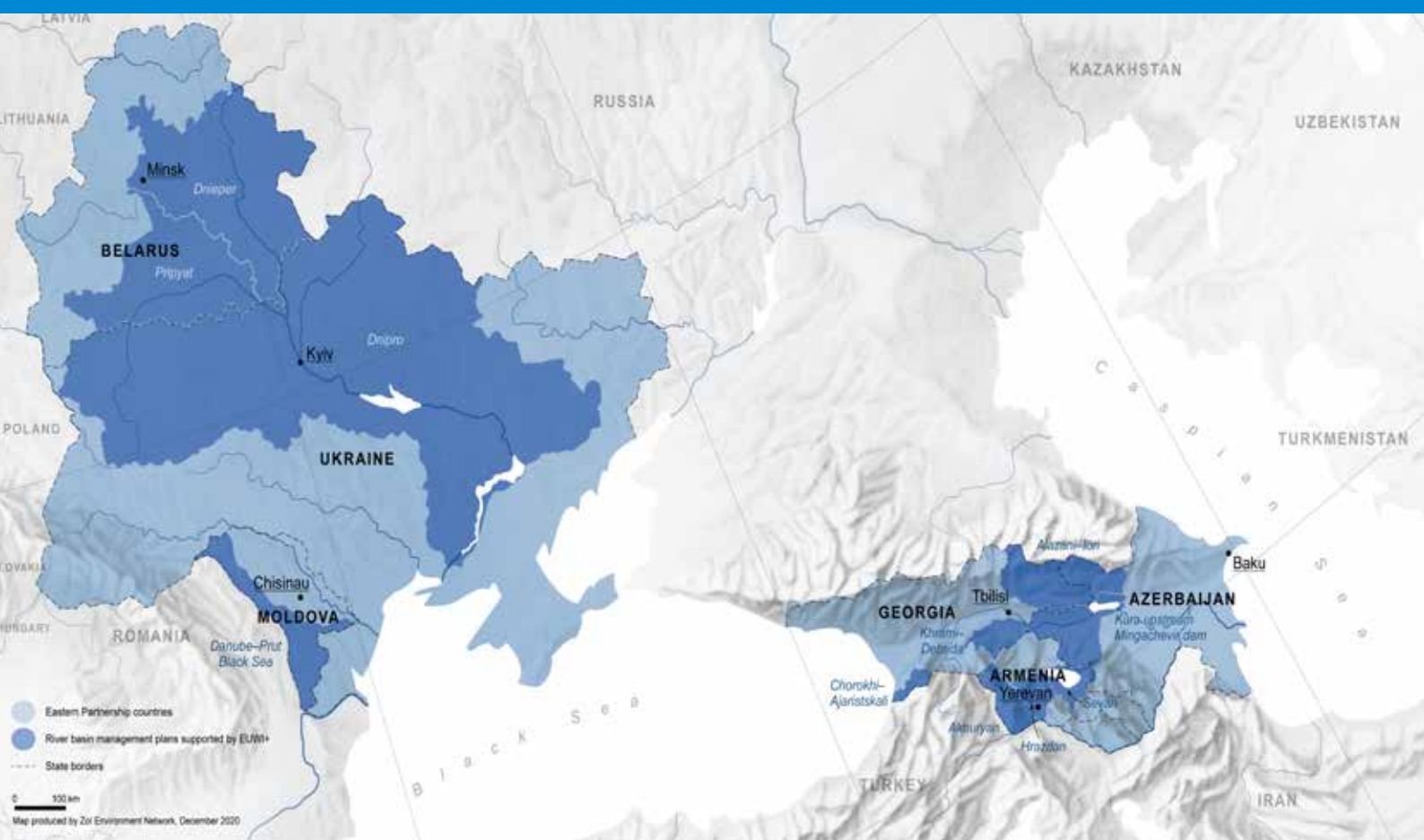


Water Policy Highlights Ukraine



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In 2016, a major EU-funded project, the European Union Water Initiative Plus (EUWI+), was started to help strengthen water management in Ukraine and the five other EaP countries. The European Commission selected the OECD and UN Economic Commission for Europe (UNECE) along with the EU member states of Austria (Environment Agency) and France (International Office for Water) to jointly implement the project. With EUR 23.5 million from the EU budget and EUR 1 million from Austria and France, the EUWI+ project aimed to strengthen management of national and transboundary water resources and develop tools to improve the long-term quality of all waters. It included EUR 6 million of direct investments in the EaP countries including Ukraine to improve river basin policies, management planning and water quality monitoring.

With the project ending in mid-2021, this summary highlights milestones of EUWI+ in Ukraine. It recalls the state of water governance that led to the creation of the project. It highlights efforts to strengthen management of water resources at the national level and also in transboundary rivers. It also identifies tools developed to improve the long-term quality of all waters. Finally, it identifies outstanding issues for further action.



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Water management is a key environmental challenge for Ukraine

Water governance

The Eastern Partnership (EaP) builds on the willingness of the EU's six Eastern neighbours – Armenia, Azerbaijan, Belarus, Georgia, Republic of Moldova (hereafter "Moldova") and Ukraine – to align their policies and legislation to the European Union. EaP countries share a legacy of environmental problems and face new pressures, including from climate change, as they pursue economic growth and benefits for citizens. Environmental co-operation is thus a principal focus area of work for the EaP.

While EaP countries update their environmental legislation, they also need to strengthen administrative capacity; enforcement of legislation; and public participation and awareness of environmental challenges. There are important links between poverty and the environment, such as access to clean drinking water and appropriate sanitation.

Addressing transboundary resource management and pollution is another complex issue, which includes ensuring the necessary institutional and legal frameworks are in place. EaP countries need to strengthen procedures for implementing commitments under multilateral environmental agreements. They also need to strengthen their capacity to implement projects financed by international organisations and donors.

