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**ANNEX 2**

of Commission Implementing Decision on the ENI East Regional Action Programme 2020 part 4, to be financed from the general budget of the Union

**Action Document for “EU4Environment – Water Resources and Environmental Data”**

**ANNUAL PROGRAMME**

This document constitutes the annual work programme in the sense of Article 110(2) of the Financial Regulation and action programme/measure in the sense of Articles 2 and 3 of Regulation N° 236/2014.

<b>1. Title/basic act/ CRIS number</b>	European Union for Environment in Eastern Partnership countries – Water Resources and Environmental Data CRIS number: ENI/2020/42911 financed under the European Neighbourhood Instrument	
<b>2. Zone benefiting from the action/location</b>	Eastern Partnership countries The action shall be carried out at the following location: Eastern Partnership countries (Armenia, Azerbaijan, Belarus, Georgia, Republic of Moldova, Ukraine) and in EU Member States	
<b>3. Programming document</b>	Regional East Strategy Paper (2014-2020) and Multiannual Indicative Programme (2017-2020)	
<b>4. Sustainable Development Goals (SDGs)</b>	<b>SDG 6</b> “Clean Water and Sanitation”; <b>SDG 13</b> “Climate Action”; <b>SDG 15</b> “Life on Land”; <b>SDG 17</b> “Partnerships for the Goals”	
<b>5. Sector of intervention/ thematic area</b>	Environment	DEV. Assistance: YES <sup>1</sup>
<b>6. Amounts concerned</b>	Total estimated cost: EUR 12 500 000 Total amount of European Union (EU) contribution: EUR 12 000 000 Indicative third party contribution: EUR 500 000	
<b>7. Aid</b>	Project Modality	

1 Official Development Assistance is administered with the promotion of the economic development and welfare of developing countries as its main objective.

<b>modality(ies) and implementation modality(ies)</b>	- Indirect management with Member State agencies and/or international organisation and the European Environment Agency			
<b>8 a) DAC code(s)</b>	41010 - Environmental policy and administrative management (35%) 14010 - Water sector policy and administrative management (65%)			
<b>b) Main Delivery Channel</b>	11000 - Donor Government 11004 - Other public entities in donor country			
<b>9. Markers (from CRIS DAC form)</b>	<b>General policy objective</b>	<b>Not targeted</b>	<b>Significant objective</b>	<b>Principal objective</b>
	Participation development/good governance	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Aid to environment	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Gender equality and Women's and Girl's Empowerment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Trade Development	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Reproductive, Maternal, New born and child health	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Disaster Risk Reduction	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Inclusion of persons with disabilities	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Nutrition	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<b>RIO Convention markers</b>	<b>Not targeted</b>	<b>Significant objective</b>	<b>Principal objective</b>
	Biological diversity	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Combat desertification	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Climate change adaptation	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	<b>Internal markers</b>	<b>Not targeted</b>	<b>Significant objective</b>	<b>Principal objective</b>
	Digitalisation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	COVID-19 Response	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>10. Global Public Goods and Challenges (GPGC) thematic flagships</b>	Not applicable			

#### SUMMARY

Environmental and climate resilience and the promotion of fair and inclusive societies are among the key post-2020 objectives identified within the Eastern Partnership (EaP). The goal is improving people's wellbeing in the partner countries while enabling economies' and societies' green transformation in line with the European Green Deal and a post-COVID-19 green recovery. The EaP is also geared towards achieving global commitments such as the Paris Agreement on Climate Change and the United Nations Sustainable Development Goals (SDGs). In this context, the action will aim at preserving the partner countries' natural capital and contributing towards their environmental and climate resilience with a focus on: (i) knowledge-based decision-making, further development of environmental statistics and monitoring and extending access to high-quality data as part of open government; and (ii) better management of water resources and further alignment with

EU water law, in particular the Water Framework Directive. The identified measures build on, and ensure continuity of, the Shared Environmental Information System Phase II and the EU Water Initiative Plus for Eastern Partnership programmes. These measures will be implemented under the EU4Environment umbrella.

## 1. CONTEXT ANALYSIS

### 1.1 Context Description

European Union's Eastern partner countries are highly dependent upon their natural assets for growth and employment. Natural assets have been and will continue to be, at least in the short and medium-term perspectives, the basis for their national wealth. According to the World Bank estimates<sup>2</sup>, natural capital<sup>3</sup> accounts for more than half (54 percent) of the wealth in Azerbaijan and oscillates between 14 and 24 percent in the other five Eastern partner countries while it makes only 9 percent of wealth globally (2014 data). The dependence upon natural capital is also illustrated by a high share of employment in sectors that are related to natural resources such as agriculture, hunting and forestry, fishing, and mining and quarrying. High dependence on and thus overuse of natural resources can trigger the loss of "ecosystem services" (e.g. clean air and water, pollination, erosion and flood control, etc.) thus damaging both the economy and the quality of life.

More efficient management of natural resources that is designed for the long-term is therefore critical for an environmentally friendly and climate-smart economic development. For countries that are dependent mostly on renewable resources, such as Georgia or the Republic of Moldova, a better management of natural capital is essential in order to enjoy long-term revenue flows.

Water in particular is a key asset for partner countries' development. Their water resources are experiencing increasing pressures<sup>4</sup>, not least because of climate change. Industry, energy, agriculture and households, among others, all use freshwater resources. Effective water management is fundamental for economic resilience, people's well-being and sustainable livelihoods. The COVID-19 pandemic highlighted water's significant role in ensuring health.

With support from the European Union (EU), its Member States and other donors, water management in the partner countries has increasingly integrated climatic, environmental, economic, and social considerations. Nevertheless, the depletion of water resources is increasing, especially in the context of climate change. In several partner countries, the Water Abstraction Index<sup>5</sup> is close to, or often reaches, critical values. Armenia and Azerbaijan tend to over-exploit renewable freshwater resources for agriculture and public water supply. Also

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<sup>2</sup> Lange, Glenn-Marie, Quentin Wodon, and Kevin Carey, eds. 2018. *The Changing Wealth of Nations 2018: Building a Sustainable Future*. Washington, DC: World Bank. doi:10.1596/978-1-4648-1046-6.

<https://openknowledge.worldbank.org/bitstream/handle/10986/29001/9781464810466.pdf>

<sup>3</sup> These calculations include fossil fuels and minerals, agricultural land (crop and pasture land), forests (timber and some non-timber forest products, and terrestrial protected areas. The calculation methodology does not yet include renewable energy sources (hydro, wind, solar), water, fisheries, and critical ecosystem services.

<sup>4</sup> European Environment Agency (2020, unpublished), *Water availability, surface water quality and water use in the Eastern Partnership countries: An indicator-based assessment*.

<sup>5</sup> The water exploitation index aims to illustrate the pressure on the renewable freshwater resources of a defined territory during a specified period, as a consequence of water use for human purposes. See <https://www.eea.europa.eu/data-and-maps/indicators/use-of-freshwater-resources-3/assessment-4> for details.

Moldova is prone to be a water-scarce country. Groundwater abstraction is increasing while water productivity<sup>6</sup> remains low. Furthermore, untreated or poorly treated wastewater and agricultural runoff reduce water quality and availability to sustain human health, ecosystems, and economies. Almost half of rivers are exposed to phosphate pollution high enough to cause algal bloom. This happens in the context of weak governance structures and a deficit of capacity across the water sector.

Water policies and governance need further reform for tackling scarcity and degradation of water ecosystems, reducing risks of natural disasters, and strengthening the resilience of economies. Among other things, this can be done through better strategic planning, integrated management of river basins, use of regulatory and economic instruments, including water pricing, and by applying nature-based solutions<sup>7</sup>. The EU water law, in particular the Water Framework Directive, and international conventions, such as the Water Convention, have provided valuable benchmarks for adapting water policies and practices to modern challenges. Further alignment with these benchmarks can bring significant environmental, economic and social benefits and stimulate effective transboundary cooperation in the Eastern Partnership framework.

Beyond the water sector, better understanding of natural assets stocks and flows and of the state of the environment more generally is fundamental for assessing risks to economic and environment resilience, creating jobs, and shifting towards greener growth. Developing and putting environmental economic accounts into place is a significant task for the partner countries. The efforts made by the international community to adopt and use a standardised methodology are building momentum for mainstreaming environmental accounting in the partner countries. This is particularly the case in high-priority areas, such as air, water, waste, and land. Though environmental-economic statistics have improved, many gaps persist.

Gaps in the countries' monitoring capacity prevent effective data collection. Air quality monitoring is particularly limited and obsolete while air pollution is often the single largest environmental health risk.<sup>8</sup> Better information is needed in order to devise effective strategies of fighting air pollution and reducing environment-related health risks more generally.

