

*Regional Roundtable on “The path towards Water, Energy, Food  
and Ecosystems Nexus in Southeastern Europe (SEE)”*

*Skopje  
23-24 October 2018*

**Information Note<sup>i</sup>**

# Background

## The SEE 2020 Strategy

The development of the regional growth strategy entitled “SEE 2020 – Jobs and Prosperity in European Perspective” was coordinated by the Regional Cooperation Council (RCC) Secretariat. Participating economies are these of Albania, Bosnia and Herzegovina, Croatia<sup>1</sup>, the Former Yugoslav Republic of Macedonia, Kosovo\*<sup>2</sup>, Montenegro and Serbia. The Ministers in charge of the SEE 2020 economies endorsed the Strategy in Sarajevo in November 2013, entrusting the RCC with a role of coordinating and monitoring its implementation.

The SEE 2020 comprises of 5 main growth pillars as well as a number of policy dimensions under each pillar. Environment is one of the four Dimensions of the Sustainable Growth Pillar of the SEE 2020 Strategy. The Dimension “Environment” is being coordinated the Regional Environmental Center for Central and Eastern Europe (REC), Global Water Partnership – Mediterranean (GWP-Med) and the Regional Rural Development Standing Working Group (SWG RRD). GWP-Med is responsible for the coordination of activities related to the Nexus approach, water resources management, and transboundary water resources management. The SEE2020 economies participate in the coordination of the implementation of Dimension “Environment” through the Regional Working Group on Environment (RWG Env) which operates under the auspices of the RCC.

Advancing the Nexus approach in SEE is one of the key strategic actions of the Dimension Environment of the SEE 2020 Strategy that includes two related objectives:

- a) “to identify steps and measures necessary for advancing the Water, Energy and Food nexus approach at national and trans-boundary levels and investigate opportunities of launching a political process under the RCC for the enhancement of cooperation in the SEE in the field of TWM”;
- b) “to develop and put in place measures necessary for commencement of the Regional Integral Water Management Framework Agreement (RIWFA) implementation”.

## The Regional Nexus Policy Dialogue in SEE

The Regional Nexus Policy Dialogue in SEE is a key instrument used to enable the achievement of the following main objectives:

- Support the discussion for the preparation of a regional Water, Energy, Food and Ecosystems/Environment Nexus Strategy/Roadmap under the SEE2020 Strategy, describing steps and actions for the introduction of Nexus approach considerations in the basin/aquifer management frameworks at national and transboundary levels as means towards sustainable management of water, land, energy and environment.
- Facilitate of the discussions among the SEE2020 economies for the possibility of a Regional Integral Water Management Framework Agreement (RIWMFA) comprising among others of regional means and tools to assist in addressing challenges related to transboundary water resources management (TWRM).
- Foster cross-fertilisation of institutions and practitioners at regional and economies’ levels.

The Regional Nexus Policy Dialogue in SEE builds upon the outcomes of the International Roundtable on Water and Energy Nexus in Transboundary Basins in Southeastern Europe, 6-8 November 2013 in

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<sup>1</sup> The Strategy was developed before Croatia’s accession to the EU on 1 July 2013, therefore in the SEE 2020 Strategy (i.e. the document itself) Croatia is also listed as beneficiary.

<sup>2</sup> \*This designation is without prejudice to positions on status, and is in line with UNSCR 1244 and the ICJ Opinion on the Kosovo declaration of independence.

Sarajevo, and the Regional Roundtable on “Water, Food, Energy and Environment Nexus in Southeastern Europe”, 9-10 December 2014 in Zagreb, which aimed to catalyze action for concrete implementation of the Nexus approach in the SEE; conclusions of the roundtable are given in Annex I. at the end of this Information Note.

### Activities designed as part of the Regional Nexus Policy Dialogue in SEE

A set of activities has been developed as part of a Regional Dialogue to serve the key strategic action of the SEE2020 Strategy for Advancing the Nexus approach in SEE. Activities include:

- **Three Regional Roundtables** and three back-to-back **Nexus Groups Meetings** i.e. Meetings of Nexus Ministries representatives. The first Regional Roundtable and the first Meeting of Nexus Ministries representatives were held on 20-22 June 2017 in Belgrade.
- **Regional Nexus Assessment Mapping Study** to provide the conceptual and technical background to support and inform the Nexus Policy Dialogue process. The draft Study was prepared in July 2018 and will be finalized in October 2018 incorporating input from the representatives of the Economies and the participants of the October Roundtable.
- **Nexus Assessment in one SEE2020 economy.** The selection of the economy is on-going.
- **Nexus Assessments in two transboundary river basins** in SEE, namely Drin River Basin (shared by Albania, Montenegro, Kosovo\* and the Former Yugoslav Republic of Macedonia) and Drina River Basin (shared by Bosnia and Herzegovina, Montenegro and Serbia).