Better environmental policies bring significant economic and social benefits. A strong water sector that supports the population, all sectors of the economy and the environment is a key part of this process.

Ukraine is the country with the largest territory in Europe, yet the availability of renewable freshwater resources for its 42 million inhabitants is roughly twice as small on average as that of European countries. This makes good water governance highly important for the country. Water availability is unevenly

distributed. While the north of the country enjoys good access to water, regions in the south and east have water shortages. Climate change is expected to deepen the water challenge further.

The Association Agreement between Ukraine and the European Union requires harmonisation of Ukraine's water legislation with the EU water acquis and has defined the direction of national water policy development in Ukraine. Implementing the demanding objectives of EU water-related directives in such a diverse country is a significant task. International donors have been active in the water domain for more than a decade, offering expertise and financial support to meet the challenges that Ukraine faces.

The EUWI+ Project

In 2016, a major EU-funded project, the European Union Water Initiative Plus (EUWI+) was initiated to help strengthen water management in Ukraine and the five other EaP countries. The European Commission selected the OECD and UN Economic Commission for Europe (UNECE) along with the EU member states of Austria (Environment Agency) and France (International Office for Water) to jointly implement the project. With EUR 23.5 million from the EU budget and 1 million from Austria and France, the EUWI+ project aimed to strengthen management of national and transboundary water resources and develop tools to improve the long-term quality of all waters. It allocated EUR 6 million of direct investments in the EaP countries to improve river basin management planning and water quality monitoring, including Ukraine.

The regional EUWI+ project builds on results from earlier EU-funded water governance actions in EaP countries. These included facilitation of the EUWI National Policy Dialogues by the OECD and UNECE in 2006-15, as well as the EU Environmental Protection of International River Basins (EPIRB) project.

EUWI+ has also drawn synergies with other EU-funded projects and activities, including the Shared Environmental Information System (SEIS) East project. The SEIS aims to facilitate access to environmental information and its integration into the knowledge-based economy.

