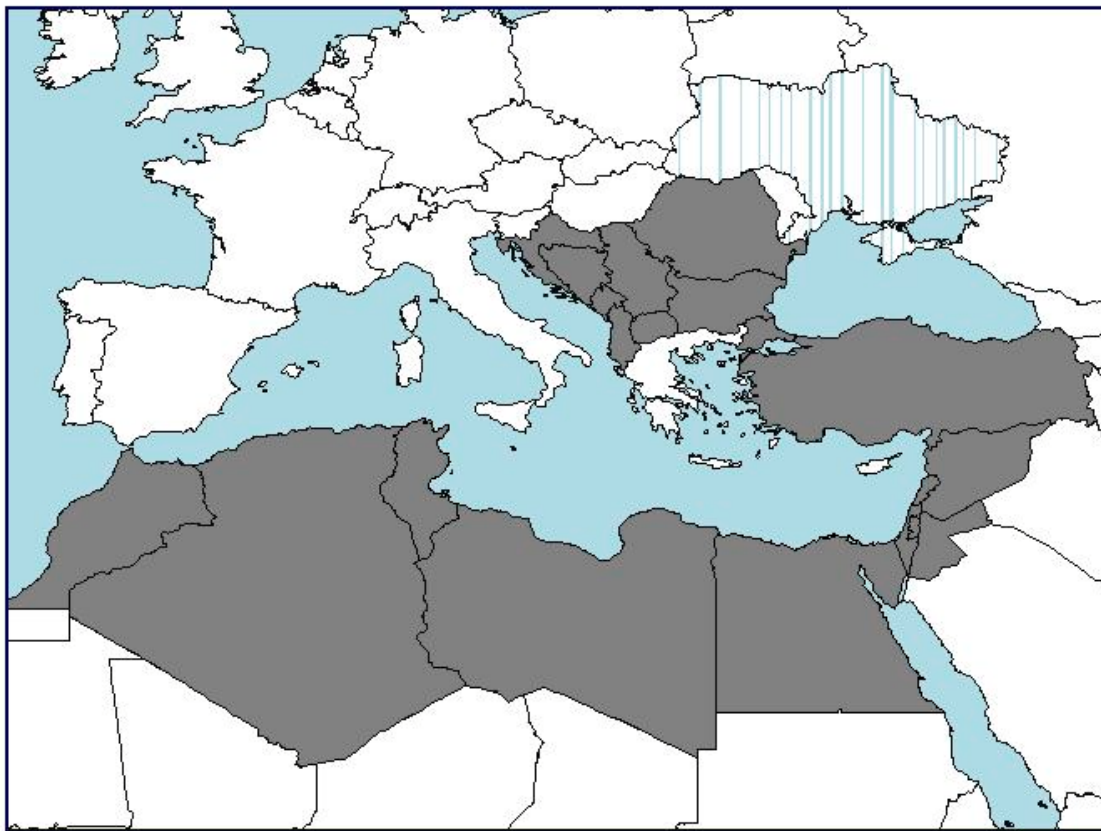
B.1. Geographical context

The geographical region covered by the Mediterranean Component embraces all the non-EU riparian countries of the entire Mediterranean basin and a few more non riparian which for geopolitical and other reasons (existing cooperation schemes, etc) are also included. Such countries are Jordan, which is part of the much larger group of the Mediterranean Middle East countries sharing with them common waters, as well as Former Yugoslavic Republic of Macedonia (FYROM), Bulgaria and Romania, which again are part of the Balkan countries sharing with the rest common transboundary waters. Some times, the countries of the Balkan peninsula are referred to as South East Europe (SE Europe) while the rest simply as Mediterranean.

More specifically, the area of activity of the Mediterranean Component of the EU Water Initiative comprises the following countries, that would be referred as *partner countries* :

In the Mediterranean – Algeria, Egypt, Jordan, Israel, Lebanon, Libya, Morocco, Palestinian Authority, Syria, Turkey, Tunisia.

In South East Europe – Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Former Yugoslavic Republic of Macedonia (FYROM), Romania, Serbia and Montenegro.



Map 1. Non-EU partner countries (in Africa, Middle East and the Balkans) in the Mediterranean Component - *presented in grey*

B.2. Main problems and challenges within the water sector in the Mediterranean and South East Europe

B.2.1. The Mediterranean

The Mediterranean, a water scarce area, lies on the cross road of three continents and it has been the cradle of major civilizations. The shared century-old experiences and diverse cultures have resulted to uneven levels of economic development and socio-political systems. The region is encountering a rapid, unbalanced demographic growth and increased urbanization trends, mainly in the coastal areas. At the same time, the Mediterranean region is rich in unique and fragile ecosystems which face development pressures.

Water supply in the region is unequally distributed in space and time, both at regional level and within each country (72% in the North of the Mediterranean, 23% in the Middle East and only 5% in the North Africa). According to Blue Plan, the Southern Mediterranean and Middle East sub-regions have among the lowest per capita amount of water supply in the world. It is estimated that 7% of the entire Mediterranean population (28 million persons) lie below the poverty line of 500 m³/year per capita and another 29% (115 million persons) are below the threshold of 1000 m³/year per capita. In certain countries, exploitation indexes of renewable natural fresh water resources have reached 100%. The intensive extraction and use of water for domestic, agricultural and industrial purposes, without proper provisions for the protection of the resource, has led to serious water pollution of surface and ground water bodies. Agriculture consumes 70-80% of water in the Mediterranean countries. Many countries in the region are currently in a stage of institutional reform, orienting priorities and practices towards an integrated water resources management (IWRM) approach.

Table 1 provides a brief analysis of major water related problems in the Mediterranean sub-regions while Table 2 gives a summary of possible fields of action and examples for existing possibilities for sustainable water management (*Source: Mediterranean Framework for Action, MEDTAC/GWP, 2000*). It is evident that the tables are not exhaustive while more issues and eventual solutions could be added.

Among recent major plans of action and recommendations we should make reference to:

- Euro-Mediterranean Plan of Action on Integrated Local Water Management, Turin, 1999.
- Recommendations on Water Demand Management of the Mediterranean Commission for Sustainable Development (Frejus and Fiuggi outcomes), 1997 and 2002.
- 'Vision to Action Process' for Water in the Mediterranean (Vision, Framework for Action, Core for Action Plan) of GWP-Med, 1999-2001. It should be mentioned that within this process sub-regional FFAs have been elaborated.

It is interesting to note that at least 15 regional action plans for achieving sustainable water management have been presented over the last decade by different organizations. A synthesis of these action plans and recommendations was elaborated in the *Core for Action Plan* prepared by GWP-Med in 2001, aiming not to draft yet another plan, but rather to identify a common core where political support is more likely in the region and to use these as a solid starting point for successful consensus-based joint initiatives and activities.

It should be noted that all the aforementioned action plans have been developed before WSSD and there is an emerging need for proper adaptation of their orientation according to decisions taken and targets agreed in Johannesburg.

Recently (at the 3rd World Water Forum, Kyoto Japan, 16-23 March 2003), the World Bank has presented the draft document on water policy reforms in the Middle East and North Africa, entitled 'From scarcity, through reform, to security'.

Table 1. Brief analysis of major water related problems in the Mediterranean

	LEVEL OF EXPLOITATION OF WATER RESOURCES AND TRENDS	ROLE OF AGRICULTURE	WATER QUALITY AND ECOSYSTEMS	WATER DEMAND MEASURES	DESALINATION AND WASTEWATER	INSTITUTIONS AND LEGAL SYSTEM	REALLOCATION ISSUES	OTHER ISSUES
NORTH AFRICA	High level of exploitation and overabstraction of groundwater leading to salt-water intrusion. Major deficits of drinking water supply in rural areas of some countries (e.g. Morocco, Egypt)	Important contributor to GDP in most countries. Provides high levels of employment. Expansion of irrigated areas is in the agenda. Modernisation is needed	Little information. Increasing concern	Not widely applied. Problems with the implementation of price schemes. Tunisia has got examples of successful water demand management.	Still a small contributor to total water supply. Desalination is being used in Tunisia, Egypt and Libya.	The institutional legal framework for IWRM is in place in many countries. Improvement in the efficiency of some institutions is needed. Need for effective enforcement of the law and regulations	Water savings in agriculture could be reallocated in other areas where there is competition for the resource.	A key challenge is the effective functioning of the water services in urban areas. Need for educational, institutional and financial support. Strong state budget deficit control is a reality.
ISLANDS	Full exploitation and overabstraction of groundwater. Some islands depend on transported water at high prices and suffer from shortages.	The importance varies with size of Island. Little reduction of water allocated to irrigation. Technical improvements are being put in place for some years.	Little information. Increasing concern	Implemented in some islands (Cyprus). Problems with the implementation of price schemes. Successful combination of incentives (economic, legal, education...).	It is becoming a major option for most islands, as Cyprus and Malta.	Fragmentation of the institutional framework common even in places where IWRM institutions are in place. Problems of legal indefiniton. User rights not clearly defined in some cases	Resizing the agriculture sector is in the agenda. More stringent water prices. More information and advice about risks is necessary	Need for increased co-ordination of institutions. Need for effective integration of stakeholders and water users.
NORTH MEDITERANEAN	No overexploitation, except in East Spain and South Italy. Overinvestments and expensive solutions for water supply would need to be avoided. South Europe countries face shortages in coastal areas, aggravated by the affluence of tourists and irrigation practices	Agriculture is not a large contributor to GDP but responsible of high consumption of water in South European countries (Spain, Italy, Greece and Turkey). The other countries do not use largely irrigation. It is now increasing in France.	They come mainly from the lack of adequate wastewater treatment, threatening underground and surface water resources and marine ecosystems, as well as wetlands. In water scarce areas quantitative impacts is an issue.	South European countries use economic instruments including conservation prices and markets. The rest are making slow progress thanks to the increase of water prices. Very often, population is totally unaware of high water losses.	Wastewater treatment is insufficient in most countries (except France and Italy, Spain and Greece improving fast), causing harm to ecosystems and ground and surface water.	Institutional framework is fragmented. Co-ordination mechanisms are insufficient and too complex. IWRM exists in most countries but in South East Europe needs long term management plans and strong financial support. Effective integration of coastal areas management is also missing	Resize agriculture, using its water savings for redistribution to other sectors is economically, socially and environmentally more feasible than in other regions. Markets are starting to be used.	Risk Planning is not sufficiently developed, particularly related to floods and droughts.
EAST MEDITERANEAN	High level of overexploitation of groundwater due to severe shortage of rainfall in many areas. High seasonal and interannual variations worsen the problem.	Small to moderate role of agriculture in the region. GDP but agriculture is the main consumer of water. Important water losses in irrigation	Decreasing quality of water as a result of industrial discharge and insufficient water treatment mechanisms. Problem of salinisation of surface water. Lack of adequate monitoring to measure the loss of quality. Quantitative impacts are being considered.	Water conservation pricing structures, promotion of water saving technologies, public awareness campaigns on the importance of saving water and programmes for reduction of losses in distribution are being implemented or are in the agenda of some countries. Some good practice experience in the region	Wastewater reuse implemented in the subregion. Desalination plants are widely used in Israel and considered in other countries. Potential of Wastewater reuse and substitutions of good quality water is increasing with increased Wastewater treatment.	There is a variety of organisations involved in planning, regulation, delivery, etc.. in many countries. Co-ordination mechanisms efficient in some of them. Need to reinforce regulatory functions and enforcement of standards. Some good practice experience in the region	Water savings use for reallocation of water. System of water periodically revised of water quotas in Israel. No permanent Water Rights.	River basins and aquifers are shared by more than one country creating conflicts of interest. High population growth in the area will affect water availability in the future.