## 1.2 Policy Framework (Global, EU)

Through the Eastern Partnership (EaP), the EU and its six Eastern neighbours have developed a strong strategic partnership aimed at delivering concrete results for citizens and businesses. Through this framework, the EU has been playing a key role in supporting stability, economic development, and resilience across the EaP countries. A new Joint Communication “*Eastern Partnership policy beyond 2020, reinforcing resilience – an Eastern Partnership that delivers for all*”<sup>9</sup> was adopted on 18 March 2020 and gives new impetus to enhance cooperation and outlines how to address common challenges, including in the area of environmental and climate action. The Joint Communication sets out measures that aim to strengthen resilience, foster sustainable development and deliver tangible results for society.

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<sup>6</sup> Water productivity indicates how much economic output is produced per cubic meter of fresh water abstracted. It serves as a measure of the efficiency of water use. Source: [https://ec.europa.eu/eurostat/web/products-datasets/-/t2020\\_rd210](https://ec.europa.eu/eurostat/web/products-datasets/-/t2020_rd210)

<sup>7</sup> <https://ec.europa.eu/research/environment/index.cfm?pg=nbs>

OECD (2020), "Nature-based solutions for adapting to water-related climate risks", *OECD Environment Policy Papers*, No. 21, OECD Publishing, Paris, <https://doi.org/10.1787/2257873d-en>

<sup>8</sup> Source: [http://www.euro.who.int/\\_data/assets/pdf\\_file/0004/276772/Economic-cost-health-impact-air-pollution-en.pdf](http://www.euro.who.int/_data/assets/pdf_file/0004/276772/Economic-cost-health-impact-air-pollution-en.pdf)

<sup>9</sup> [https://eeas.europa.eu/sites/eeas/files/1\\_en\\_act\\_part1\\_v6.pdf](https://eeas.europa.eu/sites/eeas/files/1_en_act_part1_v6.pdf)

It also emphasises the importance to build on the innovative civil society actions and engagement to date and to further support the capacity of Civil Society Organisations and to develop strategic partnerships with key organisations. This new framework has been agreed by all Eastern partner countries at a leaders' conference on 18 June 2020.

The EaP policy objectives are designed to strengthen economies of the partner countries, create job opportunities and promote equality while moving towards climate neutrality in line with the European Green Deal. The objectives are also geared towards achieving global policy objectives such as the Paris Agreement on Climate Change and the Sustainable Development Goals (SDGs). This transition, coupled with accountable and competent administrations, would help to create an environment that is attractive to foreign direct investment, thereby boosting progress and economic growth. Due to the cross-cutting nature and relevance for all economy sectors, better accounting of natural capital and action to further improve the management of selected assets, such as water assets, have a strong role to play in realising these policy objectives and delivering tangible results for citizens.

Both the European Green Deal<sup>10</sup> and the Digital Agenda<sup>11</sup> are relevant in the context of cooperation with the EU's Eastern neighbours and globally. Together with policies in other areas, these policies can lead to significant spill-over effects. In this context, the issue of a fair transition is relevant and needs an enhanced knowledge base. To do so, information that public bodies produce, collect or pay for should be openly accessible and re-useable. The [Directive \(EU\) 2019/1024](#) on open data and the re-use of public sector information, also known as the 'Open Data Directive' is particularly relevant.

A comprehensive evaluation of the EU water policies, conducted in 2018-2019<sup>12</sup>, concluded that four key EU water directives are largely fit for purpose. Their application results in a higher level of protection for water bodies than could have been expected without them.

Also in the European Consensus on Development, the EU and its Member States commit themselves to support environmental sustainability. Furthermore, the EU foreign affairs Council Conclusions on Water Diplomacy (19 November 2018) reaffirmed the EU's continued commitment to addressing water challenges around the world.

### **1.3 Public Policy Analysis of the partner country/region**

All Eastern partner countries have expressed and demonstrated a willingness to align their water policies and practices with the general principles and specific requirements of the EU Water Framework Directive (WFD). WFD aims at achieving good qualitative and quantitative status of all water bodies and has strong links to biodiversity protection as well as climate change adaptation efforts.

An additional leverage is alignment with the United Nations (UN) Multilateral Environmental Agreements (MEAs) such as the UN Economic Commission for Europe's Convention on the Protection and Use of Transboundary Watercourses and International Lakes (Water Convention). Most of the EaP countries are parties of water-related MEAs, in

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<sup>10</sup> [https://ec.europa.eu/info/strategy/priorities-2019-2024/european-green-deal\\_en](https://ec.europa.eu/info/strategy/priorities-2019-2024/european-green-deal_en).

<sup>11</sup> <https://www.europarl.europa.eu/factsheets/en/sheet/64/digital-agenda-for-europe>.

<sup>12</sup> [https://ec.europa.eu/environment/water/fitness\\_check\\_of\\_the\\_eu\\_water\\_legislation/index\\_en.htm](https://ec.europa.eu/environment/water/fitness_check_of_the_eu_water_legislation/index_en.htm)

particular the Water Convention and its Protocol on Water and Health. Furthermore, three EaP countries (Armenia, Georgia and Moldova) currently highlight the importance of water resource management in their Nationally Determined Contributions to the Paris Agreement.

The EaP region ranks relatively low in terms of integrated water resource management (SDG Target 6.5)<sup>13</sup>. Over the last five years, however, the partner countries have made progress on better policies and practices of water management. Thus, since 2016, the partner countries approved three River Basin Management Plans (RBMPs) aligned with the WFD: Akhuryan in Armenia, Dnieper in Belarus, and Danube Prut and Black Sea first cycle in Moldova. Another three plans are being refined and seven new plans are being prepared. Altogether, these plans will benefit some 30 million people. River-basin planning follows and stimulates legal changes in line with the WFD. For example, Ukraine adopted a new Water Code in 2016 and launched the development of an EU-like water monitoring system in 2019.

Regular national policy dialogues and peer-to-peer international exchange have supported water sector reforms in five out of six partner countries; Belarus established a national inter-agency platform to discuss progress. Transboundary cooperation has been supported in the Kura, Neman, Dniester, Western Dvina/Daugava, Khrami-Debeda, and Danube river basins. The development of the RBMP in the large Dnieper Basin has been launched.

The Association Agreements with Georgia, the Republic of Moldova and Ukraine, as well as the Comprehensive and Enhanced Partnership Agreement with Armenia, contain ambitious time-bound commitments to reform water policies and implement EU water-related directives. The six relevant directives to be transposed include: Water Framework Directive, Floods Directive, Marine Strategy Framework Directive, Urban Waste Water Directive, Drinking Water Directive, and Nitrates Directive. Roadmaps or action plans were developed in support of implementation. Deadlines for approximation are listed in Annexes to Association Agreements; for example, river basin management plans should be prepared within 10 years from entry into force of the respective association agreement.

Progress was made in improving water indicators and access to information, which is important for the transparency of decision-making. The data management platforms developed in the 6 countries, based on official national data sets, have increased the transparency water information. Water quantity and quality indicators are being gradually aligned with EU and best international practice in all six partner countries, with data becoming available on-line. Still, the partner countries lack sufficient data in terms of quantity and quality for establishing sound water balances.

Accessibility and availability of environmental information has improved more generally. Extensive time series are disclosed for a growing number of internationally agreed indicators. Four partner countries produce and publish environmental accounts on a regular basis though with a variable scope. Spatial data harmonisation has been completed and enables EaP countries to report the boundaries of the protected areas to the European Environment Agency (EEA). On a voluntarily basis, Georgia and Ukraine joined the European Air Quality

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<sup>13</sup> [https://www.unwater.org/publication\\_categories/sdg-6-synthesis-report-2018-on-water-and-sanitation/](https://www.unwater.org/publication_categories/sdg-6-synthesis-report-2018-on-water-and-sanitation/)

Index<sup>14</sup> and provide hourly updates of air quality data. Work on improving climate-related indicators and using Green Growth Indicators is carried out.

Strong networks of national experts were established in the past several years and regular exchange of information and ideas is working well. In priority areas such as air, biodiversity, water, EEA has assisted the uptake of tested methodologies and tools in order to increase reporting of relevant data flows, with simultaneous improvements in quality of reported data and use of data/information (indicators and assessments). Deliverables of the open data component resulted in an agreement on national road maps for implementing open data and e-government for environment information in the six partner countries, building on the achievements already made and enhancing these developments based on good practices.

#### **1.4 Stakeholder analysis**

A cleaner environment benefits people and is a sound basis for resilient economies. Achieving both environmental and economic resilience implies the need for understanding and balancing the vulnerabilities in the functioning of ecosystems and economies. This is often a difficult exercise requiring extensive data and knowledge, but also complex legal and stakeholder engagement mechanisms. This section aims at identifying the key stakeholders to be engaged. A more in-depth analysis will be conducted at the start of the project.

National-level authorities will be the main beneficiaries of the action. Sub-national and local authorities are not direct counterparts but will be involved in activities. The action will also reach out to civil society organisations and private sector actors.