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Development of Ukraine's national water policy to 2016



Legislative framework

The Water Code is the central legislation that regulates national water policy. Adopted in 1995, it is the oldest Water Code or law in countries of the former Soviet Union. Major amendments to the Code were made in 2016, which helped harmonise it with principles of the EU Water Framework Directive (WFD). These changes were in keeping with commitments related to the Association Agreement signed with the European Union in 2014. In 2014, Ukraine adopted an Action Plan for implementation of the agreement for 2014-17 that listed the necessary activities in the water sector. In 2015-19, the EU-funded project APENA¹ supported Ukraine in designing a series of ministerial orders needed for implementation of water-related parts of the Association Agreement.

A presidential decree in 2013 requested a Water Strategy. The need for sectoral strategies was also reflected in the 2014 Association Agreement. Although the World Bank and the European Bank for Reconstruction and Development (EBRD)

helped prepare irrigation strategies and accompanying institutional reforms in 2017, neither strategy was formally adopted. The need for an overarching national water strategy therefore remained.

Implementation of the Association Agreement in the water sector was a challenge from the beginning, as water management and water governance are underfunded. Many key technical institutions depend on support from the donor community. In 2016, amendments to the Water Code clarified the roles of the Ministry of Ecology and Natural Resources (MENR) and the Water Agency with its regional offices. Importantly, they also recognised the need to reorganise basin councils.

Monitoring and water quality

Water quality monitoring is vitally important to inform policy decisions with a number of regions suffering from poor water quality. Approximately one-third of the wastewater collected



1. Project "Support to Ukraine in approximation of the EU environmental acquis".

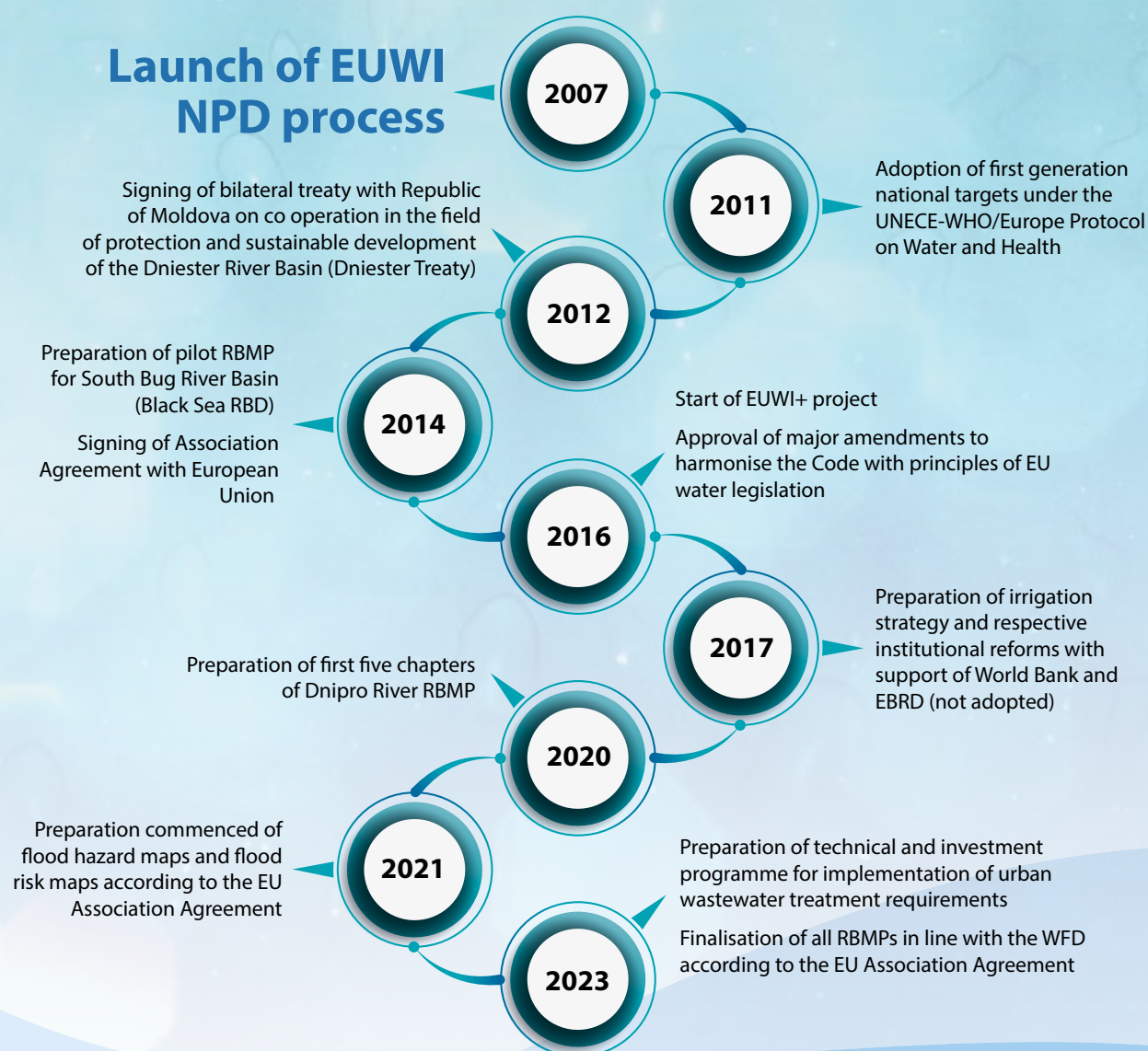
across the country is treated effectively. This results in large volumes of untreated wastewater being discharged directly into the environment, causing pollution and health hazards. Water quality is also affected by discharges of untreated municipal and industrial wastewaters, as well as by diffuse pollution from agriculture. Prior to the start of the EUWI+ project, central and regional laboratories for surface water and groundwater monitoring were not fully compliant with the WFD. Certain aspects, such as analytical capacity with regard to hazardous substances, needed upgrades.