Table 2. Possible fields of action for sustainable water management in the Mediterranean

	INSTITUTIONAL REFORMS	WATER DEMAND MEASURES	WATER SUPPLY MEASURES-AVOIDING DISRUPTIONS	FOOD SECURITY AND MODERNISATION OF AGRICULTURE	PROTECTING THE QUALITY OF WATER AND AVOIDING ENVIRONMENTAL DEGRADATION	RISK MANAGEMENT	SOCIAL, CULTURAL AWARENESS	WATER REALLOCATION
NORTH AFRICA	Integrated water strategies (like Tunisia); Incentives to keep up-to-date professionals and retain them in the civil sector Improve co-ordination Need for financial support and improved financial performance; Increase regulatory role of government and implement delegated management. Enforcement of existing legislation	Improve transport of water networks Improve water recycling Improve efficiency in irrigation Adequate pricing of water for irrigation and domestic supply	Shared water resources Mobilisation of water supply Optimising water supplies Wastewater reuse Desalination	Agricultural and rural expansion Expansion of irrigated areas Integration in the international market Institutional reforms Water user associations	Information about life-support functions of ecosystems Budget allocated to maintain the ecosystems Tight enforcement of the laws	Drought management plans Flood prevention plans	Generate and disseminate information Political support Public awareness campaigns	Possibly of water savings in agriculture
ISLANDS	Facilitate integrated water resource management approach on river basin level Enforcement of existing legislation Ensure political awareness Basic information framework for IWRM Improve co-ordination Increase the regulatory role of Government	Technical efficiency Incentives for water savings Improve efficiency in irrigation Reduce water lost in distribution Public education Reuse of water Water pricing	Reuse of domestic treated effluents Use of lower quality water for toilet and gardening Transport of water from other areas Desalination and other non conventional Floodwater and protection of the environment	Proposals linked to demand management and changed role.	Regulations and tight enforcement of the laws Limit groundwater abstraction Industrial control and information Application of BAT Modernisation of industry Water and soil conservation measures hand in hand.	Data collection on droughts Adoption and monitoring of indicators Study on drought management Development of a legal framework	Promote community participation Co-operation in water management Dissemination of good practices	Develop integrated rural development and environmental policies Long term plans for water demand management. Research on more efficient crops Training and education to farmers
NORTH MEDITERRANEAN	IWRM enhanced where it exists and introduced where it doesn't Better co-ordination among institutions and decentralisation Improve legislation PPP	Increase water tariffs Economic incentives Study the potential transferable water rights Setting up markets for surface water	Reuse of treated wastewater Use of lower quality groundwater for gardening, etc Imports of water in big cities Reduction of water loss in distribution Aquifer recharge Avoid over investment	Progressive price increases on the price of water in agriculture Remove trade barriers in agriculture Promote water saving in irrigation Training to farmers on efficient water use	Reduce the generation of pollutants Use of clean technologies Tradable discharge permits Limit the use of agrochemical Emission limits Coastal area management	Flood and drought management plans Avoid occupation of flood prone lands GIS and other systems to forecast and controls floods and droughts	Campaigns to raise public awareness on water scarcity Educational campaigns at school	Relocation of water use through economic measures and long term plans
EAST MEDITERRANEAN	Minimise the duplication of roles and improve co-ordination Separate regulatory and supervisory bodies Delegate management of services. Improve financial performance Strengthen policy and planning capabilities Continue investing in skills	Increase water charges based on water availability Review and adjust tariffs Enforce and update legislation on rational water use Water metering Incentives to consumers for water savings	Reduce water losses Desalination is a major option to increase water supply Wastewater reuse Cloud seeding Harnessing storm water Protect surface water from pollution Surface water and groundwater storage Exchange experiences between countries	Reduce water losses in irrigation Use of wastewater in agriculture Modernise agriculture	Establish national monitoring systems and a central database Revision and enforcement legislation on water protection Control groundwater overabstraction and pollution	Water storage	Enhance public awareness through campaigns in order to control groundwater pollution and best practices in water use	On-going process in the region. Starting with water savings in agriculture. IN some countries there is no fixed water allocation.

B.2.2. South East Europe

The present state of the quality of the waters of South East Europe varies significantly from place to place while a series of problems have been identified by the European Environment Agency (EEA).

Water pollution in the region of SE Europe is a common problem due to inputs from urban centres, several of which have no or have inadequate wastewater treatment plants, from agriculture, industry and mining. Pollution is evident not only in rivers, lakes and surface waters in general but also in ground waters pollution affects in a number of cases natural ecosystems and the quality of drinking waters.

Agriculture in the region consumes high percentage of the available water and contributes through runoff to diffuse pollution by nutrients, pesticides and other agrochemicals. It is noteworthy that the use of commercial fertilizers decreased considerably in the region in the 1990's partly due to reduction of agricultural activities related to transitions in economy. This has led to considerable decrease of phosphorus and, to a lesser extent, nitrogen loads to rivers, lakes and reservoirs and improvement in the quality of several water bodies. However, still eutrophication phenomena are not uncommon contribution to erosion of biodiversity and with undesirable ecological and economic consequences.

High concentrations of nitrates in ground waters are observed in parts of the region although, in general, the concentrations recorded are lower than those found in some west European areas with very intensive agriculture. Untreated urban wastewaters also contribute to high organic carbon loads to surface waters and high biological oxygen demand. It is estimated that some 85% of urban areas and 15-20% of rural are connected to sewerage systems but not more than 25% of the population is connected to networks serviced by some type of wastewater treatment plants many of which do not function well. In some cases, the sewerage systems are very poor and they may cause various microbial contaminations. Industrial effluents have been reduced significantly due to closing down of many factories. Nevertheless, there are still considerable inputs of hazardous substances including heavy metals from mining and manufacturing activities.

Access to water supply networks is high in the cities (over 90%) but not so high in rural areas (about 50%). However, drinking water quality is still of major concern for many cities of the region due, on the one hand, to chemical pollution of the parent waters used for the production of drinking water and, on the other, to frequent microbial contamination of drinking water supplies.

It is noteworthy that groundwater is the major source of drinking water in the region sometimes without pretreatment. Therefore, the maintenance of a good state of ground waters in terms of quality and quantity is crucial. Over exploitation of groundwater resources and consequent water table depletion is not uncommon leading eventually to salt water intrusion in coastal aquifers, damages to wetlands and several other phenomena some of which are not reversible while others are (e.g. the recovery of karstic ground waters in Transdanubia). In many cases, human activities such as excessive use of agrochemicals, contamination by leakage from sewers or from landfills, excessive water abstraction, land sealing etc. affect the quality and quantity of this valuable resource which in several cases may be also shared between countries.

The points of competition over internationally shared groundwater and aquifers are not always obvious and may only become apparent when exploitable groundwater has been exhausted or damaged beyond economic "remediation". In cases of considerable economic disparity between neighboring countries, the ability of one country to tap a common property

resource from another by virtue of its financial and technological strength, may result in a more or less deliberate “race to the pump house”.

In many instances, patterns, ignoring the physical and environmental limits or carrying capacities of the aquifer systems, drive the groundwater use. This is particularly the case where agricultural and land use policies have short-term distributional or economic objectives.

As for the water demand, it is clear that in the majority of the countries in SE Europe, water abstraction for agriculture and industry decreased over the last decade due to the impacts of economic transition and the reduction of the relevant activities. A marked decrease was also observed in abstractions for public water supply for housing and reduction in the amount of water used. This is partly due to the fact that under the new economic conditions, water companies increased the price of water and install water meters in houses. Despite certain improvements, the water supply networks in most countries of the region are still obsolete and losses in distribution still lead to high abstractions to meet demand.

Tourism during summer often presents an important pressure on freshwaters, increasing several times the water demand, particularly on islands and the driest coastal regions. Water transports and transfers, which may create tensions, often address these pressures and other problems in the areas affected.

Although some islands and few of the countries of SE Europe have as little runoff as 160 mm per year, the average for the region is high and only small parts of it could be characterized as water stressed. However, even countries with very high runoff (more than 1,700 mm per year) such as Bulgaria, Croatia, Serbia and Montenegro, depend mainly on external resources indicating the urgency to properly address the transboundary and cross-boundary water issues in the region. From the approximately 150 major transboundary rivers of Europe that form or cross borders between two or more countries and the 25 transboundary lakes and 100 transboundary aquifers it is estimated that approximately 1/8 are located in the SE European region.

Recently, the World Bank presented a draft paper on ‘Water Resources Management in South East Europe’ in which several of the aforementioned problems are dealt with while some case studies are included. The paper was one of the key background documents of the International Conference on “Sustainable Development for Lasting Peace: Shared Water, Shared Future, Shared Knowledge”, 6-7 May 2003, Athens, jointly organized by Greece and the World Bank.

The draft recommendations for action in the World Bank paper includes:

Level	Short Term Priorities (1 to 2 years)	Medium Term Priorities (3 to 5 years)
National	<ul style="list-style-type: none"> • Clarify responsibilities and improve cooperation between agencies • Expand rehabilitation of infrastructure, including demand management measures • Develop poverty focused programmes (rural water supply and watershed management) • Promote the role of civil society 	<ul style="list-style-type: none"> • Develop water resources management policies • Strengthen water resources management agencies • Analyze trade-offs • Improve information systems • Expand investment programs • Develop innovative funding methods
Transboundary	<ul style="list-style-type: none"> • Develop cooperation arrangements for small basin and lakes • Prepare management plans and projects 	<ul style="list-style-type: none"> • Implement action plans and projects • Expand funding mechanisms for externalities

(continue)

Level	Short Term Priorities (1 to 2 years)	Medium Term Priorities (3 to 5 years)
Transboundary Danube Basin	<ul style="list-style-type: none"> • Strengthen Danube and Black Sea Commissions • Facilitate agreements on tributaries • Test technological solutions 	<ul style="list-style-type: none"> • Implement action plans and projects • Expand funding mechanisms for externalities

B.3. Regional initiatives for cooperation and partnerships on water issues

It is difficult to present an ample overview of the on-going and planned activities in the region. At the same time, there is a great variety in objectives, criteria and procedures of the different donor programmes. A brief account of major existing processes is presented herewith.

B.3.1. The Mediterranean

The Mediterranean has a tradition in cooperation and networking schemes, many of which address issues of sustainable development, environmental protection and management of natural resources. Water is a defined priority in the majority of related regional processes eg. the Euro-Mediterranean Partnership, the Barcelona Convention and the Mediterranean Commission on Sustainable Development (MCSD) within it, etc.

Major investment on water infrastructure in the Mediterranean countries has been made through bilateral and multilateral agreements. The EU Member States and the Commission are among the major donors in the region, including support to water sector, constituting a major force towards economic growth and transition.

The Directorates General (DGs) of the EU Commission directly supporting Mediterranean water projects are:

- DG Europe Aid Cooperation (AidCo), with
 - the MEDA Euro-Mediterranean Regional Programme for Local Water Management,
 - bilateral assistance in a limited number of Mediterranean countries (eg. Morocco, Jordan)
 - activities being part of the Middle East Peace Process (MEPP) under which a Multilateral Water Resources Working Group is active. Such activities comprise EXACT, a technical water working group composed of representatives of the three Core Parties of MEPP (Israel, Palestinian Authority, Jordan) and donors (EU, USA, Canada, France, Netherlands), the Middle East Desalination Research Centre (MEDRC) and the European Desalination Society (EDS).
 - DG Environment, with
 - the Short and Medium Term Priority Environmental Action Programme (SMAP),
 - the LIFE Programme - Third Countries,
 - DG Research, with programmes like INCO-MED
 - DG REGIO, with projects in the MEDA Partners Countries

Tools and utilities have been developed to assist the process, like the Euro-Mediterranean Water Information System (EMWIS). In the interest of pursuing the objectives of the Euro-Mediterranean Ministerial Meeting in Turin (1999), a Euro-Mediterranean Water Forum was established, facilitated by DG AidCo.

Several EU Member States have bilateral agreements with specific Mediterranean countries of North Africa and the Middle East supporting water projects through ODA. It is roughly estimated that the ODA from EU countries is at the level of spending made through the EU Commission and it is mainly directed to Morocco, Jordan, Egypt, Lebanon, Palestinian

Authority and Turkey. A basic survey and analysis of the ODA flows in the Mediterranean is foreseen within the second semester of the Preparatory Phase.

The Mediterranean EU Member States (France, Greece, Italy, Portugal and Spain) have an active role in the region and participate in all related processes.

Recently, the Finance Ministers of the 15 EU Member States and the 12 Mediterranean Finance and Economy Ministers of the Partner Countries (MPC) launched a new Facility for Euro-Mediterranean Investment Partnership (FEMIP), facilitated by the European Investment Bank (EIB).

At the same time, other mechanisms are supporting water activities in the region, like the World Bank (MENA Water Initiative, METAP), UN bodies, USAID, JICA, CIDA, other international organizations, etc. The private sector plays also an increasingly important role on water issues that should not be neglected in the overall assessment and process.