##### State actors

Public authorities are the key target group of the action due to the fact that public policy remains central for the preservation of natural assets. In all six partner countries, ministries responsible for the environment and climate portfolio have the mandate to design policies and legislation in areas relevant for the action. They need further support, both at the political and technical levels given that they remain poorly resourced and exposed to high staff turnover. They also face deficiencies in capacity and frequent structural changes. This includes agencies reporting to ministries of environment, such as water agencies or similar. In relation to environment/climate-economic accounting work, the involvement of statistics agencies, ministries in charge of horizontal public administration reforms, ministries of economy and ministries of finance will be crucial. Ministries of economy and finance are already involved in two on-going programmes in the Eastern Partnership: EU4Climate and EU4Environment. Other line ministries will also play a role, especially those responsible for sectors with a high impact on natural assets management, such as ministries of energy, mining, or agriculture. In order to overcome the practice of working in silos, specific cooperation mechanisms will receive further support or be established. For example, in the previous phases of work, National Policy Dialogues on water used to bring together key governmental stakeholders. Also national-level working groups involving environmental and statistics authorities have supported discussion of policy reforms. Due attention will be paid to the role of municipalities, sub-national, and local authorities, especially where decentralisation processes are unfolding.

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<sup>14</sup> <https://airindex.eea.europa.eu/Map/AQI/Viewer/>

Actors outside the executive branch will also be reached, especially Parliaments. This will be particularly important for designing and putting in place sound regulatory reforms.

#### Non-state actors

Besides state actors, academia, civil society organisations and businesses will be involved. Universities and schools that educate and empower youth are playing the key role towards increased awareness about, and public participation in, environmental matters.

The community of civil society organisations is active in the region, including through the Civil Society Forum. The role of CSOs in promoting, shaping up, and monitoring reforms will only increase. CSOs have sufficient capacity to participate in policy dialogue and other activities carried out within the action. CSOs will be informed about activities and involved as experts in implementation. The action will also engage with think tanks. Citizen science will be promoted.

Engagement of private sector actors and potential investors in the water sector is of key relevance for environmental action. Enterprises and farmers, and their associations, as well as water utilities, will need to be involved whenever relevant. The banking sector will need to be further informed of the extent of the poor management of natural assets, opportunities for sustainable investments in the sector, and the need for proper environmental appraisals of proposed investments.

Water Basin Committees, bringing together different groups and stakeholders, will continue to be involved and supported.

#### Eastern Partnership stakeholders

The Eastern Partnership (EaP) is a joint initiative of the European Union, its Member States and Armenia, Azerbaijan, Belarus, Georgia, the Republic of Moldova, and Ukraine. Launched in 2009, the EaP is a strategic and ambitious partnership based on common values and rules, mutual interests and commitments as well as shared ownership and responsibility. It aims to strengthen and deepen the political and economic relations between the EU, its Member States and the partner countries and helps them in achieving the twin ecological and digital transformation. It supports the delivery of many global policy objectives, including the Paris Agreement on Climate Change and the UN 2030 Agenda and its Sustainable Development Goals. The revised multilateral EaP architecture adopted at the 2017 Summit<sup>15</sup> is a useful framework for exchanges and cooperation. Action implementation will be closely linked with policy objectives defined in conjunction with the Eastern Partnership and cooperation processes within this framework.

#### Specialised international agencies and organisations

Activities will need to be anchored into on-going international processes that are relevant for the scope of the Action. Focus will be put on ensuring links to EU institutions, such as the European Environment Agency, Eurostat, the Joint Research Centre, and expert groups of Member States. Where relevant, cooperation between sub-national authorities and business-to-business contacts will be supported. This will be based on contacts established in previous phases of work.

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<sup>15</sup> <https://www.consilium.europa.eu/media/31758/final-statement-st14821en17.pdf>



Several bodies of the United Nations Economic Commission for Europe are relevant for the Action, including: the Working Group on Environmental Monitoring and Assessment, the Joint Task Force on Environmental Statistics and Indicators as well as UNECE secretariats of Air, Water, Espoo (and its Protocol on SEA) and Aarhus Conventions. Also OECD work on water governance and economics can provide valuable contributions.

When necessary, the Action will also draw upon the activities and products of the United Nations Statistics Division, in particular the UN Framework for development of environment statistics (UN FDES) and OECD's Statistics Directorate.

#### Global processes and cooperation with development partners

As part of implementation, relevant global processes and stakeholders will be considered.

The development aid community has an important impact on policy evolution in the partner countries. Many EU Member States offer multi-country and bilateral aid in the field of environment. Several International Finance Institutions (IFIs) are present both in terms of policy dialogue and investment. The information and participation of all these actors will be ensured through relevant platforms, primarily the EaP Panel on Environment and Climate Change. The proposed activities shall continue involving relevant IFIs (e.g. EBRD, EIB, the World Bank, etc.) that support the practical implementation of priority investments in the water sector and hence link the policy process with their practical implementation.

### **1.5 Problem analysis/priority areas for support**

Several factors continue to limit the positive impact, magnitude and quality of environmental action in the partner countries. Environment and climate action is rarely a public expenditure priority even though political goals of adherence to greener growth have been voiced and green economy action plans exist in several countries. There are sometimes inconsistencies in the definition and implementation of policies and legislation. Legislation faces delays in enactment and serious deficiencies of implementation. Poor institutional capacity, including a lack of sound financial management, is persistent and turnover of staff is high. These issues were witnessed and analysed during previous phases of work and development of water strategies was supported as a tool to address them. Multi-stakeholder interaction mechanisms remain fragmented and are applied sporadically. The information basis for decisions needs to be further enhanced. Human and financial resources are scarce to establish and sustain a modern system of environmental monitoring that facilitates evidence-based decision-making.

The European Union has increasingly provided support for upscaling environment and climate action and preserving natural assets in the partner countries. Several on-going programmes aim to address the problems faced along the path of green transformation. Two important actions – the Shared Environmental Information System Phase II and the European Union Water Initiative Plus come to an end in 2020-2021. Both have supported the partner countries' progress in specific areas. At the same time, several needs remain to be addressed.

#### Water sector challenges requiring better policy implementation and stakeholder interaction

While water is relatively abundant in the partner countries, growing pressures on water resources and its inefficient use increasingly affect the availability of water and its quality. In terms of water sector policies and management practices, the partner countries face several major challenges, such as:

- Slow adoption and implementation of River Basin Management Plans;
- Incomplete or inconsistent regulatory and institutional frameworks;

- Insufficient funding and deficient mechanisms for sound environmental and financial management;
- Deficient water allocation mechanisms and flood protection management;
- Weak incentives for water-use efficiency, including deficient water pricing mechanisms, and underdeveloped policy mixes more generally;
- Limited water monitoring infrastructure and capacity;
- Limited capacity to ensure compliance with legal requirements.

Given that most water resources in the region are of transboundary nature, transboundary water management is therefore an important aspect of regional co-operation.

#### Need to further strengthen environmental statistics, with a focus on data for economic decision-making

Environmental accounting is an internationally recognized tool to produce environmental indicators and indicator-based assessments in support of decision-making, in particular to ensure the soundness of economic decision. The implementation and use of this tool as part of a country's decision-making systems is a significant investment of resources and knowledge.

In 2017, the European Environment Agency assisted the partner countries to measure their readiness in this field (data availability, institutional and human capacity) and to identify problems and areas of future work. Key findings indicated that environmental accounting is an emerging component of national statistical programmes. The environmental-economic accounting started within the environmental statistics programme in Armenia, Belarus and Ukraine and in the energy statistics programme in Azerbaijan. These countries have demonstrated further development of environmental and economic accounting in terms of expanding the coverage and including new modules. Two countries (Moldova and Georgia) are in the initial stages of developing environmental and economic accounting. Close involvement of the countries' official statistics agencies, the national statistical institutes, is crucial for taking the work forward.

Priority areas for future work include land accounts, air emission accounts, water accounts and environmental protection expenditure accounts. All countries identified the lack of human and financial resources as the most common factors impeding the development and implementation of environmental-economic accounting programmes. Furthermore, in compiling these accounts, the lack of data and poor quality of data presented serious difficulties. Pilot exercises of land accounting can build on the CORINE Land Cover pilot assessments undertaken in capital areas of the partner countries. Synergies need to be further explored with satellite-based data services under the EU Copernicus Programme as well as the regional EU statistical programme STEP (Statistics Through Eastern Partnership) for the six EaP countries with the objective of increased capacity for data production, including data on the environment.

#### Limited availability of policy-relevant air quality and waste management data

All countries in the region are modernising their air quality monitoring through gradual establishment of automated air quality monitoring networks. Sharing experience at regional level and harmonising efforts according to EU standards will help to improve the access of policy-makers and citizens to up-to-date air quality data and their policy-relevant analysis.

In the area of waste management, data collection and statistics need to be further developed in support of a circular economy.