River Basin Management

Ukraine is divided into nine river basin districts, all of them discharging directly or indirectly into the Black Sea, except the Western Bug, which flows towards the Baltic Sea. Ukraine's

biggest basin, the Dnipro, covers approximately 65% of the country, and thus requires significant policy attention. Given a lack of legal framework for delineation of basin borders, donors helped initiate several river basin management plans (RBMPs). In 2014, the Swedish International Development Agency helped develop the RBMP for Southern Bug River Basin. In following years, the EPIRB project helped develop pilot RBMPs for Prut River Basin (Danube RBD) and Upper Dnipro River Basin.

Eight of nine river basins in Ukraine are transboundary (Southern Bug RB is national). Ukraine is Party to the UNECE Water Convention, concluding agreements on transboundary waters with seven countries (including one with the Russian Federation that is suspended). A bilateral agreement with Moldova on Dniester signed in 2012 was still waiting for ratification by Ukraine when the EUWI+ project started in 2016.



EUWI+ project support to water policy reform in Ukraine

During the inception phase of the EUWI+ project in 2016, the MENR of Ukraine presented a list of potential priorities to the project team. The list covered a range of areas, including support to develop the National Water Strategy, the regulatory framework and transboundary co-operation; development of an RBMP with a focus on the Dnipro River Basin; and strengthening of water quality monitoring capacity. The unique setup and flexible nature of the EUWI+ project allowed it to address the specific needs and diverse priorities of Ukraine.

Developing a national water strategy

By signing the Association Agreement with the European Union in 2014, Ukraine committed to align its water legislation with principles of relevant EU directives. The EU-funded APENA project helped prepare the large amount of preparatory work needed to draft legal acts between 2015-18. With technical documents for legal harmonisation developed, the overarching strategy was still missing. The World Bank and EBRD had been developing national-level strategies, but these paid more attention to irrigation and respective institutional reforms.