The Regional Dialogue is financially supported by:

1. *Advisory Assistance Programme of the German Environment Agency in cooperation with the German Ministry for the Environment, Nature Conservation and Nuclear Safety through the “Water-Food-Energy-Environment Nexus Policy Dialogue Process in South East Europe” Project (SEE NPDP)*

The project aims to enhance integrated management of natural resources and transboundary cooperation towards sustainable development in the SEE2020 region, fostering the introduction of the Water, Energy, Food and Ecosystems Nexus approach and catalysing action for its adoption and implementation at the national and transboundary basin levels.

2. *Global Environment Facility (GEF) through its programme “International Waters: Learning Exchange and Resources Network (IW:LEARN)”, Activity 2.3: Supporting Regional Cooperation on Shared Water Resources through Dialogue*

It features a set of International Roundtables and Capacity Building activities in the South East Europe area introducing elements that came out as priorities under the IW:LEARN such as the Water -Energy-Food-Ecosystem Nexus. The activity envisages to result in strengthened capacities for transboundary cooperation on shared water systems in the region, as well as improved regional cooperation on key shared issues, such as sustainable hydropower.

3. *Austrian Development Agency (ADA) through the project “Promoting the Sustainable Management of Natural Resources in Southeastern Europe, through the use of the Nexus approach” (NEXUS Project)*

The Project is implemented by GWP-Med in cooperation with the United Nations Economic Commission for Europe (UNECE).

It aims to introduce the Nexus approach to the ministries responsible for and the stakeholders related to the nexus sectors, facilitate action for its adoption and identify those interventions that will enable water, energy and food security on the ground without jeopardising the well-being of the ecosystems, at regional, transboundary and economies levels.

The Regional Dialogue is operating in synergy with the following:

### *The 'Petersberg Phase II / Athens Declaration Process'*

The 'Petersberg Process' was initiated in 1998 and its on-going Phase II aims to provide support for translating into action the current developments and opportunities for future cooperation on transboundary river, lake and groundwater management in South East Europe. It is supported by the German Ministry for the Environment, Nature Conservation and Nuclear Safety (BMU) and the World Bank.

The 'Athens Declaration' Process concerning Shared Water, Shared Future and Shared Knowledge was launched in 2003 at the Vouliagmeni International Conference (as part of the activities of the Greek Presidency of the European Union) with the primary aim to assist development of Integrated Water Resources Management Plans and related actions in SEE; it is jointly supported by the Hellenic Ministry of Foreign Affairs and the World Bank.

Since 2005, the 'Petersberg Phase II Process' works in synergy with the 'Athens Declaration Process' under the joint Petersberg Phase II / Athens Declaration Process (Process) to facilitate the enhancement of cooperation in transboundary basins in the SEE region.

The Petersberg Phase II / Athens Declaration Process for the enhancement of transboundary water resources management in SEE has been supporting since 2005 the building of capacity on Integrated Water Resources Management (IWRM), and the development of management plans for shared water bodies.

The Process is also strategically linked to the Global Environment Facility International Waters: Learning Exchange and Resources Network (IWLEARN) on capacity building and sharing of experiences.

GWP-Med provides administrative support and is the technical facilitator of related activities under the Process.

### *The GEF through its IW:LEARN programme*

The GEF supported IW:LEARN programme (2005 - ) represents a cooperative effort of the UN Development Programme (UNDP) and UN Environment Programme (UNEP), with the involvement of all GEF Agencies.

The IW:LEARN activities in Southeastern Europe aim to demonstrate innovative and feasible approaches to transboundary water resources management, by deepening multi-stakeholder dialogue and experience-sharing.

#### *Activities since 2005*

Since 2005 a variety of activities including regional roundtables, multi-stakeholders dialogues, targeted capacity building workshops and study visits, preparation of assessments, surveys and policy

documents (on issues such as shared lakes basin management; multipurpose water management; shared groundwater management; climate change; stakeholders involvement; water-energy nexus etc.), have been implemented aiming at enhancing cooperation among SEE countries and stakeholders for the management of transboundary water resources. More than 150 stakeholder organizations, governments and other entities have been engaged in these activities.

Overall, the Process has been catalytic in facilitating coordination among key international and national players in the areas of focus and has attracted the interest of beneficiary countries and donors.

### *UNECE Water Convention*

The Convention on the Protection and Use of Transboundary Watercourses and International Lakes (Water Convention) was adopted in Helsinki in 1992 and entered into force in 1996. Almost all countries sharing transboundary waters in the region of the United Nations Economic Commission for Europe (UNECE) are Parties to the Convention.

The Water Convention strengthens transboundary water cooperation and measures for the ecologically-sound management and protection of transboundary surface waters and groundwaters. The Convention fosters the implementation of integrated water resources management, in particular the basin approach. The Convention's implementation contributes to the achievement of the Sustainable Development Goals and other international commitments on water, environment and sustainable development.