## 2. RISKS AND ASSUMPTIONS

<b>Risks</b>	<b>Risk level (H/M/L)</b>	<b>Mitigating measures</b>
Lack of political interest in water management due to other pressing socio-economic priorities in the post-pandemic recovery and development process.	H	Use the relevant policy dialogue(s) on the post-pandemic development support to present opportunities for speeding up reforms and investments in the water sector.
Lack of resources for the practical implementation of the proposed measures in the sector may dilute the interest of the stakeholders in the process.	H	Link the policy dialogue with investment mobilisation support. Engage water utilities and private sector actors having interest in sound water management. Use the basin management planning to identify low-cost solutions that generate socio-economic benefits (e.g. job creation or resilience). Engage private sector and relevant development partners having project implementation capabilities to mobilise finance for bankable investment projects.
Limited high-level interest in region-wide cooperation on the water issues due to other pressing priorities.	M	Where possible, focus the implementation measures on transboundary watercourses in order to facilitate political buy-in, synergies with relevant transboundary initiatives (e.g. UNECE), and transboundary exchange of lessons learnt.
Inconsistent definition and pursuit of policy objectives by the partner countries	H	Regular dialogue with state and non-state actors, clarification of responsibilities for implementation, monitoring of policy reforms, advocating for public availability of policy implementation reports
Institutional tensions among various stakeholders, including governmental authorities	H	Involvement of influential stakeholders able to facilitate the achievement of compromise; involvement of civil society in monitoring reforms; strategic (internal and external) communication to support reform paths
Delays because of heavy bureaucratic procedures within the beneficiary governments	M	Systematic involvement of the EU Delegations and provision of support to project implementers, blended with careful planning of activities and good knowledge of procedural requirements by the beneficiary governments and regular procedure streamlining initiatives
High staff turnover and erosion of institutional memory in the partner countries	H	The widest possible involvement of technical staff and mid-level managers in the partner countries and of non-state actors, as well as establishing mechanisms to ensure effective

<b>Risks</b>	<b>Risk level (H/M/L)</b>	<b>Mitigating measures</b>
		transfer of information and knowledge
Political and social unrest, including related to unresolved conflicts	H	Flexibility in reallocating resources to other countries if activities are at the country level
Counterpart capacity (staff availability, skills), data availability	M	Involvement of counterparts early, joint planning, engaging wide range of gov. agencies, joint actions with other donors
<b>Assumptions</b>		
<ul style="list-style-type: none"> <li>• Government priorities are upheld, communicated clearly and adhered to during implementation; policy priorities do not suffer sudden and radical changes;</li> <li>• Political, social and economic stability is preserved in the entire region;</li> <li>• Alignment with needs identified by the government translate into full support and adequate action by the state and non-state actors in the implementation phase;</li> <li>• Partner governments take full responsibility and act to ensure results sustainability;</li> <li>• Availability of appropriate staff and manageable turnover rates;</li> <li>• Effective coordination within the partner governments and with other development partners (donors and implementing partners);</li> <li>• Beneficiaries provide systematic feedback on programme implementation;</li> <li>• Reaction to requests for comments and approvals by the partner governments is timely and constructive and their decision-making is overall timely and coherent;</li> <li>• Implementation arrangements are effective and not contested by partner countries;</li> <li>• Project governance is effective and coordination mechanisms are operational – within governments, with partners, and other donors;</li> <li>• Interest in cooperating with the EU is maintained;</li> <li>• Resources for implementation are available timely.</li> </ul>		

### **3. LESSONS LEARNT AND COMPLEMENTARITY**

#### **3.1 Lessons learnt**

While building on the progress achieved as part of cooperation over the past decade, the Action will address challenges that countries continue to face and emerging challenges, as outlined in Section 1.5 above. Programmes implemented with EU support, such as the EU Water Initiative and the Shared Environmental Information System programme offered the opportunity to improve policies, legislation and capacities. Their work is also a source of lessons that are valuable for future cooperation. The following major lessons can be highlighted:

- EU support in these areas remains highly relevant as it enables the Eastern Partnership countries' progress on compliance with international obligations, including those laid down in the Association Agreements or equivalent, as well as national legislation;
- First-hand information on the implementation of EU policies and practices is valuable for external cooperation and needs to include experience EU Member States that have recently went through a process of comprehensive harmonisation of national legislation and institutions with EU law;

- Transfer of peer-to-peer practical experience in environmental governance at ministerial and agency level builds trust thus enabling faster progress with policy reform and implementation;
- The complicated river basin management (RBM) process requires a wide expertise on legal, economic, transboundary, monitoring and planning aspects, which is difficult to find within one institution. A ROM mission conducted in 2018 advised to use one governance structure for EU support and the same implementing partners as in the EU Water Initiative Plus in order to avoid confusing beneficiaries halfway through the implementation of the RBM process;
- Limited institutional capacity remains a major bottleneck for functional river basin management planning and a Shared Environmental Information System. The institutions in the partner countries are not yet sufficiently organised, efficient and effective, nor able to provide a conducive work environment that will enable staff to apply acquired knowledge and further develop it. In particular in those countries where new institutions are created, institutional strengthening needs to continue to make sure that staff capacities can be fully deployed;
- Capacity building that combines external support with local resources increases ownership and eases step-wise transition and institutional reforms;
- Working in partnership with Member States provides important added value;
- Sound water management is a major contributor to social and economic resilience; water scarcity may exacerbate economic, social and political tensions;
- The COVID-19 pandemic creates impediments for work on the ground and requires both new approaches and a re-scheduling or postponement of work.

### **3.2 Complementarity, synergy and donor co-ordination**

The magnitude of EU support to the environment and climate action in the partner countries has seen an upward trend. Some 25% of grants out of the total amount of grants provided through the Neighbourhood Investment Platform in 2018-2019 went to unlock “green” investments. Moreover, according to calculations done for these NIP projects, it can be stated that EU blending contributions (NIP) to “green” projects in the Eastern Partnership countries have increased by more than 50% between 2014-15 and 2018-19, namely from approximately EUR 67 million to EUR 107 million. This does not include support provided to SMEs, some part of which could be for green investments as well. Only in 2018-19, NIP grants unlocked EUR 1.3 billion in overall green investments. Through the European Neighbourhood Instrument, the EU has also contributed with some EUR 60 million to regional programmes that have helped to improve relevant policies and institutions in the Eastern Partnership, which are close in their thematic scope to the European Green Deal.

In terms of coordination, the major on-going regional EU-funded programmes need to be considered: EU4Environment and EU4Climate (both to be implemented in 2019-2022). The EU4Environment initiative<sup>16</sup> integrates into a single strategic framework activities that have been carried out in the past under several projects, helping to deliver policy and legislative changes, making planning and investment greener, stimulating the uptake of innovative

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<sup>16</sup> <https://www.euneighbours.eu/en/east/stay-informed/projects/eu4environment>

technologies, adopting new business models, and creating green jobs. The EU4Climate programme<sup>17</sup> supports the development and implementation of climate policies by the Eastern Partnership countries, contributing to low emission and climate resilient development, and to their commitments to the 2015 Paris Agreement on Climate Change. Work undertaken in the regional statistical technical assistance programme STEP (Statistics Through Eastern Partnership) will also be considered.

Effective cooperation will be ensured with activities carried out under the Black Sea Synergy and the Cross-Border Cooperation programmes, in particular, with the “Environmental Monitoring in the Black Sea” programme. Links to local level initiatives, such as the Covenant of Mayors and Mayors for Economic Growth, will be explored and developed.

Several actions implemented as part of bilateral portfolios will need consideration in terms for future coordination, in particular the EU4Sevan project in Armenia (2020-2024); the Khashuri Water Supply and Sanitation project (2019-2026) and the future “EU Resilience Facility for Georgia” in Georgia; EU4Moldova: Clean Water for Cahul (2019-2024) in the Republic of Moldova, as well as Ukraine Water System Modernisation (2019-2022) and Support to Ukraine in approximation of the EU Environmental Acquis (Air Quality, Waste Management) (2020-2023) projects in Ukraine. Results of completed bilateral projects will also be assessed and used for country-specific planning.

Aid provided by EU Member States and other donors shows similar patterns. In light of the magnitude of the challenges ahead, a proper donor coordination is essential. A mapping of relevant projects (completed, on-going, and planned) will be done as part of the inception phase. This will include both technical assistance and investment projects. Overall, the action will be implemented in compliance with the principles of aid effectiveness.

## **4. DESCRIPTION OF THE ACTION**

### **4.1 Overall objective, specific objective(s), expected outputs and indicative activities**

#### **Overall objective and expected impact:**

The action aims to make functional and effective several key mechanisms to preserve natural resources thus improving people’s wellbeing in the partner countries while enabling countries’ green growth in line with the European Green Deal and a post-COVID-19 green recovery. This will contribute towards longer term environmental, climate, and socio-economic resilience, improved human health and wellbeing, as well as the achievement of the Sustainable Development Goals (SDGs).