Consequently, Ukraine sought assistance from the EUWI+ project to lay the ground for a National Water Strategy. The OECD led work on reform of the water management system of Ukraine as a first step towards developing a National Water Strategy. Further work on the strategy is needed as many conceptual issues must still be addressed. These include potential decentralisation, the division of tasks between institutions and the decision-making power at the basin level.

Updating multilateral environmental agreements

In addition to commitments made with signing the EU Association Agreement, Ukraine has water-related obligations related to multilateral environmental agreements. Ukraine was one of the few countries from the region to design national targets a decade ago to implement the UNECE-WHO/Europe Protocol on Water and Health. The first generation targets adopted in 2011 were largely not implemented for different reasons. The UNECE designed a participatory process to develop more realistic national targets in compliance with the



1. Strategy of Water Resource Management in the Context of Climate Change for the Period until 2030.
2. SDG 6.1, 6.2, 6.3, 6.4, 6.5 and 6.6

Sustainable Development Goals. The national working group has agreed on new targets. The EUWI+ project was supporting a strategic environmental assessment (SEA) of draft targets and their Programme of Measures. After the SEA was completed, the targets became ready for formal adoption.

Facilitating multi-stakeholder dialogue

During the EUWI+ project, the NPD Steering Committee was re-established in 2016 as a national level co-ordination platform; it had previously operated between 2007-11. Its regular meetings bring together representatives of all relevant ministries, agencies, regional authorities, academia and the non-governmental community to discuss available options in national water policy. Ukraine's NPD Steering Committee is the largest in the region with on average 100 participants. As a consultative body, it provides a forum for open discussions and proposes options for formal decisions to be followed according to established governmental procedures. The committee is especially useful to discuss broad conceptual issues such as the general direction of a national water strategy.

River Basin Management Planning

With water-related obligations from the Association Agreement creating a clear framework for action, the switch to WFD-compatible river basin management becomes a cornerstone in

implementation. Right from the preparatory stage of the EUWI+ project, the government set a priority to develop an RBMP for Dnipro. As this River Basin is bigger than most European countries, the project needed to focus on preparation of the first part of the Dnipro RBMP. The International Office for Water from France, having experience from working on similarly big basins before, was therefore leading the work of the EUWI+ team.

With the joint effort of international experts and nearly 30 local experts, the five first chapters of the Dnipro RBMP have been prepared:

- general description of the river basin with identification and classification of water bodies
- identification of pressures and impacts on surface water and groundwater
- identification and mapping of protected areas
- monitoring programme for surface water and groundwater bodies
- establishment of environmental objectives.

In addition, the first part of the economic analysis has been conducted (the part concerning the programme of measures is missing). The document is divided in 5 parts: one for the whole Dnipro and 4 for the sub-basins (Upper Dnipro and Desna, Middle Dnipro, Lower Dnipro, Pripjat). The content of the RBMP



is compliant with the Decree of the Cabinet of Ministers of Ukraine (18 May 2017), itself compliant with the WFD. Trainings for local stakeholders in the Dnipro River Basin were also organised to build capacity. From the experience gained on this large river basin, 5 guidance documents have been developed concerning: surface water risk assessment, groundwater risk assessment, protected areas delineation, first part of economic analysis, and public consultation. Co-operation with experts from Belarus has started to harmonise delineation of groundwater bodies on both sides of the border in Dnipro River Basin and to start defining the status of these water bodies. Importantly, an extensive public awareness and involvement campaign has been ongoing throughout the drafting of the RBMP. Public consultations on the draft first part of the Dnipro RBMP were held in different cities during September 2020 with the collaboration of the basin councils. The Water Agency, a subordinate of the MENR, is in charge of further development of the basin plan. Another institution, the State Emergency Service, is developing flood risk assessment plans. Significant work lies ahead to develop a fully-fledged flood risk management plan for the entire basin. These plans are another important tool for managing water in the basin to be co-ordinated with the RBMP.