Special reference should be made to the EU Water Framework Directive (WFD) which, directly and indirectly, influences to a certain extent the policies and strategies of accession and other neighboring countries which share with the EU transboundary waters and/or have bilateral and multi-lateral agreements with it. The 'enlargement' of the impact of the EU WFD's principles, procedure and best practices, where and if applicable and after proper adaptation, should be considered as a useful background for the MED EUWI.

In addition, the shared objective of the Euro-Mediterranean Partnership of creating a Mediterranean Free Trade Zone until 2010 should act as a key factor contributing to integration and modernization of economic, social and administrative systems. Rationalization and, to a certain extent, standardization of interventions and application of common principles on resources management, including water, should be considered in facilitating and expanding this process.

The Mediterranean Action Plan of UNEP (MAP/UNEP) and the Athens based Coordination Unit plays an important role in the region's orientation towards the protection of the environment and promotion of sustainable development, facilitating the Barcelona Convention and its related Protocols. Freshwater resources issues are mostly dealt by the Blue Plan and PAP/RAC and they are also tackled by a special Task Force acting in the framework of the Mediterranean Commission for Sustainable Development.

Partnerships have been developed at various levels (governmental and multi-stakeholder) in the region enhancing cooperation and promoting common action, like CEDARE, CIHEAM and thematic/sectoral networks like CEIR (irrigators), IME (professionals), CEREE (regional authorities), MedCities (local authorities), MedWet (wetlands), MENBO (river basin organisations), MESAEP (scientists), MIO-ECSDE (NGOs), MWN (water directors), etc. The Global Water Partnership – Mediterranean (GWP-Med) has provided a cooperation platform on water where most of the aforementioned networks participate actively, together with the Blue Plan of MAP/UNEP and EMWIS.

B.3.2. South East Europe

Management of transboundary water aquifers is of key importance for SE Europe. One of the first agreements on water in the modern European history was the Convention of 1921 between Austria, Belgium, Bulgaria, Czechoslovakia, France, Germany, Greece, Hungary, Italy, Romania and the Serbo-Croat-Slovene State, defining the statute of the Danube. Since then not less than three dozens of treaties were signed concerning Danube or parts of it, including the 1994 Convention on Cooperation for the Protection and Sustainable Use of the River Danube, cosigned by the European Union.

For many other water bodies of the region among which the Lake Prespa, Vardar/Axios river, Maritsa/Evros river, Nestos river, Struma/Strimon river, Lake Dojran etc. treaties have been signed between riparian countries and joint committees have been formed. However, apart from Danube and a few other treaties where progress is visible, in most other cases serious problems and lack of resources have not allowed for any significant result. Enhancing scientific and technical capacities and strengthening administrative and institutional structures to properly address the management of transboundary waters is a definite priority for the region.

Relevant conventions of interest for the water of SE Europe include the Convention on the Protection and Use of Transboundary Watercourses and International Lakes; the Protocol on Water and Health (to the Transboundary Watercourse Convention); the Convention on Wetland of International Importance and Waterfowl Habitats; the Convention on Biological Diversity and the UNEP Conventions (a) for the Protection of the Black Sea from Pollution that includes provisions for protection from land-based sources. In its framework, GEF has supported a Strategic Plan of Action, important for the sustainable development of six Black Sea countries; and (b) for the Protection of the Mediterranean Sea (Barcelona Convention) which after its revision in 1997 covers also sustainable development and has established the Mediterranean Commission of Sustainable Development (MCSD) which has elaborated also recommendations for freshwater, and the recent Protocol on Civil Liability and compensation for damage caused by the transboundary effect of industrial accidents on transboundary waters that has been signed and adopted during the 5th Pan-European Ministerial Conference of the Environment for Europe process (Kiev, 21-23 May 2003).

The EU and several international organizations developed useful initiatives, many of which are complementary. Among them, of particular importance are the following :

- The EU Stabilization and Association Process (Stability Pact) started in 1999 with emphasis to regional cooperation in order to facilitate the harmonization of policies of the countries of SE Europe to those of the EU. It is an important framework structure that needs further strengthening. Under this process, the Community Assistance for Reconstruction, Development and Stabilization (CARDS) is the main vehicle for assistance with approximately 100 mEuro over three years for environment projects, including 8 mEuro for regional programmes. Transboundary waters could be supported by this limited fund. It is noteworthy that CARDS has been increased compared to previous levels. However, with current levels of grant assistance it is not possible to finance through CARDS environmental infrastructures. For this purpose, the SE Europe countries could take advantage of the currently available grant assistance offered by the International Financial Institutes.

A series of other initiatives have continued to develop in the field of the environment with promising results :

- The Regional Environment Reconstruction Programme (REReP) is the main EU tool for regional cooperation on environment coordinated by the Regional Environment Centre (REC) with the involvement of OECD and others.

- The Danube – Black Sea Task Force (DABLAS), for the rehabilitation of the water quality of the Danube-Black Sea basin, received support by the EU. DABLAS contributes to better coordination between the Secretariats of the Conventions on Danube and the Black Sea and other regional partners and beneficiary countries helping them to prioritize environmental investment projects and render them bankable.

- The Euro-Mediterranean Partnership (based on the Barcelona Declaration) has water as one of its areas of priority. However, it does not include the Western Balkans in the

beneficiary regions. It might be useful to reconsider the participation in the Partnership of countries which were not included initially due to political problems and obstacles that have been removed meanwhile.

- The funding instruments of the EU PHARE and TACIS support environmental activities in the Black Sea region (eg. Bulgaria, Romania, etc), in cooperation with GEF and other partners.

- The Global Environment Facility (GEF) for the period 2001-2007 has proposed the development of a strategic cooperation for Danube and the Black Sea including investments and introduction of environmental policies followed by legislation and economic instruments for 17 countries of the wider Danube and Black Sea basins. GEF cooperates with many partners within and outside the UN family (eg. UNDP, WB, UNEP, etc.).

- The Black Sea Economic Cooperation (BSEC) promotes cooperation at various levels (governmental, parliamentary, financial, etc) and tries to stimulate joint regional projects.

- Several other activities and initiatives have been undertaken by intergovernmental and non-governmental organizations some of which touch upon water issues in one or another way. The EU or some of its Member States supports many of them directly or indirectly.

B.4. Main Objectives of the MED EUWI

As described in Part A, the EU Water Initiative was established as a key contribution to the implementation of the WSSD agreements and programme of action and to help achieve water-related Millennium Development Goals and WSSD targets providing a platform for strategic partnerships. The Mediterranean Component of the EU Water Initiative (MED EUWI) shares all its objectives and it seeks to make significant progress in poverty eradication and health, in the enhancement of livelihoods, and in sustainable economic development in the Mediterranean. It also seeks to serve as a catalyst for peace and security in the region. MED EUWI was announced by the President of the European Commission Mr. Romano Prodi and the Greek Minister of Foreign Affairs Mr. George Papandreou in Johannesburg.

The main objectives of the MED EUWI are to create a higher efficiency of water-related development by providing a platform to co-ordinate and streamline existing and future activities, aiming to :

- Reinforce political commitment to action and raise the profile of water and sanitation with view to poverty reduction
- Promote better water governance arrangements including stronger partnerships between public and private sectors and local stakeholders and build institutional capacity
- Improve co-ordination and co-operation moving towards sector wide approaches, assisting multi-stakeholder processes to reinforce partnerships for action
- Develop regional and sub-regional co-operation by assisting in the application of integrated water resources management including transboundary waters to contribute to sustainable development and conflict prevention.
- Develop additional and innovative funding mechanisms and catalyze additional funding

A Preparatory Phase was initiated in January 2003 and is scheduled to last till December 2003. The activities implemented and planned within the Preparatory Phase are presented in part C.

B.5. Expected results

The MED EWI gives particular emphasis to the regional priorities of the Mediterranean and South East Europe, included within the EUWI overall scope. These priorities, needs and strategies are defined in partnership with governments, the Commission and major stakeholders, targeting to

- assist design of better, demand driven and output oriented water related programmes,
- facilitate better coordination of water programmes and projects, targeting more effective use of existing funds and mobilization of new financial resources and,
- enhanced cooperation for project's proper implementation, based on peer review and strategic assessment.

Key areas where the MED EUWI could make a difference are likely to include:

- Promoting water as a cornerstone of sustainable development
- Raising the programmatic profile of water in PRSPs and NSSDs of partner countries
- Coordinating funding for water in a better way among the partners of the Initiative
- Linking together the wide range of financing ideas, networks and mechanisms that currently exist for water in the Mediterranean and South East Europe
- Supporting better project preparation facilities
- Supporting the elaboration of a wider range of models for water sector restructuring in addition to involving private sector participation by competent international operators.

B.6. Focus Themes and Approach

B.6.1. Focus Themes

The MED EUWI will focus on the following Themes:

- Water supply and sanitation, with emphasis on the poorest part of the societies
- Integrated water resources management, with emphasis on management of transboundary water bodies
- Water, food and environment interaction, with emphasis on fragile aquatic ecosystems
- Non-conventional water resources

while as horizontal Themes are identified

- Transfer of technology, transfer of know how, capacity building and training on water issues
- Education

Following discussions at the Kick-Off Meeting of the MED EUWI Multi-Stakeholder Forum (see under B.7), it is suggested that within the first phase of the MED EUWI priority will be given to the first three focus Themes.

It is also suggested that, within each Theme, there will be focus on a series of cross-cutting aspects like:

- promotion of internationally agreed principles and good practices
- assessment of existing and exploration of new financial mechanisms
- development of benchmarks

- capacity building
- enhancement of participation
- awareness raising and promotion of appropriate education.

B.6.2. Approach

To reach its objectives, the MED EUWI needs to create a positive momentum within the enlarged overall water sector in which resources, capital and knowledge will be invested. Although many alternative ways for reaching the objectives could be followed for the MED EUWI, it is proposed to start by putting together a cluster of *building blocks* that would assist in bringing different stakeholders with related activities under a common framework and co-ordination, aiming to provide an enabling environment for the development of the various complementary activities within the Themes. Moreover, a set of *demonstration projects* would assist the process by providing examples of best practices.

The *building blocks* may be networks, alliances or programmes and projects, which are either on-going, planned or under preparation. Where gaps in the *building blocks* are evident and where needs to fill such gaps are expressed, these could be addressed through identification of new building blocks. A *building block* may be large or small and it may involve partners from many or few Mediterranean and/or South East Europe and EU countries or other partners. The building blocks could be regional, transnational or even national and local activities.

The overall coherence of each of the Themes relies on the inter-relationship between the *building blocks* in a way that these blocks reinforce rather than duplicate each other in achieving the MED EUWI targets and objectives.

The MED EUWI is open to all stakeholders – government, inter-governmental organisations, NGO's, academia, financing institutions, the private sector, etc. All potential partners are strongly encouraged to propose and enlist *building blocks* to the Lead Country of the MED EUWI during the design phase, as indicated in Annex 1.

It is emphasized that such process will not aim to take ownership and responsibility away from individual implementing partners and supporters. To the contrary it aims to provide an enabling environment for the development of the various complementary initiatives.

In a similar approach, the Component does not aim to guide donors' policies and selection criteria but to function as a platform where donors and IFIs can present their policies and priority areas in terms of sector and countries / regions they want to support, facilitating a better coordination of aid flow in the region.

B.6.3. Examples of activity areas

Indicatively, specific activity areas under the Theme for Water Supply and Sanitation may comprise :

- Improve water supply and sanitation infrastructure through investment and technical assistance
- Improve the institutional and regulatory framework for the urban water sector; including the role of private sector participation, performance indicators and contracts, including the development of model performance contracts between municipalities and utilities.
- Ensure the financial viability of the water sector; including the development of environmental financing strategies, and of tools to strengthen municipal and utility finance.

- Ensure that poor and vulnerable groups of the population have access to water services; including development of guidance documents, analysis and demonstration projects in areas of such as affordability analysis, policy instruments for social protection, and public participation.
- Safeguard public health by strengthening the linkages between water management and health, including better surveillance, warning and response systems.
- Protect the environment through, among other things, increased wastewater collection and treatment and through increased water use efficiency.