#### **Specific objectives (expected outcomes):**

The action’s specific objectives are:

- Specific objective 1 “Water resources management”: Water policies and practices support a more sustainable use of freshwater resources and help reducing the adverse impacts of human activities on water quality and ecosystems;
- Specific objective 2 “Environmental statistics and open data”: The use of sound environmental statistics by the partner countries is extended and improved, and better availability of policy-relevant data to decision-makers and citizens ensured.

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<sup>17</sup> <https://www.euneighbours.eu/en/east/stay-informed/projects/eu4climate>

## **Indicative activities**

### ***Component 1: Water resources management***

Specific objective 1 Water policies and practices support a more sustainable use of freshwater resources and help reducing the adverse impacts of human activities on water quality and ecosystems

*Output 1.1: The first cycle of river basin management planning in line with the EU Water Framework Directive is completed, where relevant, and implementation mechanisms are clearly defined and institutionalised*

The indicative activities in this area include support to EaP countries for the following:

- Preparation of remaining river basin management plans that suggest feasible and cost-effective interventions to achieve a good qualitative and quantitative status of water bodies;
- Development of secondary legislation;
- Development and promotion of nature-based solutions;
- Institutional analysis and reform support;
- Provision of policy and methodological guidance for e.g. targeting measures at impacted water bodies (e.g. via nature-based solutions) and innovative financing models and better recovery of the costs of good water management.

*Output 1.2. Water strategies, policies and practices include climate-proofing measures*

The indicative activities in this area include support to EaP countries by:

- Expanding the practical application of sustainable water allocation rules;
- Addressing the challenges of water allocation with regard to WFD objectives, assessing environmental flows and flow regulation for hydropower and abstractions for irrigated agriculture, as the project fosters relationships and interfaces with other key sectors of the economy;
- Promoting the use of relevant mainstreaming tools such as, for example, Strategic Environmental Assessment;
- Identifying tools that would address the needs of small farmers and pastoralists, where relevant.

*Output 1.3. The implementation of water for health agenda advances*

The indicative activities in this area include support to EaP countries by:

- Linking the action to post-pandemic recovery process in the respective countries;
- Promoting the implementation of water and health goals, including in conjunction with COVID-19 challenges and international commitments, through analysis of water sector policy reform options that should be part of the post-pandemic development process;
- Providing recommendations for measures and/or conditionality related to sustainable water-management as part of the post-pandemic recovery process (removal of subsidies that harm sustainable water management; innovations in

taxes on environmentally harmful products, such as agrochemicals; improvements of pollution water fees and fines; etc.);

- Technical advisory and capacity building for implementation of these policy recommendations (as and when needed).

*Output 1.4 Novel approaches to water monitoring are further promoted*

The indicative activities in this area include support to EaP countries in:

- Sharing information on novel monitoring approaches, including in conjunction with COVID-19 pandemic;
- Conducting additional surveys and providing supplementary equipment, where necessary and sustainable;
- Training of staff in water laboratories further conducted;
- Promoting citizen science and participation in monitoring;
- Expanding the frequency, capacity, quality and geographic and technical scope of biological, hydro-morphological and chemical monitoring of surface waters, groundwater, coastal and transitional waters in line with WFD practices;
- Monitoring and assessment of transboundary waters under the Water Convention;
- Accreditation or reaccreditation and quality management of reference laboratories.

*Output 1.5: The economic soundness of water strategies and policies is further improved*

The indicative activities in this area include support to EaP countries in:

- Identifying subsidies that affect effective use of water, including in relation to circular economy and energy transition, and providing recommendations to address them;
- Enhancing the application of economic instruments for water management, including based on the principle of cost recovery;
- Conducting analysis and providing recommendations on water pricing and development of bulk allocation markets;
- Further alignment with EU norms and standards in the water sector, including as concerns water and wastewater treatment;
- Further promotion of better compliance with economic instruments;
- Further implementation of pilot projects to promote reforms.

*Output 1.6: Water utilities, private sector and the general public are better involved in water management*

The indicative activities in this area include support to EaP countries in:

- Pursuing regular stakeholder consultations, establishing and guiding the work of basin councils, including development and presentation of arguments in support of their sustainable financial operation;
- Extending work with universities and academic institutions;



- Continuing support to Water Basin Committees;
- Raising awareness of the wider public about water protection and use.

*Output 1.7: The national and international water governance and cooperation are further strengthened*

The indicative activities in this area include support to EaP countries in:

- Carrying out regular National Policy Dialogues on water policy;
- Extending adherence to and compliance with a rules-based international system of transboundary cooperation, in particular the United Nations Economic Commission for Europe (UNECE) Convention on the Protection and Use of Transboundary Watercourses and International Lakes, also known as the Water Convention and the Danube Convention;
- Enhancing transboundary water cooperation by easing exchange of data and knowledge sharing among relevant stakeholders from EaP countries and with EU Member States and providing support to river basin committees and implementation of bilateral agreements;
- Further elaborating national legal frameworks for transboundary water cooperation;
- Making an inventory of sustainable practices, including nature-based solutions;
- Identifying ways to make reporting and compliance assurance mechanisms more effective;
- Ensuring effective links to the global cooperation agenda on water and facilitating reporting under SDG indicator 6.5.2 on transboundary water cooperation.

*Output 1.8: Priority measures are supported through finance mobilisation*

The indicative activities in this area include support to EaP countries in:

- Engaging IFIs in the implementation of river basin management plans;
- Identification of low-cost solutions that generate socio-economic benefits and their implementation where feasible;
- Identification of potential funding sources for priority projects with a focus on investment into projects with high benefits for transboundary watercourses.

### ***Component 2: Environmental statistics and open data***

Specific objective 2: The use of sound environmental statistics by the partner countries is extended and improved and better availability of policy-relevant data to decision-makers and citizens ensured;

*Output 2.1 Water accounting is extended*

The indicative activities in this area include support to EaP countries for:

- Extending the number of countries with establishing functional water accounting systems;
- Maintaining and using existing water accounting systems, and creating new ones.
- Exploring the use of water accounting data for achieving sustainable water use.

### *Output 2.2 Land and agriculture monitoring and data are improved*

The indicative activities in this area include support to EaP countries for:

- Establishing the necessary legal basis;
- Extending the number of countries with functional land accounting systems;
- Monitoring land-cover and land-use change at CORINE Land Cover pilot areas and preparing the upscale of this approach in the partner countries;
- Linking the monitoring data to reporting systems under the United Nations Convention to Combat Desertification (UNCCD), where relevant, and SDG 15;
- Exploring the use of spatial and satellite data for operational policy support;
- Ensuring close coordination with EU4Environment Result 4 area on ecosystems and livelihoods, including as concerns biodiversity and forestry related data;
- Interaction with relevant international bodies, including the Convention on Biological Diversity and the Bern Convention on the Conservation of European Wildlife and Natural Habitats.

### *Output 2.3 Air and waste management data and statistics are improved for policy-relevant use*

The indicative activities in this area include support to EaP countries for:

- Adapting waste statistics and data collection to the needs of waste management policies (including water protection) and circular economy (re-use of resources);
- Further improving air quality monitoring and data services (including health aspects) and enhancing the use of modelling;
- Improving national air pollutant emission inventories;
- Coordination with the activities, especially EU-funded ones, of the [UNECE Convention on Long-range Transboundary Air Pollution](#);
- Promoting policy-level dialogue on related air and waste management issues.

### *Output 2.4 Open data and citizens' participation in data collection and analysis are further operationalised*

The indicative activities in this area include support to EaP countries in:

- Continuing work on metadata launched as part of the “Shared Environmental Information System” project and sharing information with established international databases;
- Gradually implementing the annual preparation of the open data maturity reports with focus on environment, based on their pilot production in 2019-2020;
- Facilitating implementation of Roadmaps related to E-government and Open Data initiatives and environmental information management and sharing;
- Integrating environmental data into open government portals;
- Enabling better participation of citizens in data collection and analysis.

### *Output 2.5 International sharing of data and networking is maintained*

The indicative activities in this area include support to EaP countries in:

- Exchange of experience through expert networks and other relevant means;
- Participation in relevant international events, including in meetings of Eionet and of relevant Multilateral Environmental Agreements;
- Inclusion of all partner countries in the European Air Quality Index and support for functioning;
- Further data harmonisation under international conventions (such as Aarhus, Long-range Transboundary Air Pollution, Espoo).