Improved water monitoring

Good quality data on water availability and quality are necessary preconditions for proper basin management. With help from Environment Agency Austria, the project has made

well-targeted improvements in the water monitoring system. After thorough needs assessments, the project built capacity of groundwater and surface water monitoring staff and of select central labs. Ukraine opened the renovated Kyiv-Vyshhorod laboratory in 2021 with support of EUWI+. This laboratory has benefited from both trainings on quality management and new state-of-the-art analytical equipment. Overall, the EUWI+ has invested significantly into equipment required and promptly used for groundwater monitoring, for biological, and hydro-morphological monitoring in Ukraine.

Capacity building

Having invested in strengthening national water policy and actions at basin level, attention focused on capacity building to ensure the sustainability of achievements of EUWI+ and other donor-supported projects. Trainings were organised for hundreds of participants from regional river basin management authorities from across Ukraine, as well as for key experts who participated in trainings with experts from Vienna. Support has also been provided to introduce investigative monitoring: a first-ever pollution screening checked 65,000 chemical substances at 27 sites across the Dnipro basin. To support data management, 2 new data servers were bought for installation at the Water Agency and the Central Geophysical Observatory (CGO) to reinforce integrated water data management in the country. The first interoperability process aiming to integrate CGO hydro biological data into Water Agency system has been prepared.



Water policy reform achievements

Improved strategic planning builds confidence in water sector

- support provided to reform national water management by strengthening national strategic frameworks on water
- concept designed to reform water management system
- strategic environmental assessment launched for national targets under the Protocol on Water and Health and its Programme of Measures.

Water sector becomes increasingly aligned with EU legislation and good practice, the public are increasingly involved in water management

- first part of major Dnipro RBMP completed and first stakeholders consultations held.
- Guidance documents produced from the Dnipro experience

International commitments and transboundary water management are well integrated and drive sector progress

- new national targets prepared to implement the UNECE-WHO/Europe Protocol on Water and Health
- establishment of bilateral Moldovan-Ukrainian Dniester Commission and stimulation for creating a Moldovan-Romanian-Ukrainian working group under ICPDR umbrella
- transboundary co ordination of groundwater bodies and of the groundwater monitoring network with Belarus in the Dnipro basin.

Improved monitoring and data management inform high-level decision making and resource prioritisation

- water quality monitoring strengthened by investment in state-of-the-art analytical laboratory equipment and yb supported renovation of the central laboratory
- type-specific WFD Ecological Status Classification System for benthic invertebrates developed and investigative monitoring executed by means of a Dnipro pollution screening
- production of new data from innovative field surveys, staff trainings, including on quality assurance for ISO 17025 laboratory accreditation.
- reinforcing integrated water data management.

Future opportunities for the national water policy reform journey

The four-year regional EUWI+ project completed its activities in Ukraine in July 2021, but the water reform journey will continue. While the country has made good progress since 2016, the project has exposed a number of outstanding issues.

In addition, the global pandemic caused by COVID-19 has impacted the public budgets of all EaP countries, including Ukraine. The need to respond to environmental challenges has never been greater, yet budgets face conflicting pressures as countries prioritise finances for recovery. The COVID-19 pandemic and pollution screening have shone a light on the importance of access to clean drinking water and adequate sanitation and the significance of hygiene in communities.

Over the last decade, the European Union has provided significant support for environmental projects in Ukraine. In water management and monitoring sectors, past projects such as EPIRB, SEIS II East, EaP GREEN and ClimaEast have achieved substantial practical results. The government has appreciated these results, which have benefited citizens. In 2016-21, the EUWI+ project implementation partners from international organisations and EU Member States made significant additional investments.

Like other EU-funded projects, the EUWI+ designed its interventions to ensure long-term sustainability of results. To that

end, it provided practical interventions that would leave a legacy to build on. Many achievements in the water policy reforms need follow-up to reach their full potential. Whether financed only from domestic sources or with assistance from donors, several work streams to develop water policy in Ukraine are already imminent. These potential work areas are summarised below.