At a similar approach, specific activity areas under the Theme for Integrated Water Resources Management may comprise :

- Support the implementation of integrated transboundary water resources management based on a river basin (including lakes) / watershed (including ground waters) approach and preparation of national water resources management strategies and plans by 2005, including decision-support systems and integration of land and water management and freshwater and coastal zone management.
- Preparation of national water resources strategy and water action plans in support of the Johannesburg Plan of Action, including the promotion of water as an economic good in the planning and prioritisation process, (e.g. valuation of/charging for water, valuation of environmental services).
- Promotion and preparation of adequate water-related legislation (including strengthening of water licenses / discharge permit systems) based on the best available scientific evidence as formulated in e.g. the WHO Drinking Water Quality Guidelines. Promotion of international conventions related to water resources management.
- Support to institutional capacity building and review of the organisational framework for water resources management, including basin management bodies and mechanisms for management of transboundary water bodies.
- Water resources monitoring and assessments (hydrometric/water quality monitoring system rehabilitation and upgrading of environmental laboratories).
- Support to improvement of public access to information, awareness of water resources problems and stakeholder and user involvement in decision-making.
- Support to river basin (including lakes) / watershed management planning,

Relavant priorities for the all Themes of the MED EUWI will be elaborated and proposed within the Preparatory Phase.

B.7. Partnership's modalities and Coordination Mechanism

The success of the EUWI and MED EUWI relies on commitment from the **partners** and the development of strong stakeholder ownership. As a strategic partnership, the Initiative is open to all partners willing to commit to the objectives, targets, and guiding principles, having genuine willingness to work with others seeking practical solutions. Partnership refers to partnership between the EU and the Mediterranean and South East Europe countries as well as partnership between government, civil society and the private sector. Non-EU donors and international organisations (including the UN family and the IFIs) are also invited and encouraged to joint the Initiative. The Initiative will need a light guiding / advisory structure to ensure and overview the multi-stakeholder participation in its activities and a secretariat support. It may also be necessary to add to existing organisational set-ups for collaboration at other levels, including donor co-ordination.

The concept and detailed content of the MED EUWI is under development through consultation with governments of the Mediterranean countries and regional stakeholders and will be facilitated with the establishment of a **Multi-Stakeholder Forum**.

The main scope of the Multi-Stakeholder Forum (MSF) will be

- to function as the overall guiding body to the MED EUWI,
- to review progress towards the goals of the MED EUWI and discuss its overall strategic direction in order to achieve the goals,
- to function as a platform for exchange of information and experience among the partners about aid flows, policies, financing strategies and mechanisms and other issues related to the water sector in the region. The MSF may also advise on studies and analyses to be initiated by the partnership to the extent the financial resources are available,
- to function as a platform where the stakeholders from the Mediterranean and South East Europe countries can present their needs and priorities in terms of new building blocks, e.g. programmes and projects to be complemented or initiated,
- to function as a platform where donors and IFIs can present their policies and priority areas in terms of sectors and countries/regions they want to support. This should facilitate a better co-ordination of aid flow in the region.

The MSF may meet twice a year or annually depending on the need. Some of these meetings could serve as donor pledging conferences. A Steering Group may be established within the MSF. Detailed Terms of Reference for the MSF will be elaborated.

Initial partners from the European-side may include the EU Member States, the European Commission, European civil society and the private sector. It is very important that governments, civil society and private sector of the recipient countries, the IFI's, the UN agencies and other relevant organisations and stakeholders also become partners in this process from a very early stage. The particular role of good coordination among the EU Member States and with the EU Commission, for the development of the MED EUWI is emphasized. Coordination mechanisms at a country level, bringing together involved stakeholders, may be considered at a later stage and according to capacity for such systems to be supported by national or international funds.

The Multi-Stakeholder Forum is chaired by Greece, the **Lead Country** of the MED EUWI. It is anticipated that Greece will maintain this role at least until the MED EUWI becomes fully operational and according to the needs and developments of the EU WI and of the particular regional Component.

A **Secretariat** will assist the process, through a light administrative structure. Its main role will be to support the Multi-Stakeholder Forum and the Lead Country as well as to co-ordinate activities between and link together the different Themes. The Secretariat is assumed by the Global Water Partnership – Mediterranean (GWP-Med). The MSF and the financiers of the Secretariat will decide on its working modalities and staffing.

The Secretariat will co-ordinate and manage the day-to-day core business and functions which may include:

- to facilitate co-ordination, communications and information exchange between the partners,
- to ensure a monitoring and reporting mechanism for progress against the goals of the MED EUWI as related to the WSSD Goals,
- to support the continued development and implementation of the MED EUWI,
- to assist in preparation of workshops and other meetings in the region,
- to assist existing building blocks' collection and assessment and the identification of new required building blocks,
- to co-ordinate and oversee the commissioning of studies and reports on general issues of relevance to the initiative,

- to maintain a public web-based database of existing, planned and proposed programmes and projects relevant to the MED EUWI (building blocks) in collaboration with the liaison agencies of the thematic components,
- to represent the MED EUWI in on-going related processes and to report to the EU Multi-Stakeholder Forum,
- to provide logistical and supporting functions related to the MSF meetings.

B.8. Funding requirements

The development and basic running of the MED EUWI require some financial resources which involve support to:

- The MED EUWI administrative structure (Secretariat, MSF).
- Organisations involved in the implementation of specific activities for the development of the MED EUWI Themes.
- Eventually, targeted thematic regional partnerships (e.g. new building blocks, demonstration projects etc) or national partnerships responsible for collaboration and co-ordination of water activities.

External resources should be committed for the short / medium term. The financial resources could be borne from the EU Commission, EU Member States and/or other International donors who have already or will commit themselves to support either the Secretariat or some other functions. Support to national partnerships could be also considered by non-EU countries and donors.

Funding of new or support to existing building blocks within the MED EUWI as well as support to demonstration projects should be born through existing bilateral and multilateral funding mechanisms. The Component itself will not fund individual projects but it will serve a 'show window' or market place where projects can be displayed.

B.9. Links with on-going related activities at the international and/or regional level

The MED EUWI will take stock of existing processes, initiatives and cooperation schemes. It will not duplicate activity, but will seek to integrate, complement and add value to existing processes.

Components under the umbrella of the initiative will complement and reinforce other development processes for poverty reduction and sustainable development. Links to poverty reduction strategies (PRSPs), national strategies for sustainable development, regional and national frameworks for action, and water action programmes are important. Implementation should also maximise the use of existing knowledge, methods and best practices.

The MED EUWI will actively seek linkage with other Components of the EU Water Initiative (eg. Africa, EECCA, Research, Research, Monitoring). In addition, it will look for synergies with other Mediterranean initiatives run by out-of-the-region institutes / processes.

C. ROAD MAP 2003

The following activities have been implemented already within the period January - June 2003²:

1. *Meeting with Ministers of the North African countries (sub-regional NAMCOW), 5-6 February 2003, Cairo, organized by GWP-Med and CEDARE* – presentation made and feedback received. The NAMCOW Ministers have recommended a set of actions for the sub-region within the MED EUWI.

2. *Kick-Off Meeting of the Multi-Stakeholder Forum of the Mediterranean Component, 17 February 2003, Brussels* – presentation of a Concept Note on the MED EUWI, feedback for the development of the MED EUWI received. The Minutes of the Meeting are available (Annex 2). Discussions mainly focused on the need to raise the profile of issues related to agriculture, environmental protection and food security and their linkages to water in the Region within the Component's work, on the lack of comprehensive data on financial flows to partner countries in the Region and the need to compile an inventory of previous and future/channelled ODA flows, as well as on the need to develop specific demonstrations and twinning projects for identified river basins in the Region that would enable implementation of the IWRM approach on the ground level.

3. *Presentations at the 3rd World Water Forum, 16-23 March 2003, Kyoto, during the (a) 'Day of Europe', (b) 'Day of Middle East and Mediterranean', (c) Ministerial Conference* – reaffirming political will for further developing and implementing the EUWI and particularly the MED EUWI, awareness raising. Discussions during the Day of Europe where the EUWI and all its Components were presented placed emphasis on the common commitments of the EU and its partners: The EU needs to enhance coordination and increase financial and development assistance to the water sector and partner countries need to prioritise and include water as an integral part of their NSSDs and PRSPs.

4. *Presentation at the CSD Meeting, 28 April-8 May 2003, New York* – reaffirmation of political will, awareness raising. Progress on the EUWI and presentation of the concrete actions undertaken under its various Components and particularly the MED EUWI were discussed during the side event organized by the Commission on 28 April.

5. *EU Informal Council of Environment Ministers, 3-4 May 2003, Lagonissi, Athens*, – water resources management in South East Europe was one of the two major issues discussed. The Meeting was attended by the enlarged EU (25 countries), by the Ministers of South East Europe countries and the EU Commissioner for Environment. EU Ministers stressed the importance of promoting an efficient subregional cooperation in South East Europe and the Mediterranean by intensifying transboundary cooperation on environmental matters and encouraging common work on transboundary waters, using water as a catalyst and a means for conflict prevention. It was agreed that concerted activities on water that need to be developed in the Region should be in the framework of the MED EUWI providing an important formal support to Component (Annex 3).

6. *International Conference on "Sustainable Development for Lasting Peace: Shared Water, Shared Future, Shared Knowledge", 6-7 May 2003, Vouliagmeni, Athens, organised by Greece and the World Bank*. Cooperation for the management of transboundary water

² Events, presentations and material organised / prepared by Greece as Lead Country and GWP-Med as Secretariat of the MED EUWI.

bodies and aquifers in the South East Europe and the Mediterranean was the priority theme of the Conference, The Conference contributed in reviewing the knowledge base, in assessing opportunities and constraints and in shaping recommendations, with an emphasis on cooperation for sustainable development, peace and stability. The Declaration (Annex 4) of the Conference is a substantial contribution to the development of the MED EUWI and it foresees that its follow up activities, especially with regard to the assessment of regional and national frameworks for implementation of IWRM in countries of SEE and the Med and the initiation of a specific framework program for drafting IWRM and water use efficiency plans for major rivers and lakes in SEE, will be part of the Component.

7. *5th Pan-European Ministerial Conference of the "Environment for Europe" process, 21-23 May, Kiev.* The Ministerial Declaration of the Conference (Annex 5) welcomes the initiatives of countries of SEE and the Med, in the context of the MED EUWI, to promote peaceful and productive cooperation by promoting IWRM approaches for transboundary waters. The EU Statements made during the Conference also included reference to the various aforementioned events related to the SEE and the MED EUWI.

8. *Presentation at the Euro-Mediterranean Meeting of the Ministers of Foreign Affairs, 26-27 May 2003, Crete* – expression of political will. The Meeting was attended by the Ministers of the Euro-Mediterranean and South East Europe countries (Annex 6).

9. *Preparation of an Operation Plan*, describing the context, basic content and proposed structure of the MED EUWI as well as the steps to be taken until the end of 2003. Within the Operation Plan, a Call for Building Blocks was launched aiming to collect by the end of 2003 a first pile of on-going and new projects that will consist the start-up working platform of the MED EUWI. The Operation Plan will be presented for feedback during the Hellenic Water Week, 17-20 June, Athens and will be finalized by mid July 2003.

10. *MED EUWI Session during the EU Green Week, 5 June 2003, Brussels* – awareness

11. *Hellenic Water Week, 17-20 June 2003, Athens, organized by Greece and the Commission of the European Union.*

- 11.a. *Regional Seminar on the 'Implementation of the Water Framework Directive in the European Union and beyond', 18-19 June 2003, Athens*

The meeting will share experiences from the EU Member States on the development and implementation process of the WFD, as well as from neighboring countries of the region, which share transboundary waters and/or have bilateral and multi-lateral agreements with the EU. Through an interactive dialogue, the meeting will explore the usefulness of the WFD as an eventual model or target for other countries of the region to formulate compatible frameworks. The outcomes of the meeting will assist in enriching the knowledge base of the MED EUWI.

- 11.b. *Regional Seminar on the 'Development of the Mediterranean Component of the EU Water Initiative', 20 June 2003, Athens.* The Regional Workshop will

- present to an international audience the scope, structure and scheduled activities of the EU WI

- present the achievements of the Preparatory Phase of the MED EU WI

- discuss an Operation Plan for the development of the MED EU WI

- elaborate on the different Themes of the MED EU WI, hopefully with expression of commitment, suggestions of concrete actions (*building blocks, demonstrations projects*) and development of synergies by different players.