## **4.2 Intervention Logic**

This action will be implemented under the “EU4Environment” brand and will contribute towards achieving positive and rapid results on greener growth with a focus on water resources and environmental data management. It is therefore designed for impact in a short-term perspective and responding to the challenge of:

- Improving decision-making in order to enable resource allocation in a way that preserves countries’ natural capital and people's well-being, while grasping new economic opportunities;
- Overcoming silos between sectors and stakeholders;
- Guaranteeing a systematic use of good governance principles and establishing well-functioning administrative systems, including strengthening of compliance assurance mechanisms and civil liabilities;
- Connecting to knowledge and learning on a regional and global scale;
- Maximising the capacity building impact and ensuring sustainability of results.

The action will be embedded in environmental and climate cooperation within the Eastern Partnership framework. It will build on knowledge and experience of EU Member States in order to help Eastern Partners to achieve shared goals.

The action will build on the achievements related to the “20 Deliverables for 2020”, outlined in the Joint Staff Working Document SWD(2017) 300 final<sup>18</sup> of 9 June 2017. It will help implement targets identified as follow up to the 20 deliverables.

The action will combine regional-level work with country-specific activities. Respectively, work plans will be prepared and updated annually in consultation with all relevant partners, including the EU Delegations. Indicators identified in the Logframe will be refined. Specific targets, performance milestones and the baseline will be defined during the inception phase; demand for support from countries will be matched with available resources. These will serve for result orientated monitoring. Work approaches will be adapted to the pandemic situation and the need to use project resources in the most effective way.

Where necessary, dialogue between two or more countries will be facilitated. Peer-to-peer exchange, including among the partner countries, will be enabled with a focus on

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<sup>18</sup> See <http://data.consilium.europa.eu/doc/document/ST-10262-2017-INIT/en/pdf>.

transboundary issues. EU Member States will be involved consistent with the aim of expanding the Team Europe approach. Also the Commission services will be closely involved in sharing best practices and policy solutions.

The action will pursue emphasis on policy dialogue related to water sector reforms as a way to support sustainable investment into water infrastructure. In this context, cooperation with IFIs and synergies with bilateral portfolios will be enhanced. Policy dialogue will also aim to ensure ownership and sustainability of reforms and policy implementation. Also the swift uptake of project outputs by various stakeholders will be encouraged.

The action may include procurement of monitoring equipment. This will be accompanied by strict pre-conditions to ensure the sustainability of investment.

Horizontally to all planned capacity development measures, the action will ensure that:

- Any development of new strategic document and legislation/amendments will be carried out respecting, to the extent possible, national procedures, especially those related to (fiscal/ regulatory) impact assessments, public consultations, inter-ministerial coordination. Prior to legislative drafting support, assistance will facilitate early stage stakeholder involvement and will provide analytical prerequisites (concept support, option analysis). Actual development of policy and legislative outputs will be mainly done by the beneficiaries and even if particular textual drafting is partly done by experts, this work should be paired with capacity building of the beneficiary (introduction of international examples, detailed explanation of proposed texts etc.);
- Any information and communication technology (ICT) development will respect the national standards for interoperability. Relevant consultations with the coordinating state authority(ies) for ICT shall be undertaken before launching of any tenders;
- The statistical activities, specifically under Component 2: Environmental statistics and open data, will respect European and international norms and standards and will be developed in consultation with relevant statistical bodies, where appropriate. They will be implemented with the lead/close involvement of the EaP countries' statistics agencies (national statistical institutes) which have the role of coordinating official statistics production in the countries.
- Training measures involving a large number of representatives of different public administration institutions should preferably be organised in close cooperation with the relevant training institutions for the public sector;
- Any manual/guidelines will be mainly developed by the beneficiary institutions and will be simple enough to be regularly reviewed and updated by the beneficiaries without further external support. Any guidelines or procedures developed under this action will not contradict any legal provision of the country.

### 4.3 Mainstreaming

All activities under this action will be designed and implemented in accordance with principles of human rights, gender equality, good governance, and the inclusion of socially deprived groups:

- The action will promote a participatory approach thus reinforcing the *role of citizens and civil society*. The cross-sector coordination mechanisms will take full account of

the need for CSOs to be represented in debates and decision-making. Basin-level meetings will regularly involve CSOs.

- The action will encourage *gender equality*, equal opportunities and the participation of women in all its activities. It will contribute to mainstreaming gender-related issues into environmental decision-making. Special attention will be given to women's organisations participation in awareness raising and educational activities.
- The action will also contribute towards promoting *good governance* and accountability, by supporting the implementation of transparent policies and access to public information as a cornerstone for transparency and accountability. Efforts will be devoted to the fight against corruption in environmental authorities.
- The action will take full account of water as a human right and the key role of water in ensuring peace and security;
- Climate change adaptation and better land management will be supported through specific actions related to River Basin Management plans. In 2018, the EU highlighted the essential link between water and climate change in Council Conclusions on Water Diplomacy. The nexus between water and climate was emphasised in the Council Conclusions on Climate Diplomacy. Specific activities are included to address the need for climate change mitigation and adaptation, e.g. work on water allocation and subsidies;
- Support for the identification and, to the extent feasible, implementation of nature-based solution will contribute to biodiversity conservation;
- Work to promote better air quality, in particular through reduction of pollution with fine particles, will contribute to climate change mitigation.

#### 4.4 Contribution to Sustainable Development Goals (SDGs)

This intervention is relevant for the United Nations 2030 Agenda for Sustainable Development, which covers 17 SDGs and contains 169 related targets. The action contributes primarily to the progressive achievement of **SDG 6** “Clean Water and Sanitation”; **SDG 13** “Climate Action”; **SDG 15** “Life on Land”, **SDG 17** “Partnerships for the Goals”.

All partner countries are committed to the 2030 Agenda. According to UNDP analysis<sup>19</sup>, the highest priority in the EaP countries is given to objectives related to governance and partnerships (goals 16 and 17) and to economic development (goals 8 and 9), although these objectives are not necessarily always well-aligned with the specific targets of the relevant SDGs. Goals related to people and human development (goals 1, 2, 3 and 5) feature below economic priorities but above environmental priorities.

Nationally relevant targets exist in three partner countries: Azerbaijan (151 targets), Georgia (95 targets) and Ukraine (88 targets). Belarus developed a national SDGs roadmap<sup>20</sup>. Nationalisation of SDGs, whereby both targets and monitoring and reporting frameworks

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<sup>19</sup> UNDP (2019), *The Eastern Partnership and the Agenda 2030 for sustainable development: Pathways towards transformation*. [www.eurasia.undp.org/content/rbec/en/home/library/sustainable-development/eastern-partnership-agenda2030.html](http://www.eurasia.undp.org/content/rbec/en/home/library/sustainable-development/eastern-partnership-agenda2030.html)

<sup>20</sup> [https://un.by/images/news/2019/national-consultations/FINAL\\_SDG\\_Roadmap\\_ENG\\_27\\_06.pdf](https://un.by/images/news/2019/national-consultations/FINAL_SDG_Roadmap_ENG_27_06.pdf)

are established in each country, has been underway in the entire region. Some national statistical offices have established dedicated pages to monitor SDG-relevant indicators, e.g. in Armenia, Belarus and the Republic of Moldova. In 2017, Ukraine<sup>21</sup> produced a national baseline report. Azerbaijan and Belarus, carried out voluntary national SDGs reviews in 2017-2019; Armenia, Georgia, the Republic of Moldova and Ukraine are part of the 2020 series of reviews<sup>22</sup>. Armenia, Azerbaijan, Belarus, the Republic of Moldova and Ukraine hosted SDG Mainstreaming, Acceleration and Policy Support' (MAPS) missions<sup>23</sup>.

## **5. IMPLEMENTATION**

### **5.1 Financing agreement**

In order to implement this action, it is not foreseen to conclude a financing agreement with partner countries.

### **5.2 Indicative implementation period**

The indicative operational implementation period of this action, during which the activities described in section 4 will be carried out and the corresponding contracts and agreements implemented, is 72 months from the date of adoption by the Commission of this Financing Decision.

Extensions of the implementation period may be agreed by the Commission's responsible authorising officer by amending this Decision and the relevant contracts and agreements.

### **5.3 Implementation modalities**

The Commission will ensure that the EU appropriate rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with EU restrictive measures<sup>24</sup>.

#### **5.3.1 Indirect management with an entrusted entity**

The Action may be implemented in indirect management with an entity selected by the Commission's services. The implementing entity may be either a Member State agency or/and a consortium of Member State agencies in partnership with international organisations and, if feasible, the European Environment Agency. The implementation by the selected entity entails carrying out activities under Components 1 and 2 as described in Section 4.

The entity will be selected by the Commission's services using the following criteria:

- A clear mandate for the implementation of international cooperation activities and full adherence to international standards in project procurement and implementation;

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<sup>21</sup> [http://sdg.org.ua/images/SDGs\\_NationalReportEN\\_Web.pdf](http://sdg.org.ua/images/SDGs_NationalReportEN_Web.pdf)

<sup>22</sup> <https://sustainabledevelopment.un.org/memberstates/armenia>

<sup>23</sup> <https://www.eurasia.undp.org/content/rbec/en/home/library/sustainable-development/summary-of-findings-from-sdg-MAPS-missions.html>

<sup>24</sup> [www.sanctionsmap.eu](http://www.sanctionsmap.eu) Please note that the sanctions map is an IT tool for identifying the sanctions regimes. The source of the sanctions stems from legal acts published in the Official Journal (OJ). In case of discrepancy between the published legal acts and the updates on the website it is the OJ version that prevails.