- **Enforcement of the EU WFD and other water directives.**

Given the commitment to implement the Association Agreement with the European Union, enforcement of the EU WFD and other water directives remains the biggest challenge. Development and adoption of the Water Strategy is needed to reach much-needed broad consensus among all stakeholders on long-term direction of national water policy. Meanwhile, work on designing secondary legislation for practical implementation of different aspects of all six water-related EU directives needs to continue. Exchanging with some of the newer EU Member States that have recently gone through a similar exercise might be useful in this process.

- **Completion of Dnipro RBMP.** Development of RBMPs should continue, giving priority to completing the Dnipro plan that was begun with EUWI+ support. Completion of WFD-compatible RBMPs and support for basin councils for other basins must also progress before the national



deadline for adoption (2024). Given its experience in basin planning through several donor-funded projects, Ukraine could begin to fund these measures from its national budget. As implementation of the RBMP Programme of Measures is impossible without proper data, specific elements of the monitoring system, such as chemical and quantitative monitoring of groundwater and biological monitoring of surface waters need a much bigger network and continuous support. Building on investments in collecting data, Ukraine should implement measures to ensure appropriate access and use of these data in decision-making processes. Specific support must be dedicated to organise the coordination of the basin councils inside the Dnipro RB.

- **Development of economic instruments.** Even if Programmes of Measures are established in RBMPs, proper economic instruments are needed to implement water quality requirements according to the EU water directives. Operational costs, let alone investments, cannot be outsourced to regional or basin level without necessary funds attached.
- **Co-ordination of governance.** Water quantity and water allocation issues pose an even bigger challenge for regulation. A clear division of tasks between central, oblast and basin levels is needed. Financial decisions and budgets must be entrusted to the appropriate level, while ensuring transparent decision-making. The new national targets under the UNECE-WHO/Europe Protocol on Water and Health will also serve to respond to challenges, including those posed by COVID-19. These could include, for example, access to water, sanitation and hygiene, including in educational and medical facilities.



As the world recovers from the COVID-19 pandemic and responds to a changing climate, this challenging backdrop provides the catalyst and focus for the next phase of the water policy reform journey in Ukraine.



Necessary actions listed in national targets under the Protocol should be harmonised with investment plans at national and basin levels. The interoperability of data systems from the various data producers (e.g. state water cadastre, Geoportal, etc.) is a relevant step to facilitate decisions, to demonstrate the efficiency of the results as well as to communicate with the public.

- **Bilateral co-operation with transboundary neighbours.** Given Ukraine's reliance on transboundary rivers for economic development, well-structured daily co-operation with its neighbours is important. The newly established joint commission with Moldova may need support beyond the ongoing Global Environment Facility project to implement a bilateral treaty on Dniester. In addition to work of joint commissions, practical co-operation such as studying and delineating of transboundary groundwater aquifers, the implementation of WFD-compatible monitoring and the consistency of objectives and measures needs continuous attention and support. With enough political support, a joint management plan between Moldova, Romania and Ukraine could be sought on Danube/Prut basin, ideally leading to an agreement and joint commission in the long term. This plan should be developed in co-ordination with the International Commission for the Protection of the Danube River.
- **Public awareness and consultation.** Finally, enhanced public awareness, understanding and support would improve the daily use of water resources by agriculture, industry and local communes. Regular public information and practical involvement of water users in basin councils promotes understanding, local ownership and support for better protection, reduced pollution and a more efficient use of resources. These are all essential to strengthen water management in Ukraine.

As the world recovers from the COVID-19 pandemic and responds to a changing climate, this challenging backdrop provides the catalyst and focus for the next phase of the water policy reform journey in Ukraine. Future reforms must strive for cross-sectoral policy coherence. In so doing, they must recognise the horizontal nature and value of water as the sector targets improvements for the health of citizens, the environment and the economy; fulfilling international commitments; and making the best use of limited financial resources.



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