Aiming to raise awareness, the concept of the EUWI and the MED EUWI was also presented in a series of other regional and international events.

The following activities are foreseen within the period July – December 2003 :

12. *Brief Assessment on water financial flows in the Mediterranean* - the study will elaborate on development aid and other financial assistance provided by the EU Member States, the EU Commission, IFIs and other donor agencies to the Mediterranean and Balkan countries and regional projects. A parallel survey of the short and medium term priorities and needs, related to water, as defined by the recipient countries will be carried out and further analysed.

13. *A Basic Mapping of Key Stakeholders* will complete an inventory of basic regional and national partners for the development of MED EUWI. Direct contacts will be made and their engagement will be sought.

14. *A Plan of Major Political and Technical Events* where the MED EUWI should be presented in order to enhance political commitment and to receive feedback will be elaborated, aiming at the engagement of the EU and partner countries as well as other donors in the region. Emphasis would be given to events taking place in both the EU and the partner countries.

15. *A screening of potential donors for the development of the MED EUWI* will be made, aiming to identify and secure funding sources for the support the MED EUWI activities within 2004-2005 as well as to support its basic administrative structure (running of the Secretariat, Multi-Stakeholder Forum, background assessments, etc.). A related *Donors Meeting* is foreseen for the beginning of November in which, hopefully, concrete pledges will be made. The basic administrative structure should be set by the end of 2003 and become operational within the first quarter of 2004.

16. *Compilation of the first list of building blocks and preliminary analysis of them* – following the Call for Building Blocks and according to the material that will be received a classification and analysis will be elaborated highlighting priorities and needs and identifying gaps and areas of complementarity where synergies could be developed.

17. *Activity Plan 2004-2005* - based on all the aforementioned products / recommendations, the Activity Plan 2004 -2005 of the MED EUWI will be developed by the end of 2003, describing the type of interventions to be undertaken, based on the analysis of a concrete list of building blocks. Proposals for demonstration projects may be part of the Activity Plan, pending on donors' interest.

18. *2nd Meeting of the Mediterranean Multi-Stakeholder Forum of the Mediterranean Component*- the Group will elaborate on the contents of a draft Activity Plan for the MED EUWI. The meeting could be combined with the *9th Multi-stakeholder Meeting of the EUWI*, foreseen for November 2003.

Road Map – 2003

No	Events and Activities	J	F	M	A	M	J	J	A	S	O	N	D
1	NAMCOW Meeting, Cairo		X										
2	Kick off Meeting of the Multi-Stakeholders Forum of MED EUWI, Brussels		X										
3	3 rd World Water Forum, Kyoto			X									
4	CSD XI, New York				X	X							
5	EU Informal Council of Environment Ministers, Athens					X							
6	International Conference on Sustainable Development for Lasting Peace: Shared Water, Shared Future, Shared Knowledge, Athens					X							
7	Environment for Europe Ministerial Conference, Kiev					X							
8	Euro-Mediterranean Meeting of Ministers of Foreign Affairs, Crete					X							
9	- Operation Plan - Collection of building blocks												
10	EU Green Week, Brussels						X						
11	Hellenic Water Week, Athens						X						
12	Brief Assessment on water financial flows in the Mediterranean												
13	Basic Mapping of Key Stakeholders												
14	Plan of Major Political and Technical Events												
15	Screening of potential donors											X	
16	Analysis of Building Blocks												
17	Activity Plan 2004-2005												
18	2 nd Meeting of the Mediterranean Multi-Stakeholder Forum of MED EUWI											X	
	<i>Technical Assistance / Secretariat</i>												

LIST OF ANNEXES

Annex 1. Call for Building Blocks

Annex 2. Kick-Off Meeting of the Multi-Stakeholder Forum of the Mediterranean Component, 17 February 2003, Brussels - Minutes

Annex 3. EU Informal Council of Environment Ministers, 3-4 May 2003, Lagonissi, Athens – Conclusions by the Hellenic Presidency

Annex 4. International Conference on “Sustainable Development for Lasting Peace: Shared Water, Shared Future, Shared Knowledge”, 6-7 May 2003, Athens - Declaration

Annex 5. 5th Pan-European Ministerial Conference of the “Environment for Europe” process, 21-23 May, Kiev – Extract from the Ministerial Declaration

Annex 6. Euro-Mediterranean Meeting of the Ministers of Foreign Affairs, 26-27 May 2003, Crete – Extract from the Presidency Conclusions

ANNEX 1

Call for Building Blocks

Mediterranean Component of the European Union Water Initiative

LEAD COUNTRY: GREECE

CALL for Building Blocks

The European Union Water Initiative (EU WI) was launched by the EU in Johannesburg as a key contribution to the Plan of Implementation of the WSSD and in particular in order to help achievement of water-related Millennium Development Goals and WSSD targets providing a platform for strategic partnerships. The EU WI seeks to make significant progress in poverty eradication and health, in the enhancement of livelihoods, and in sustainable economic development. The EU WI also seeks to serve as a catalyst for peace and security.

The Mediterranean Component (MED EU WI) is an integral part of the EU WI and shares its overall objectives. The intention of setting up the MED EU WI was announced in Johannesburg and it is currently under its design phase, giving particular emphasis to Mediterranean and Balkan priorities, according to needs and strategies defined in partnership with governments, the Commission and major stakeholders. A Multi-stakeholders Working Group assists in the development of the MED EU WI, which is led by the government of Greece with the technical assistance of the Global Water Partnership – Mediterranean (GWP-Med).

The MED EU WI aims:

- to assist design of better, demand driven and output oriented water programmes in the region,
- to facilitate better coordination of water programmes and projects, targeting more effective use of existing funds and mobilization of new financial resources and,
- to enhance cooperation for their proper implementation, based on peer review and strategic assessment.

Key areas where the EUWI and MED EUWI could make a difference for water financing are likely to include:

- Promoting water as a cornerstone of sustainable development
- Raising the programmatic profile of water in the PRSP process
- Coordinating funding for water in a better way among the partners of the Initiative
- Linking together the wide range of financing ideas, networks and mechanisms that currently exist for water in the Mediterranean and South East Europe
- Supporting better project preparation facilities
- Supporting the elaboration of a wider range of models for water sector restructuring in addition to involving private sector participation by competent international operators.

The MED EU WI focus on the following Themes:

- Water supply and sanitation, with emphasis on the poorest part of the societies
 - Integrated water resources management, with emphasis on management of transboundary water bodies
 - Water, food and environment interaction, with emphasis on fragile ecosystems
 - Non-conventional water resources
- while as horizontal Themes are identified
- Transfer of technology, transfer of know how, capacity building and training
 - Education

A cluster of *building blocks* would assist in bringing different stakeholders with related activities under a common framework and co-ordination, aiming to provide an enabling environment for the development of the various complementary activities within the Themes. Moreover, a set of *demonstration projects* would assist the process by providing examples of best practices.

The *building blocks* may be networks, alliances or programmes and projects, which are either on-going, planned or under preparation. Where gaps in the *building blocks* are evident and where needs to fill such gaps are expressed, these could be addressed through identification of new building blocks. A *building block* may be large or small and it may involve partners from many or few Mediterranean and/or Balkan and EU countries or other partners.

The overall coherence of each of the Themes relies on the inter-relationship between the *building blocks* such that these reinforce rather than duplicate each other in achieving the MED EUWI targets and objectives.

The MED EU WI is open to all stakeholders – government, inter-governmental organisations, NGO's, academia, financing institutions, the private sector, etc. All potential partners are strongly encouraged to submit *building blocks* to the Lead Country of the MED EU WI during the design phase, as indicated here below.

Therefore, we kindly request you to report any potential *building blocks*, using the attached datasheet for *building blocks* that you or your organisation might be involved in. You are encouraged to pass on this request to those who you deem relevant. **The process of collecting and including *building blocks* into the Mediterranean Component will be launched at the Regional Workshop on the Development of the Mediterranean Component of the EU Water Initiative, on 20 June 2003, during the Hellenic Water Week (Athens, 17-20 June 2003) and will continue until November 2003.**

Please send the proposed building blocks to

GWP-Med Secretariat

c/o MIO-ECSD

28, Tripodon str., 10558 Athens, Greece

T: +30210-3247490, -3247267, F: +30210-3225240

E-mail: secretariat@gwpmed.org

Web: www.gwpmed.org

**MEDITERRANEAN COMPONENT
OF THE EUROPEAN UNION WATER INITIATIVE**

DATASHEET for BUILDING BLOCKS

Name of building block	
Recipient country (ies)	
Level of action (regional, transboundary, national / sub-national)	
Main pillar(s)³ (1-6)	
Mediterranean partners	
EU/Other partners	
Main objectives Please also attach a 2 page (max) summary describing the building block	
Implementation period	
Estimated costs (Euro)	
Financing secured from Mediterranean Partners (Euro)⁴	
Financing secured from EU/Other partners (Euro)²	
Implementing agencies	
Comments	
Further information Name (Contact Person) Address (Institution) Telephone Fax E-mail Website	

³ (1) Water supply and sanitation (with emphasis on the poorest part of the societies), (2) Integrated water resources management (with emphasis on management of transboundary water bodies), (3) Water, food and environment interaction (with emphasis on fragile ecosystems), (4) Non-conventional water resources, (5) Transfer of technology, transfer of know how, capacity building and training, (6) Education

⁴ Indicate amount in Euro as well as the name of the funding agency(ies).

ANNEX 2

Kick-Off Meeting of the Multi-Stakeholder Forum of the Mediterranean Component, 17 February 2003, Brussels - Minutes

EU Water Initiative

Mediterranean Component

Kick-Off Meeting

Monday, 17 February 2003
Rue de Genève 1, Salle Blue
B-1140 Evere, Brussels

Introduction

The meeting was opened by Greece that presented the Meeting's objective and Agenda.

The purpose of the informal Meeting was an exchange of views and information concerning the Mediterranean Component of the EUWI. The intention to launch a Mediterranean Component has been presented by President Prodi and the Minister of FA of Greece in Johannesburg. Following that, the Hellenic Government reconfirmed its intention and willingness to lead such a Component. The launching of this new Component has also been strongly supported by the EC. The first presentation of the Concept Note of the Med Component was done during the Meeting of the MSF of the EUWI on 3-4 December 2002. The Med Component shares the objectives of the EUWI and other Components and it aims at contributing to the implementation of the MDGs and the WSSD targets on water, sanitation and IWRM and water efficiency plans. The Med Component will build on and will be integrated in existing regional processes, aiming at providing a platform for strategic partnerships in the Region, being evolved through an open-ended and participatory process.

The kick-off Meeting aimed at facilitating discussions among involved actors in the Med Region, for specifying the objectives and content of the Component and for finalising its Concept Paper, at formulating a Work Plan for the design phase of the Component, at starting an identification process of key building blocks in the Med Region as well as at collecting input for formulating the Working Group that will steer the process onwards.

Some 35 participants (attachment 1: participants' list) from governments, EC DGs, intergovernmental organisations, regional networks, NGOs, local authorities etc attended the Meeting.

The EU Water Initiative

The representative of EC DG DEV presented the EUWI's elements, objectives, scope and modalities. Presentation stressed the emphasis given by the EUWI on increasing the partnership approach by actively engaging stakeholders, especially the private sector, from EU countries, the EC and most importantly the partner regions. It also stressed the fact that EUWI aims at facilitating a process for building blocks and partners identification and at better coordinating water programmes and projects, targeting to a more effective use of existing funds and mobilising of new financial resources. The 5 regional (IWRM-Africa, WSS-Africa, EECCA, Med, Latin America) and the 2 horizontal (Research, Financing) Components of the EUWI were also presented, stressing the need to take activities to the ground level, especially in Africa.

The Mediterranean Component of the EU Water Initiative

GWP-Med that is facilitating the whole process on behalf of Greece presented the background, scope and basic elements, activities up to now and next steps of the Med Component as described in the Component's Concept Note (attachment 2: Concept Note). Presentation stressed that the Med Component will give emphasis on regional priorities, according to the needs and strategies defined together with partner countries, stakeholders and local actors that are actively engaged in this process from the beginning, as well as with other European partners and the European Commission.