- In-house technical knowledge in the field of water management and environmental statistics, including in relevant European and international norms and standards, and capacity to mobilise additional international and local expertise;
- Thematically and geographically extensive experience of supporting policy and institutional reform in the partner countries both in a regional and country-specific context, including at sub-national level;
- Good knowledge of bilateral support to the partner countries and established working relations with key donor agencies in the region;
- Good understanding of Eastern Partnership architecture and active involvement in relevant processes;
- Demonstrated transparency, impartiality, and the absence of conflict of interest, in other cooperation programmes with the EU.
- Close cooperation with the European Environment Agency, as well as relevant international organizations;
- Advanced project management and communication experience;
- Procurement experience in the context of EU assistance to the partner countries;
- Capacity to manage a consortium of Member States, European Environment Agency and international organizations;
- Availability of co-financing to complement EU funding,

The selected implementation modality reflects the need of ensuring continuity, swift implementation, and access to innovative solutions and first-hand support for legislative approximation and implementation of EU law, as well as knowledge of applicable European and international norms and standards as regards water sector and environmental statistics. Thus, effectiveness and efficiency are both to be achieved.

### **5.3.1 *Changes from indirect to direct management mode due to exceptional circumstances***

If negotiations with the eventual entrusted entity fail, the action may be implemented under direct management or a combination of direct and indirect management. In case of direct management, grants to Member States agencies working in a consortium and possibly the European Environment Agency are envisaged. If need be, an administrative agreement with the Joint Research Centre could be envisaged.

## 5.4 Indicative budget

	<b>EU contribution (amount in EUR)</b>	<b>Indicative third party contribution, in currency identified</b>
<b>Component 1:</b> Water resources management	<b>7 600 000</b>	
<b>Component 2:</b> Environmental statistics and open data	<b>3 600 000</b>	
<u>Both implemented in Indirect management (cf. section 5. 3)</u>		
<b>Evaluation (cf. section 5.8)</b>	N.A. (will be covered by another Decision)	
<b>Audit/ Expenditure verification (cf. section 5.9)</b>		
<b>Communication and Visibility (cf. section 5.11)</b>	<b>800 000</b>	
<b>Total</b>	<b>12 000 000</b>	500 000

## 5.5 Organisational set-up and responsibilities

A regional steering committee will be set up to ensure coordination and complementarity of the different project activities in each partner country. This may be an independent body or part of the umbrella EU4Environment programme. The steering mechanism will comprise representatives of the European Commission, the European External Action Service, the EU delegations, implementing partners and other stakeholders as appropriate. In addition, in each EaP country, a country steering group will be set up to ensure that the action is fully aligned with the national needs and reforms. This may continue the current practice of National Policy Dialogues. A proper coordination and interaction between the regional steering committee and the country steering groups will be ensured. The steering of the project will be led by Directorate-General for Neighbourhood and Enlargement Negotiations (DG NEAR).

National implementation roadmaps and a regional work plan will be developed and agreed with the partner countries within the first 6 months of implementation. The roadmaps will specify actions to be taken by the partner governments as contribution to implementation.

The steering committee meetings will be co-chaired by relevant Commission services. The EU Member States and partner countries will be the key actors in the decision-making process. Partner countries will be represented by environment, economic and statistic authorities that will appoint national focal points. A lead authority may be identified, including outside of these authorities. Virtual format may be used for steering events. When possible, the steering committee meetings will be held back-to-back with events conducted within the Eastern Partnership framework of cooperation.

At the operational level, regular meetings will be organised with action's implementation partners and Commission services.



## 5.6 Performance and Results monitoring

### 5.6.1 Introduction

Performance measurement will be based on the intervention logic and the log frame matrix, including its indicators.

- Performance measurement will aim at informing the list of indicators that are part of the log frame matrix.
- In certain cases, mainly depending on when the monitoring exercise is launched, contribution to the specific objectives/outcomes will also be part of monitoring and for this to happen indicators defined during planning/programming at the outcome level will be the ones for which a value of measurement will need to be provided.
- In evaluation, the intervention logic will be the basis for the definition of the evaluation questions. Evaluations do mainly focus on the spheres of direct (outcomes) and indirect (impacts) influence. As such, indicators defined for these levels of the intervention logic will be used in evaluation. Depending on the specific purpose and scope of the evaluation exercise, additional indicators will be defined.

### 5.6.2 Internal & external Monitoring, with roles & responsibilities for data collection, analysis & reporting

Monitoring is a management tool at the disposal of the action. It is expected to give regular and systemic information on where the Action is at any given time (and over time) relative to the different targets. Monitoring activities will aim to identify successes, problems and/or potential risks so that corrective measures are adopted in a timely fashion. Even though it is expected to focus mainly on the actions' inputs, activities and outputs, it is also expected to look at how the outputs can effectively induce, and actually induce, the outcomes that are aimed at.

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

#### 5.6.2.1 Internal monitoring

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process, and part of the implementing partner's responsibilities. Both types of internal monitoring will be undertaken in an inclusive way, involving key stakeholders.

The different responsibilities for this dual internal monitoring are the following:

- i. Implementing partner's monitoring will aim at collecting and analysing data to inform on progress towards planned results' achievement to feed decision-making processes at the action's management level and to report on the use of resources

To this aim, the implementing partner shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports. Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results (outputs and direct

outcomes) as measured by corresponding indicators, using as reference the Logframe matrix.

SDGs indicators and, if applicable, any jointly agreed indicators as for instance per Joint Programming document should be taken into account.

The implementing partners will periodically inform DG NEAR and EU Delegations on the implementation of the programme, progress made in the field and other relevant information related to this action.

The reporting procedures will consider the implementation timeframe of the action (i.e. short-term, mid-term and long-term). They will be adjusted to the nature of the emergency and operational needs in the fields finding a balance between the need to fully keep DG NEAR informed on the progresses of action and to alleviate the reporting burden on the project management and operational teams.

Reports shall be laid out in such a way as to allow monitoring of the means envisaged and employed and of the budget details for the action. The final report, narrative and financial, will cover the entire period of the action implementation.

- ii. EU operational manager monitoring will aim at complementing implementing partners' monitoring, especially in key moments of the action cycle. It will also aim at ensuring a sound follow-up on external monitoring recommendations and at informing EU management. This monitoring could take different forms (meetings with implementing partners, on the spot checks), to be decided based on specific needs and resources at hand. Reporting will be done on the basis of checklists and synthesised in a monitoring note.

Further, implementation of the projects and their contribution to EaP deliverables will be closely monitored by the respective Steering Committees.

#### 5.6.2.2 External monitoring (ROM)

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

#### 5.6.2.3 Results reporting

Beside the ROM review, the Commission may undertake action results reporting through independent consultants recruited directly by the Commission (or recruited by the responsible agent contracted by the Commission for implementing such reviews). Their aim would be to identify and check the most relevant results on the action.

### 5.7 Evaluation

Having regard to the importance of the action, a final evaluation will be carried out for this action or its components via independent consultants contracted by the Commission.

The evaluation will give evidence of why intended changes are or are not being achieved. It will be carried out for accountability and learning purposes at various levels, taking into account in particular the tangible results of the action and the impact achieved for citizens, the visibility and communication of the action as well as the lessons learnt, leading to reforms in the partner countries.

The Commission shall inform the implementing partner at least 1 month in advance of the dates foreseen for the evaluation missions. The implementing partner shall collaborate efficiently and effectively with the evaluation experts, and inter alia provide them with all necessary information and documentation, as well as access to the project premises and activities.

The evaluation reports shall be shared with the partner country and other key stakeholders. The implementing partner and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, in agreement with the partner country, jointly decide on the follow-up actions to be taken and any adjustments necessary, including, if indicated, the reorientation of the project.

The financing of the evaluation shall be covered by another measure constituting a financing Decision.

The Commission shall form a Reference Group (RG) composed by representatives from the main stakeholders at both EU and national (representatives from the government, from the water utilities and private sector, from civil society organisations, etc.) levels. If deemed necessary, other donors will be invited to join. The RG will especially have the following responsibilities:

- **Steering the evaluation exercise in all key phases** to comply with quality standards: preparation and/or provision of comments to the Terms of reference; selection of the evaluation team; consultation; inception/desk, field, synthesis and reporting phases.  
The EU programme manager steers the RG and is supported in its function by RG members.
- **Providing input and information** to the evaluation team. Mobilise the institutional, thematic, and methodological knowledge available in the various stakeholders that are interested in the evaluation.
- **Providing quality control** on the different draft deliverables. The EU programme manager, as lead of the RG, consolidates the comments to be sent to the evaluation team and endorses the deliverables.
- **Ensuring a proper follow-up** after completion of the evaluation.

