

PROJECT INFORMATION

Strengthening the Integrated Water Resources Management in the Countries of the Southern Caucasus



Kura River (Foto: OECD)

Background

In 2006, Armenia, Azerbaijan and Georgia signed European Neighbourhood Policy Action Plans with the EU. Under these plans each country is committed "to identify possibilities with neighboring countries for enhanced regional co-operation, in particular with regard to water issues". The three countries are also committed to the implementation of the EU Water Framework Directive (WFD) and the development of river basin management plans and programmes of measures, whose implementation seems unrealistic without proper economic analysis and use of economic instruments.

Project

The overall goal of the project was to assess the economic and financial dimension of managing water resources in Armenia, Azerbaijan and Georgia in line with the requirements of the EU WFD. The project was addressing a very important gap, not covered by any of the previous or currently ongoing regional projects in the Kura River basin.

The regional nature of the study provided the opportunity to analyze and discuss how existing and potential future economic instruments can improve water management not only in a national, but also in a transboundary context.

The project revealed that there is room to foster the use of economic instruments for managing water resources in the basin:

- existing instruments are usually ineffective to raise revenues and to influence behavior;
- there are problems of compliance and enforcement;
- some important water issues (pollution, flood control, adaptation to climate change) could be more properly addressed through refined economic instruments.

More robust information is required at national level to support the policy dialogues on economic instruments for water management. National priorities for the design and implementation of new economic instruments (both at the national and transboundary level) need to be established through the development of national consultation processes.

- Target country/region: Southern Caucasus (Armenia, Azerbaijan, Georgia)
- Duration: 10/2011 - 03/2012
- Beneficiary: Ministries of Environment, Finance and Economy of Armenia, Azerbaijan and Georgia
- Implementing organisation: OECD/EAP Task Force
- Project identification: FKZ 380 01272