During this preparatory phase, the Focus Themes of the Med Component will be WSS with emphasis on the poorest part of the societies, and IWRM with emphasis on transboundary waters which is an issue of particular importance for this region. The Mediterranean Component will also focus, at a later stage, on the issues of Water, food and environment interaction, with emphasis on fragile ecosystems, as well as on the promotion of Non-conventional water resources. Emphasis will also be given to the promotion of an enabling environment for stakeholders in the Region aiming at their involvement in all stages of implementation of related activities and the promotion of ownership in partner countries by supporting meaningful partnerships. Technology and capacity building transfer, education, benchmarking and awareness raising will be key elements and some of the cross-cutting themes pertaining to all Focus Themes of the Component. The assessment of existing financial flows and the exploration of new and innovative sources of finance will also be an important tool in achieving the Component's objectives. Presentation concluded with a suggested time schedule for activities until the end of the June 2003.

Discussion

Discussion mainly focused on defining: the objectives and content of the Med Component, the Work Plan of the Preparatory Phase (up to July 2003) and its follow up process as well as the mechanisms to enhance partners' interest and participation in the Component.

Some of the key issues raised and discussed can be summed up as follows:

- Agriculture and in particularly irrigated agriculture and its importance for the Med Region, in the context of water management, environmental protection and food security have to be addressed and integrated in the Med Component's objectives. In this context, there is need to involve FAO, DG Agri and other regional based institutions engaged in bottom-up activities in this field.

- Meeting water supply and demand in the Med is still a main challenge for the Region. In this context, opportunities from water recycling and desalinisation have to be examined on a cost-effective basis and water pricing policies in the Med have to be carefully assessed, taking into account social aspects, the need for water to be defined as a global public good as well as other political issues e.g. subsidising of water services.

- Stakeholders and especially local stakeholders, professionals and the people in need, should be an integral part of shaping and promoting the Med Component. Stakeholders should be meaningfully engaged in the process from the beginning. Moreover, the process for involving Mediterranean Non-EU countries and accession countries in the Med Component procedures should be ensured.

- There is need for defining in detail the geographic scope of the med Component, i.e. which countries should be involved, which should be the partner countries in the process, what should be the criteria for countries' involvement. Commission (DG RELEX, MEDA funds) suggested that Cion's clustering for Med countries according to the MEDA funds should be retained also for the Med Component, aiming at avoiding touching upon delicate political issues that might arise from an IWRM-shared waters approach. Others suggested that the main criterion should be the avoidance of overlaps with other Components (e.g. African Components). Others suggested that focus should be laid on technical aspects and where the real needs are, on a river basin/catchment/aquifer approach. Greece suggested that all countries of the Mediterranean should be included and that countries' identification is based on an investment approach, taking into account the existing sources of funding from the Commission (e.g. SMAP, MEDA and CARDS), M/S (ODA) and other donors (e.g. EIB). Such an approach would also entail coverage of all Balkan countries.

- There is a great range of funding sources for the Med Region but there is lack of comprehensive data on financial flows to partner countries. One of the outcomes of the preparatory phase of the Med Component should be the compilation of an Inventory aiming

at tracking financial flows from the EC and M/S (ODA). Coordination with the OECD's DAC for data collection and quality control as well as with other donors (e.g. WB) is also necessary. Identification of financial flows should not be limited to previous years. In this context, it would more important to assess commitments in the pipeline as well as the medium and long-term donor strategies and focus (geographic, thematic).

- In order to compile an inventory of previous and future/channeled ODA flows, the DAC data sheets and inventories could be used as a basis. Practices used by the EUWI's Financial Component Group could also be employed (e.g. questionnaires to governments, donor focused workshops). Data from the Med Stat, EMWIS and the Global Assessment and Joint Monitoring Programme should also be considered. The organisation of sub-regional workshops aiming at an analysis of gaps with the participation of donors and recipients could assist the data collection exercise; workshops should aim at identifying donors' priorities which should be assessed and tested across recipient countries needs and priorities. Italy offered to assist this effort. There was a general consensus on the fact that any analysis and data collection should be done on a demand-driven approach laying emphasis on the identification of needs of partners. Many stressed that lack of detailed data on water (per sector and extended time series) is mainly due to the fact that water is not considered as an economic sector per se but pertains to other economic sectors.

- EC (DG ENV) suggested that the Med Component should start small and focus on identifying hot-spot areas and problems, financial flows and ways to reformulate aid to meet real needs. The 2 main targets from the JPoI that have to be met are the preparation of IWRM and water efficiency plans by 2005 and the target on safe drinking water and sanitation by 2015. On the long-run, the Med Component should prepare a long-term strategy for meeting these targets until 2015. On the short-run and until 2005, some 2-3 demonstrations projects should be identified for river basins that the MEDA funds have not showed any specific results so far, and focus on implementing the IWRM approach on the ground level.

- Bringing issues to the EU Council's Working Group on Development could also assist efforts for moving things forward and, in particular, the mapping exercise of financial flows and demands.

- Commitment at the highest possible level from each involved country would be crucial for implementing the Component's objectives, especially during its preparatory phase.

- Greece suggested that the identification of various building blocks and stepping-stones within a river basin, the exploration of synergies among them, the identification of gaps and the promotion of complementary elements/activities to achieve IWRM, should be a key objective for the design phase of the Component.

- Cross-cutting issues such as training and technological & know-how transfer to partner countries as well as education projects should pertain to all sectoral focus themes of the Component and be in the first set of concrete actions.

Establishment of a Working Group for the development of the Mediterranean Component – Terms of Reference

Greece will prepare a draft ToR for the Component and discuss it with partners during the next Meeting of the Med Component Working Group. Some of the main elements for the ToR should be:

- bringing participants on a common platform
- emphasis on promotion of awareness on the Med Component
- working group should be an open-ended group
- mechanisms to ensure countries' commitment

- mechanisms to ensure active participation and involvement from different sectors and from recipient countries and their stakeholders (e.g. networks from the South) from an early stage.

Presentation of the Mediterranean Component in Kyoto

Greece briefly presented the Agendas of the Regional Days of Middle East and Mediterranean and of Europe, to be held on 20.3.03 and 21.3.03 respectively, in the framework of the 3rd World Water Forum in Kyoto and briefly commented on how the Med Component is envisaged to be presented during these events (attachment 3: Agendas of Regional Day of Middle East and Mediterranean & Regional Day of Europe).

Next Meetings and related events

Greece presented again the proposed activities/time schedule of the Component's preparatory phase until end of June 2003, as featuring in the Concept Note. Reference was also made to 2 major events organised by Greece within the first semester of 2003 which are intended to assist in bringing fast the Component in an operational stage: the International Conference on Sustainable Development for Lasting Peace: Shared Water, Shared Knowledge, Shared Future, co-organised with the World Bank, on 6-7 May, in Athens, and the Hellenic Water Week, with a series of events on the Water Framework Directive, with an emphasis on how its impact could be enlarged in the neighboring countries outside the European Union as well as the Mediterranean Component of the EU Water Initiative. Participants to the MSF of the EUWI and the WG on the Med Component will be invited to attend both events; next meetings of the Med Component's WG will be held in conjunction with these Conferences.

ANNEX 3

**EU Informal Council of Environment Ministers, 3-4 May 2003, Lagonissi, Athens –
Conclusions by the Hellenic Presidency – Conclusions by the Hellenic Presidency**

**INFORMAL MEETING OF ENVIRONMENT MINISTERS
2-4 MAY 2003
LAGONISSI ATTIKIS, GREECE**

CONCLUSIONS OF THE HELLENIC PRESIDENCY

**South – East Europe towards Sustainable Development:
the Water Issue as a key priority**

Session of May 3, 2003

The aforementioned session was attended by the Environment Minister of the 15 EU Member States, together with those of the 10 New Member States, of Bulgaria, Romania and Turkey as well as of the countries of Southeastern Europe and Norway. All of them greeted with satisfaction the initiative of the Hellenic Presidency to call this joint meeting and devote it to the key issue of transboundary waters.

The discussions among Environment Ministers indicated a common understanding on the following:

- South East Europe is a part of Europe of great environmental, cultural, socioeconomic and political importance. The region is rich in natural resources including waters, forests, minerals and biodiversity. It has, however, serious environmental problems and needs that require particular attention.
- The countries of the SEE region have repeatedly expressed their intension to align their future with that of the EU. For this point to be reached, considerable investment of efforts and resources from all parties involved will be required. From the countries themselves and their citizens and from the EU and its institutions.
- The Stabilization and Association Process (SAP) since its launch (1999) has provided to the countries of the region a political framework in which to pursue policy development and the necessary reforms with the longer term prospect of joining the EU. Under this programme the Community Assistance for Reconstruction, Development and Stabilization (CARDS) is the main vehicle for environmental projects including regional ones. However in this framework regional efforts for environmental policy integration are still underdeveloped. The Regional Environment Reconstruction Programme (REReP), the Danube – Black Sea Task Force (DABLAS), and a series of other programmes and initiatives supported by the EU, its Member States and/or other parties are important and useful contributions towards the right direction, for the enhancement of environmental policies and their implementation in the region.
- A number of the most pressing environmental problems throughout the SEE region, affecting human health, the integrity of biodiversity and the potential for development of the region are directly related to water problems due to the poor management of water resources, conflicting uses, lack of planning, improper monitoring and uncoordinated policies at local, national and regional/transboundary level. Therefore there is a genuine need for improvement of the quality of surface and ground waters and abatement of pollution for securing safe and clean drinking water for a

considerable number of settlements throughout SE Europe. This should be part of a more general effort for Integrated Water Resources Management.

- Tensions over water issues were not uncommon between countries and subregions within countries in the SEE and there is a need to transform them from potential sources of conflict to opportunities for cooperation. This approach extends -far beyond mere agreement- on water quotas between upstream and downstream countries. Integrated Water Resources Management of transboundary waters offers a new attractive, viable option for a peaceful and prosperous future of the region.

The Environment Ministers in their interventions emphasized that :

- a) the EU being internationally the key player on issues of sustainable development, including water, has committed to contribute to the achievement of the Millennium Development Goals on water, including the facilitation of third countries to prepare by 2005 Integrated Water Resources Management and Water Efficiency Plans and halve the people without access to clean, safe water and basic sanitation by 2015. To this end, the EU has launched in Johannesburg its important EU Water Initiative.
- b) for the proper implementation of the EU Water Framework Directive, which provides a comprehensive regional water legislation, a translation into national law by the Member States is needed by 2004 and this requires a closer cooperation between EU and non EU countries that share the same transboundary waters.

To obtain concrete results for the SE Europe the following were suggested :

- the Stabilization and Association Process (SAP) should be further utilized and its full potential be developed in the field of the Environment in order to enhance regional cooperation and facilitate the introduction of appropriate environmental policies and strategies and the establishment and improvement of management schemes which will be able to effectively protect the natural and cultural environment of the SEE countries. Countries of SE Europe should be facilitated to prepare good bankable projects for environmental infrastructures,
- new environmental investment for infrastructures should be geared towards compliance with EU environmental law. When they are funded by EU donors, investments should comply with the environmental *acquis*,
- water is a priority issue for the SEE and concerted action should be undertaken by the countries of the region in close collaboration with all relevant bodies and stakeholders,
- regional cooperation is necessary for approaching the issue in a comprehensive and effective way,
- the SEE countries should be encouraged to proceed in a systematic way with the necessary legal and institutional reforms concerning water by using the EU Water Framework Directive as an appropriate water governance framework,
- transboundary water bodies, including rivers, lakes, wetlands and aquifers are of outmost importance for all countries of the SEE region and their management requires the drafting, acceptance and implementation of Integrated Water Resources Management Plans through transparent and participatory processes. The collaborative drafting of such plans could be

considered as a concrete first step for regional cooperation in the field of the environmental and sustainable development,

- the EU Water Initiative could be used as an appropriate umbrella for such collaboration initiatives and its Mediterranean Component as a facilitator of interactions and mobilisation of human and financial resources from all possible actors within and outside the EU and the region. Twinning schemes and other forms of close collaboration used with success in other cases (e.g. in CE Europe) could be also employed and should be encouraged. In doing so the new initiatives should enhance and complement existing transboundary cooperation schemes, particularly between EU and non EU countries, fully utilising the experiences and results obtained and avoiding unnecessary duplication of work and efforts,
- the Euro-Mediterranean Partnership has identified environment and water, in particular, as areas of priority. However the Partnership does not include the W. Balkans. It might be useful to explore if such participation is useful for the countries of the region not included initially due to political problems and obstacles that have been removed meanwhile.