## 5.8 Audit

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audits or expenditure verification assignments for one or several contracts or agreements.

The financing of the audit shall be covered by another measure constituting a financing Decision.

## 5.9 Communication and visibility

Communication and visibility will be given high importance during the implementation of the action. All necessary measures will be taken to publicise the fact that the action has received funding from the EU in line with the EU communication and visibility requirements in force (or any succeeding document). Communication and visibility of the EU is a legal obligation for all external actions funded by the EU. Communication and

visibility activities shall be implemented in accordance with the EU communication and visibility requirements in force.

The implementation of communication activities shall be the responsibility of the implementing partners under the respective agreements, and shall be funded from the amounts allocated to the action. Appropriate contractual obligations shall be included in, respectively, the procurement and grant contracts, and contribution agreements. Communication and visibility objectives in the relevant countries will be an integral part of the action in each country.

The communication and visibility requirements for European Union External Action (or any succeeding document) shall be used by each implementing partner to establish a Communication and Visibility Plan for each of the interventions foreseen under this action, to be elaborated at the start of implementation. The Plan shall identify communication objectives, target group, key messages, and communication products and tools to be used. The plans will also set agreed communication narrative and master messages customised for the different target audiences (stakeholders, civil society, general public, etc.).

The action shall at all times be communicated in the context of the European Union's overall support across the EaP region and relevant country. The Team Europe approach may be considered. For all communication purposes and activities, the role of the EU shall be prominently referenced, including with a prominent EU logo.

The action shall ensure effective means to increase the awareness of the target audiences on the goals and benefits for citizens of the EU assistance provided in the framework of the action. Visibility and communication measures should also promote transparency and accountability on the use of funds. Effectiveness of communication activities will be measured inter alia through public surveys in the beneficiary countries on awareness about the action and its objectives, as well as the fact that the EU funds the action.

Communication and visibility measures will aim to reach bulk water users and the general public and show the results or individual actions and beneficiary level, as well as at the broader country and regional level. This will include the promotion of representative examples illustrating how the joint activities are bringing tangible benefits to the lives of citizens and to economic actors, as well as transboundary cooperation.

The implementing partners shall keep the Commission and concerned EU Delegations fully informed of the planning and implementation of specific visibility and communication activities. The Commission, and where applicable, the relevant EU Delegation(s) will be consulted in advance on the planned communication activities around key milestones as well as on country-specific EU visibility and communication activities before work starts, in order to ensure greater outreach and impact.

The implementing partners shall provide any information requested by the concerned Delegations as input to their own communication activities, including by giving full access to relevant audio, photo and video material. The implementing partners shall coordinate communication activities with regional and bilateral communication initiatives funded by the European Union, to the extent possible. To enhance the effectiveness of communication activities, the implementing partners shall nominate contacts points responsible for communication. Monitoring and reporting of the activities will be provided on a regular basis.

The implementing partner shall inform the EU Delegations of results of the action, including every delivery of supplies and equipment. All related interactions with media shall involve the relevant Delegation. Additionally, implementing partners will ensure that all visibility material, as well as all visible equipment or major supplies purchased using EU funds will have an EU logo on them, e.g. a sticker, plaque or similar material, where applicable. Country-specific guidelines for communication and visibility will be applied for country-specific actions and materials produced.

The entrusted entities will ensure adequate visibility of EU financing and will report on its visibility and communication actions as well as the results of the overall action to the relevant monitoring committees.

Furthermore, key results will be communicated to the European Commission and to all relevant stakeholders. All reports and publications will be widely disseminated and impact indicators will be defined. All activities will have to comply with the European Union requirements for visibility on EU-funded activities as well as be in line with the priorities and objectives of regional communication initiatives supported by the European Commission and the relevant EU Delegations.

The role of the EU must be clearly mentioned in the title or first paragraph of any media product, such as press releases, website or social media posts. The same applies to any procurement notice or Terms of Reference. All equipment delivered within the Action should indicate the EU's role. Video materials should be coordinated with the European Commission prior to their release.

The implementing partners shall include identical visibility and communication requirements in any contracts that they will use for Action implementation.

Should the political sensitivity of the action risk endangering the security of the beneficiaries, visibility of the action may be reduced or waived with prior approval by the European Commission.

## 6. INDICATIVE LOGFRAME MATRIX (FOR PROJECT MODALITY)

	Results chain	Indicators	Baseline (2020 or earliest available)	Target (2024)	Sources of data	Assumptions
<b>Impact (Overall Objective)</b>	Improve people's wellbeing in the partner countries while enabling countries' green growth in line with the European Green Deal and a post-COVID-19 green recovery	Adjusted net national income (annual % growth)	To be identified	Positive trends	World Bank estimates	<i>Not applicable</i>
<b>Outcome(s) (Specific Objective(s))</b>	Specific objective 1: Water policies and practices support a more sustainable use of freshwater resources and help reducing the adverse impacts of human activities on water quality and ecosystems	Water productivity, total (constant 2010 US\$ GDP per cubic meter of total freshwater withdrawal) and Water Abstraction Index  Share of population benefitting from water management planning in line with EU Water Framework Directive (WFD)	To be identified  30%	Positive trends  80% in AM, GE, MD, UA	International databases and assessment reports	Political, social and economic stability is preserved  Interest in cooperating with the EU is maintained
	Specific objective 2: The use of sound environmental statistics by the partner countries is extended and improved and better availability of policy-relevant data to decision-makers and citizens ensured	Number of countries that established and systematically use a Shared Environmental Information System in line with EU benchmarks  PM2.5 air pollution, population exposed to levels exceeding WHO guideline value (% of total)	0  To be identified	6  Decrease	International databases and assessment reports	Government priorities are maintained, communicated clearly and adhered to during implementation  Full support and adequate action by state and non-state actors

	Results chain	Indicators	Baseline (2020 or earliest available)	Target (2024)	Sources of data	Assumptions
Outputs	1.1: The first cycle of river basin management planning is completed, where relevant, and implementation mechanisms are clearly defined and institutionalised	Share of river basins for which the first cycle of river basin planning in line with the WFD was fully completed and respective plans officially adopted by all relevant authorities No. of feasible and cost-effective interventions to achieve good qualitative and quantitative status of water bodies	50%	100% in AM, GE, MD, UA	Project reporting	Availability of appropriate staff and manageable turnover rates; Effective coordination within the partner governments and with other stakeholders; Systematic and timely feedback from partner authorities; Timely and coherent decision-making; Effective implementation arrangements and project governance; Availability of resources in a timely manner.
	1.2. Water strategies, policies and practices include climate-proofing measures	No. of relevant policy and planning documents that underwent climate proofing, with a focus on water allocation	To be identified	To be defined	Project reporting	
	1.3. The implementation of water for health agenda advances	No. of policy recommendations incorporated in the post-pandemic development reforms Share of rivers where water quality complies with national norms for human health	To be identified	To be defined	Project reporting	
	1.4 New approaches to water monitoring are further promoted	No. of novel approaches fully implemented by at least 4 partner countries	To be identified	To be defined	Project reporting	
	1.5: The economic soundness of water strategies and policies improved	No. of harmful subsidy schemes identified and reformed	To be identified	To be defined	Project reporting	
	1.6: Water utilities, private sector and the general public are better involved in water management	No. of water basin councils that held public consultations at least twice a year	To be identified	To be defined	Project reporting	
	1.7: The national and international water governance and cooperation are further strengthened	No. of agreements that are systematically applied by the partner countries	To be identified	To be defined	Project reporting	
	1.8: Priority measures are supported through finance mobilisation	No. of projects supported (possibly divided for international watercourses) Volume of investment finance (public, private, blended) mobilized for their implementation	To be identified	To be defined	Project reporting	
	2.1 Water accounting is extended	No. of countries with functional water accounting	To be identified	To be defined	Project reporting	
	2.2 Land and agriculture monitoring and data are improved	Share of land subject to adequate monitoring	To be identified	To be defined	Project reporting	
2.3 Air and waste management data and statistics are improved for policy-relevant use	Share of population in urban areas with adequate air and waste monitoring systems	To be identified	To be defined	Project reporting		

	<b>Results chain</b>	<b>Indicators</b>	<b>Baseline (2020 or earliest available)</b>	<b>Target (2024)</b>	<b>Sources of data</b>	<b>Assumptions</b>
	2.4 Open data and citizens' participation in data collection and analysis are further operationalised	Share of environmental databases available online and number of their users	To be identified	To be defined	Project reporting	
	2.5 International sharing of data and networking is maintained	Share of international reporting materials submitted within the deadline	To be identified	To be defined	Project reporting	