The aforementioned conclusions should be forward by the Hellenic Presidency to the International Conference on "Sustainable Development for Lasting Peace: Shared Waters, Shared Knowledge, Shared Future", 6-7 May, Athens, and the forthcoming Conference "One Environment for Europe" to be held in Kiev, 21-23 May 2003. The European Commission and the countries participated at the Meeting are invited to use and promote the conclusions accordingly.

ANNEX 4

International Conference on “Sustainable Development for Lasting Peace: Shared Water, Shared Future, Shared Knowledge”, 6-7 May 2003, Athens - Declaration



**Hellenic Presidency
of the European Union**



World Bank

International Conference on
**“Sustainable Development for Lasting Peace:
Shared Water, Shared Future, Shared Knowledge”**

ATHENS DECLARATION

“Actions to Promote Sustainable Management of
Transboundary Water Resources in the
Southeastern Europe and Mediterranean Regions”

RECOMMENDATIONS FOR ACTION

May 6-7, 2003
Astir Palace Hotel, Vouliagmeni
Athens, Greece

ATHENS DECLARATION RECOMMENDATIONS FOR ACTION

**Vouliagmeni, Athens, Greece
May 7, 2003**

The Conference adopted the following "Athens Declaration" concerning "Shared Water, Shared Future, Shared Knowledge." The Declaration provides a framework for a longer-term process to support cooperative activities for the management of shared water resources in the Southeastern Europe and Mediterranean regions.

I. INTRODUCTION

1. At the World Summit on Sustainable Development (WSSD) held in Johannesburg during August-September 2002, the international community recognized that to achieve our goal of sustainable development we have to revisit, reorient and enhance our efforts at the international, regional and national level to promote peaceful and mutually beneficial management of our shared natural resources. Environmental security is at the core of a peaceful coexistence and collaboration between peoples. The development of a diplomacy for environment and sustainable development can promote cooperation on environmental issues, support alleviation of the looming global water crisis and contribute to poverty reduction.

2. The Summit recognized that a water crisis, associated with both the quantity and quality of water, is foreseeable in the future. It could affect every aspect of life, from ecosystems and the environment, to food security, to health, human rights and cultural heritage. Such a crisis could shape significantly the policies and politics within and among countries, which are at different levels of economic development; give rise to serious stress within countries; and may provoke conflicts at various levels. The WSSD Plan of Implementation includes the target for national integrated water resources management (IWRM) and water use efficiency plans to be developed by 2005.

3. In the Southeastern Europe and Mediterranean regions, both surface and ground water resources are under various natural and man-made pressures. Since these resources often need to be shared among many users there exist risks for conflict as well as opportunities for cooperation and conflict prevention. To address these issues, the Hellenic Presidency of the European Union, acting through the Hellenic Ministry of Foreign Affairs, organized jointly with the World Bank an International Conference on "Sustainable Development for Lasting Peace: Shared Water, Shared Future, Shared Knowledge" focused on cooperative management of transboundary waters. The Conference was conducted in collaboration with the Hellenic Ministry for Environment, Physical Planning and Public Works.

4. The Conference provided a forum, during the International Year of Freshwater, to share lessons learned and identify the mechanisms that can be used to increase effective regional cooperation, promote sharing of benefits and assist in achieving the Millennium Development Goals (MDG) and Johannesburg targets. The organizers viewed the event as a sub-regional contribution to the ongoing global dialogue on water issues—a building block in the continuum Marrakech–Hague–Bonn–Johannesburg–Kyoto—of high level meetings on water resources management. They also noted the importance of the WEHAB approach of the WSSD, European Union Water Initiative and the recent Kyoto Ministerial Declaration. It was designed to provide input to the Sustainable Development Strategy for the Mediterranean to be discussed at the Mediterranean Commission for Sustainable

Development (MCSD) in Dubrovnik (May 14-16, 2003); the Kiev "Environment for Europe" Conference (May 21-23, 2003); and the G-8 Summit in Evian (June 1, 2003).

5. The Conference served as a platform to assemble leaders, experts and civil society representatives from the countries of Southeastern Europe and the Mediterranean regions and beyond to share lessons learned and identify the mechanisms that can be used to increase effective regional cooperation and promote sharing of benefits from the cooperative management of transboundary waters. The Conference resulted in the adoption of the Athens Declaration, which provides a framework for a longer-term process to support cooperative activities for the management of shared water resources in the Southeastern Europe and Mediterranean regions.*

II. CHALLENGES – SHARED WATER, SHARED FUTURE, SHARED KNOWLEDGE

6. The Conference examined the challenges presented by the potential for international and domestic conflicts as a result of water scarcity and inadequate cooperation in the management of shared waters, and evaluated ways that these shared water resources can instead become a catalyst for cooperation—presenting an opportunity rather than a constraint for development. It also provided a forum to share lessons learned and identify mechanisms that can be used for better regional cooperation and sharing of benefits.

7. The Conference reviewed the experience with transboundary water resources management in three complementary areas: river basin management; lake basin management; and shared aquifer management. In addition, it considered long-term development trends, legal instruments and institutional developments in the concerned regions; these in turn were linked to socio-economic developments that can influence the broader setting in which cooperative programs for transboundary water resources management are undertaken. It recognized the importance of development of water resources for drinking water supply, sanitation, food production, water storage and renewable energy. The economic benefits of water resources management and development were seen as necessary for responsible growth and poverty reduction. The vital role played by aquatic ecosystems and their biodiversity received emphasis given their importance to sustainable development and nature conservation.

8. ***Transboundary Water Management.*** Transboundary water management activities are being undertaken at a number of locations:

- *Progress to Date.* Experience with transboundary water resources management in the Southeastern Europe and Mediterranean regions includes successful programs that have been initiated in a variety of surface water and shared aquifer management settings and which provide models for future actions. The Danube River Basin Program and the Nile Basin Initiative constitute good examples of broad based cooperation, while the Nestos River and Lake Ohrid provide examples of successful bilateral cooperation for management of a shared resource.
- *Major Challenges.* While progress has been made in a number of transboundary water resources management issues within the two regions, these initiatives need to be complemented by activities for the management of adjacent transboundary river basins, transboundary lake basins and shared groundwater aquifers. In many cases these activities should be combined with improved land use practices and integrated coastal zone management.

* This Declaration, as adopted, has not been formally negotiated under the established procedures of the United Nations.

- *Important Linkages.* Measures should be taken to increase efforts for sustainable management of shared aquifers which are an important component of the hydrological system, giving special attention to improving the legislative framework for their management. Expanded efforts need to be made to link the management of river basins and groundwater with the coastal zone, consistent with integrated approaches to resource management.

9. ***Shared Water*** Improved management of shared water provides an opportunity to benefit cooperating countries:

- *Integrated Water Resources Management.* Transboundary water resources management activities can support comprehensive actions for policy and planning, management measures, investments of a variety of types and scales, and institutional strengthening and human resources development activities.
- *Preventive Measures.* Transboundary activities, at the policy, planning and technical levels, should include preventive measures such as water conservation programs or land use planning to protect aquifer recharge zones. Environmental impact assessments should be prepared for water management projects with significant potential impacts. The use of preventive measures is critical to address major management challenges linked to current and future social and economic development and in many cases are considered the most cost effective intervention. Major opportunities exist to incorporate such measures for water management, including the transboundary dimension, in the context of physical, economic and environmental planning processes. The precautionary principle, which support risk avoidance, can be used as an important management tool.
- *Curative Measures.* The use of preventive measures should be complemented by carefully identified and costed curative measures to restore water quality and aquatic habitats such as investments in wastewater treatment or wetland restoration. Often, these interventions need to be undertaken in a phased manner due to the high investment and operational costs involved, the limited access that countries and communities have to resources for capital investments, and the financial implications to users for meeting recurrent costs.
- *Use of Economic Instruments and Incentives.* The application of economic instruments and incentives, at the national and local level, was noted as a tool for effective water management. This includes the use of realistic pricing of water, especially for agriculture, in accordance with the "user pays" and "polluter pays" principles, with proper provisions to protect the poor. These measures, while challenging to implement, are necessary to internalize the value of water and reduce externalities that encourage irrational and wasteful use of water resources.
- *Water Conservation and Demand Management.* Balancing competing water uses presents a major challenge. Appropriate education and public awareness activities in combination with a wide range of technical interventions—including water conservation technologies and practices and appropriate, careful recycling and reuse of properly treated wastewaters—together with economic instruments such as pricing and incentives, will facilitate conservation of water resources and promote demand management among all major user groups.
- *Watershed and Flood Management.* Management and conservation of watersheds for river and lake basins and the recharge areas for aquifers remains an important area for transboundary cooperation. Flood management, especially in Southeastern Europe, presents a major challenge and opportunity for such cooperation, through coordinated

actions such as forecasting, monitoring, and early warning systems, combined with appropriate management measures.

- *Ecosystem Management and Wetland Conservation.* Management, conservation and restoration of aquatic habitats and their biodiversity, especially wetlands, are increasingly recognized as cost effective preventive and curative measures for water management at the transboundary level; examples of such measures include establishment of protected areas and rehabilitation of degraded wetlands. Throughout Southeastern Europe and the Mediterranean, a range of actions can be taken to protect these valuable ecosystems and to ensure that they have a prominent place in management programs. In water resources planning and water allocation processes, recognition needs to be given to the environment as a priority use category.

10. **Shared Future.** Effective management of transboundary water is an important element of a shared future:

- *A Role for Diplomacy.* The Conference noted that environmental diplomacy could be the cornerstone of a proactive approach and a policy instrument to facilitate dialogue between peoples, thus contributing to international and regional cooperation to support sustainable development and to avoid conflict. It is recognized that such diplomacy, at a variety of levels and using a number of mechanisms, could promote environmental interests and perspectives in the medium and long term. It could also assist in formulation and negotiation of bilateral and multilateral agreements concerning transboundary waters, within the wider foreign policy context.
- *Key Resources for Sustainable Development and Responsible Growth.* The effective management of transboundary water resources is necessary at the global level and central to sustainable development in the Southeastern Europe and Mediterranean regions. Actions should be taken in a coordinated way at the regional, national and local level by a variety of stakeholders to assure the long-term ability of these shared resources to support human and natural uses in a compatible manner. Water management is a pillar for responsible growth, a development approach that is receiving increasing support since it combines economic growth with social equity and environmental and social sustainability.
- *Changes in Attitudes and Behavior.* To meet many of the water management challenges in the Southeastern Europe and Mediterranean regions will require changes in institutional and public attitude and behavior. Management of these shared resources must place greater emphasis on making their use sustainable by involving citizens and civil society organizations and making water an issue for everybody.
- *Consensus Building.* The processes used for development, planning and implementation of transboundary water management activities provide mechanisms to support consensus building on shared objectives for sustainable development. Active and meaningful participation of a wide range of stakeholders will contribute to developing consensus on many aspects of such activities and facilitate their realization at the ground level.
- *Sustained Commitment.* Sustained political commitment and public support are necessary for successful management of surface and groundwater resources in both national and transboundary settings. Time and patience are needed for management programs, especially those focused on restoration, which require continuity and long-term time frames for visible results.

- *Resource Mobilization.* Realization of effective water resources management at the transboundary, national and local levels will require increased funding for the development of new infrastructure and rehabilitation of existing infrastructure. The size of demands for investment, even with successful demand management and conservation programs, will require: funding from national and local governments; international financial institutions and donors; and through innovative financing approaches such as Public Private Partnerships (PPP) and Build, Operate and Transfer (BOT) involving the private sector.
- *Broad Based Partnership.* Experience from within the Southeastern Europe and Mediterranean regions as well as others identified the critical need for the development of broad based partnerships for success in cooperatively addressing transboundary water management as a key element of sustainable development. It is important that such partnerships be inclusive and provide opportunity for a diversity of parties including organizations, groups and individuals to bring their skills and experience together to develop, implement and achieve water resources management objectives.

11. ***Shared Knowledge.*** The development, dissemination and application of shared knowledge provides the basis for transfer and application of experience between parties and facilitates the identification and management of current and emerging issues:

- *Significant Opportunities.* Significant opportunities exist for development, dissemination and application of knowledge concerning both management of transboundary water resources and the broader legal, social and economic setting in which these resources are used by both people and nature. A multiplicity of institutions concerned with these issues exists in the Southeastern Europe and Mediterranean regions and greater use can be made of available skills.
- *Economic and Social Dimension.* The management of transboundary water resources requires full recognition of the complex linkages with planned and unplanned economic and social development. The approaches used for planning and management of transboundary water activities in the two regions can benefit from greater participation of organizations, groups and individuals with skills and experience that complement those of the parties more traditionally involved in these issues.
- *Emerging Trends.* The Conference noted the importance of recognizing and addressing emerging economic and social trends in identifying, planning and implementing activities for transboundary water management. The dynamic nature of population growth in many areas, significant population declines in other areas, changes in the physical distribution of population and the expansion of demand for water in rapidly growing coastal communities all provide examples of the major challenges facing planners and managers of water resources at the national and transboundary levels.
- *Climatic and Hydrologic Variability.* A major emerging trend for transboundary water management is climatic and hydrologic variability, which presents a new level of complexity for monitoring, reporting, planning and management. Such factors, which need better study and documentation, contribute to changes in watershed management requirements. They also have impacts on drought and flood management and contribute to the desertification, soil erosion, habitat destruction and biodiversity loss already affecting a number of countries.
- *Legal Instruments.* The use of legal instruments, in the form of global and regional conventions, multilateral and bilateral agreements and other instruments will continue to provide frameworks for cooperation in the management of transboundary water

resources and will be continuously adapted to the evolving needs of the cooperating countries. A wide range of planning and management activities in this area can; however, be initiated prior to legally binding instruments being negotiated and agreed between cooperating parties.

- *Engaging New Actors in Transboundary Issues.* The connections between foreign and domestic policy bring new actors to the fore. In order to adequately address global and regional environmental threats, including those to water resources, environmental diplomacy requires an unprecedented degree of cooperation among governments, international agencies, the private sector and the full array of civil society organizations. It also calls for an interdisciplinary approach, which surpasses the limits of traditional diplomacy.
- *Institutional Strengthening and Capacity Building.* In the Southeastern Europe and Mediterranean regions significant needs exist for institutional strengthening and capacity building to address the opportunities and challenges raised by transboundary water management. These activities can take many forms and should be directly linked with the overall development of institutions, infrastructure and human resources for water management as broadly defined at the local, national and transboundary levels.
- *Cooperative Monitoring Programs.* The development of cooperative monitoring programs has often been the first step in cooperation and provided an important mechanism for confidence building as well as the basis for a structured exchange of information. Monitoring has been successfully used to evaluate trends in water quantity, water quality and aquatic habitats and provided the basis for the design and adjustment of management of transboundary actions. In several cases it has also provided important information for flood and emergency management.
- *Water Education and Public Awareness.* Support for water education and public awareness is central to successful public understanding and support for transboundary water programs. These efforts need to go beyond teachers and engage a wide spectrum of parties. Such activities could be undertaken in the context of the United Nations Decade of Education for Sustainable Development (2005-2014).

III. RECOMMENDED ACTIONS TO PROMOTE SUSTAINABLE MANAGEMENT OF TRANSBOUNDARY WATER RESOURCES IN THE SOUTHEASTERN EUROPE AND MEDITERRANEAN REGIONS

12. The objective of the recommended actions is to realize and expand the significant opportunities that exist for cooperation in the Southeastern Europe and Mediterranean regions for management of transboundary river basins, lake basins and shared aquifers. The recommended actions have been developed to provide the basis for strategic partnerships and are directly linked with a series of ongoing, planned and potential activities supported by national and local governments, the European Union, international and regional organizations, international financial institutions, bilateral donors, civil society organizations and non-governmental organizations. The recommended actions seek to support progress in sustainable economic development, social development and poverty reduction, as well as measures to promote peace and security.

IV. MOVING BEYOND THE CONFERENCE

13. The conclusions and recommendations of the Conference should be presented by the Hellenic Presidency of the European Union at the following meetings:

- MCSD Meeting on the **"Sustainable Development Strategy for the Mediterranean,"** to be held in Dubrovnik, Croatia on May 14-16, 2003;
- **"Environment for Europe" Ministerial Conference** to be held in Kiev, Ukraine on May 21-23, 2003; and
- **Group of 8 Summit** to be held in Evian, France on June 1, 2003.

Arrangements should also be made for the recommendations of the Athens Declaration to be carried forward as an element of the Italian Presidency of the European Union that begins in July 2003.

Recommendations for Action

Recommendation 1. Developing a Diplomacy for Environment and Sustainable Development.

It is recommended that measures be taken to support development of "Diplomacy for Environment and Sustainable Development" as a tool for enhanced cooperation at all levels of foreign and domestic policy, among governments, international agencies, the private sector and the full array of civil society and non-governmental organizations. Such diplomacy will be particularly useful in the management of transboundary river basins, lake basins and shared aquifers. The role of diplomacy should go beyond its traditional focus on avoiding conflict and crisis management, allowing it to become a comprehensive instrument to facilitate legal, management and technical interventions for transboundary water management at a variety of levels. To this end the Hellenic Ministry of Foreign Affairs proposes to launch an initiative, with other partners, to examine the practical use of this approach in the EU and in the Southeastern Europe and Mediterranean regions.

Recommendation 2. Southeastern Europe Transboundary River Basin and Lake Basin Management Program.

It is recommended that a Southeastern Europe Transboundary River Basin and Lake Basin Management Program be developed as a follow-up action to the Athens Conference. This program would build on the implementation process of the European Union Water Framework Directive and complement and draw lessons from the ongoing Danube River Basin Program and Lake Ohrid Conservation Project. It would focus on the series of transboundary river basins lying south of the Danube River Basin, which flow into the Adriatic, Aegean, Black, and Ionian Seas, and on the set of transboundary lake basins in this area. The program would assist countries of the region, in cooperation with relevant stakeholders, to draft IWRM and water use efficiency plans for all major river basins and would include a range of complementary interventions in individual river and lake basins, with a coordination mechanism to allow for exchange of information and experience between activities. It is proposed that this program be considered as an element of the Mediterranean Component of the European Union Water Initiative and for support by other international and national sources.

Recommendation 3. Mediterranean Shared Aquifers Management Program.

It is recommended that a Mediterranean Shared Aquifers Management Program be developed to link ongoing programs, in order to: facilitate broader exchange of planning, management and implementation experience; assess interactions of aquifers and surface water; develop a mechanism for initiating cooperative work on additional shared aquifers on a case by case basis; and provide a means for development and dissemination of information on lessons learned and good practices. The program would play a valuable role in highlighting the importance of sustainable management of shared aquifers; the knowledge gained in the Mediterranean could be transferred to other regions that have less experience on this critical topic. It is proposed that this program be considered as an element of the Mediterranean Component of the European Union Water Initiative and for support by other international and national sources.

Recommendation 4. Assessment of Regional and National Frameworks to Implement Integrated Water Resources Management.

It is recommended that a comparative assessment be made of regional and national frameworks for implementation of IWRM in countries of the Southeastern Europe and Mediterranean regions. This comparative assessment would review the status of policy, legal, management and technical frameworks for both transboundary and national level application of IWRM. The assessment would make specific reference to the European Union "Water Framework Directive" and IWRM Guidelines prepared by the Global Water Partnership. Reference would also be made to the UNECE Convention on the Protection and Use of Transboundary Watercourses and International Lakes. It would identify actions that could be taken on a cooperative and/or individual basis to more fully address IWRM in planning and management programs. An element of the assessment would be the identification of lessons learned and good practices in the application of the European Union Water Framework Directive and IWRM in the two Regions. It would also examine measures used for freshwater, coastal and marine resources management.

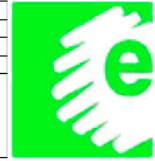
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ANNEX 5

5th Pan-European Ministerial Conference of the “Environment for Europe” process, 21-23 May, Kiev – Extract from the Ministerial Declaration

ENVIRONMENT FOR EUROPE
UN ENVIRONNEMENT POUR L'EUROPE
ОКРУЖАЮЩАЯ СРЕДА ДЛЯ ЕВРОПЫ
ДОВКІЛЛЯ ДЛЯ ЄВРОПИ
Kyiv, 21-23 May 2003



FIFTH MINISTERIAL CONFERENCE

ENVIRONMENT FOR EUROPE

KIEV, UKRAINE
21-23 May 2003

DECLARATION

by the Ministers of Environment of the region of the United Nations Economic Commission for Europe (UNECE)



UNITED NATIONS
ECONOMIC COMMISSION FOR EUROPE

EXTRACT

J. Water for sustainable development

50. We are committed to the goals of the WSSD on water, in particular to halve, by the year 2015, the proportion of people who are unable to reach or to afford safe drinking water and the proportion of people who do not have access to basic sanitation, and to develop Integrated Water Resource Management (IWRM) and water efficiency plans by 2005. We welcome the recent decision of the UNCSD to have water, sanitation and human settlements as a priority thematic cluster for 2004-2005, and to invite the UN regional commissions and other regional groups to focus on these issues.

51. We welcome water-related initiatives and partnership from all donors and the support they will provide to the countries of Eastern Europe, the Caucasus, and Central Asia, including: the “Strategic Partnership on Water for Sustainable Development” launched at the WSSD by the EU and the twelve countries of Eastern Europe, Caucasus and Central Asia, aiming at urban water supply and sanitation including work on innovative financing mechanisms for water infrastructure and water resources management, including transboundary river basin and regional seas issues among countries of Eastern Europe, Caucasus and Central Asia; the US Water for the Poor initiative launched at WSSD, focusing on increasing access to clean water and sanitation services, improving watershed management, and increasing the productivity of water; the US initiatives on:

- Central Asian transboundary water planning for water management,
- Caucasian data for integrated water management, and
- The Infrastructure Development Facility.

We further welcome the Statement on the Strategic Partnership on Water for Sustainable Development – East European, Caucasian and Central Asian Component of the EU Water Initiative. We invite other countries in the region and other interested parties to consider joining these important initiatives so that a critical mass of resources can be mobilized to achieve their goals. We look forward to the multi-stakeholder conference that will be organized in 2005 within the framework of the EAP Task Force to promote the implementation of the 2000 Almaty Ministerial Conference on Urban Water Sector Reform.

52. We welcome the initiatives and intentions of the countries of South-East Europe and the Mediterranean to promote peaceful and productive cooperation for introduction of integrated water resource management approaches for transboundary waters. In this context, we note the outcomes of the International Conference on “Sustainable Development for Lasting Peace: Shared Water, Shared Future, Shared Knowledge”, organized by Greece and the World Bank, in May 2003, as a building block of the Mediterranean Component of the EU Water Initiative.

ANNEX 6

Euro-Mediterranean Meeting of the Ministers of Foreign Affairs, 26-27 May 2003, Crete –
Extract from the Presidency Conclusions

MID-TERM EURO-MEDITERRANEAN CONFERENCE
CRETE, 26-27 MAY 2003

PRESIDENCY CONCLUSIONS

EXTRACT

Environment

37. The Ministers also welcomed the outcome of the Ministerial Conference on the Environment that took place in Athens in July 2002. By adopting the Athens Declaration the 27 participants to the Conference provided a significant impetus to the mainstreaming of sustainability in all activities of the Partnership. A Sustainability Impact Assessment of the free trade area is to be launched this year fulfilling the commitment agreed at Valencia. Besides, the contribution of the Ministerial Conference on the Environment in Helsinki in 1997 on cooperation between the Mediterranean and the Baltic and the launching in Athens of the cooperation initiative on sustainable development between the Mediterranean and the Baltic, enable the two regions to benefit from each other's experience.
38. The Ministers recognised that work should continue with a view to identifying what more can be done to enhance the sustainability of the Partnership and to assist the partners in raising the standards of norms of environmental protection.
39. The Ministers noted with interest the initiatives undertaken by the Greek Presidency on the issue of sustainable development such as the convening of the International Conference on Sustainable Development and Lasting Peace (Athens, 6/7 May 2003), co-hosted by the World Bank, as well as the presentation by the Presidency of the EU Water Initiative.