The Water Convention requires Parties to prevent, control and reduce transboundary impact, use transboundary waters in a reasonable and equitable way and ensure their sustainable management. Parties bordering the same transboundary waters have to cooperate by entering into specific agreements and establishing joint bodies. As a framework agreement, the Convention does not replace bilateral and multilateral agreements for specific basins or aquifers; instead, it fosters their establishment and implementation, as well as further development. In 2003, the Water Convention was amended to allow accession by countries outside the UNECE region. The amendment entered into force on 6 February 2013, turning the Water Convention into a global legal framework for transboundary water cooperation. As of 1<sup>st</sup> March 2016, countries outside the ECE region can accede to the Convention.

# Introduction - Natural resources management and Nexus in the SEE

## Natural resources management in SEE area

Despite efforts over the past decades, and though several advancements have been achieved, integrated natural resources management remains a substantial challenge in South East Europe (SEE). Unsustainable management of natural resources has been affecting directly and indirectly economic growth, human prosperity as well as the environment and ecosystems.

Increased cooperation for the management of shared natural resources in SEE, such as water, is an element of paramount importance for sustainable economic growth and human welfare; the reason is that 90% of the area of SEE falls within shared basins. Currently, effective cooperation for the management of shared waters is present in a number of areas of SEE but, overall, it remains limited.

## The Nexus approach in the SEE2020 area

The Water-Energy-Food-Ecosystems Nexus (Nexus) approach has been introduced in the natural resources management agenda to facilitate the enhancement of water, energy and food security, while preserving ecosystems and their functions, and increasing climate resilience, by reducing trade-offs, shifting towards more sustainable consumption patterns and improving demand management, building synergies and improving governance across sectors. A Nexus approach supports the transition to a Green Economy, which aims, among others, at resource use efficiency, greater policy coherence including towards GHG emission reductions and adaptation resilience.

In the SEE2020 region, existing good practices of Nexus include:

- The establishment of inter-ministerial coordination bodies;
- Consultative bodies e.g. for rural development;
- The integration of water and biodiversity targets in agriculture and/or rural development plans;
- Nexus conflict studies to identify negotiation or synergies.

However, many policy and management areas to better address the Nexus still show significant gaps and possibilities for improvement. In general, the administrative system established foresees several authorities to share the competencies for the specific Nexus sectors, with one 'line' authority leading initiatives.

Specific coordination action has been in place in some cases for the set-up of strategies and plans, such as the drafting of the Sava River Basin Management Plan or the Rural Development Programmes. However, it remains unclear how strong the integration of the different Nexus sectors has been and how it has focused on synergies beyond negotiations and /or trade-offs. Policy development via regulation, strategies or plans is often characterized by:

- Formal cooperation, not necessarily translating into policy integration;
- Isolated efforts;
- Lack of common targets;
- Overlapping responsibilities and competing objectives among local and central governments.

The following main conflicts and trade-offs are identified among Nexus sectors in SEE:

1. water allocation between different users, in particular during drought events;

2. increasing river flow regulation for electricity generation by hydropower;
3. nature conservation areas being affected by hydropower developments;
4. hydro-peaking and subsequent ecosystem deterioration by the operation of dams;
5. downstream impacts of dam operations during floods;
6. increasing energy needs for food production, e.g. irrigation, fertilization, transport;
7. pollution of surface and groundwater by pesticides and nutrients, and their treatment including costs;
8. land-use intensification and loss of certain habitats/ecosystems;
9. water and land resources needed for biofuel production as part of renewable energy sources;
10. deforestation and biodiversity loss due to unregulated cutting of fuelwood.

Multiple benefits have been identified from the application of the Nexus approach in SEE, including:

- Economic benefits, such as increased mid- and long-term viability of economic activities, development of the agricultural sector, sustainable tourism, etc.
- Social and environmental benefits, such as employment creation, improved water services for users, etc.
- Regional cooperation and geopolitical benefits. Such as development of regional markets for goods, services and labour, increased cross-border investments, etc.

## Possible pathways and the way ahead of the Regional Nexus Policy Dialogue in SEE

Through the Regional Nexus Assessment Mapping Study, the following five pathways have been identified as possible suitable entry points for Advancing the Nexus Approach in SEE; their further elaboration by the Roundtable and the representatives of the Economies could render them building blocks of a Nexus Strategy/Roadmap, should the RWG Env decide to develop one:

- **Implementation of past recommendations:**
  - Implementation by concerned economies of recommendations already provided through strategic documents and reports;
  - Self-assessment of implementation and barriers;
  - Regional identification/establishment of further funding sources for implementation;
  - Regional exchange and monitoring of good practices and lessons learned during implementation;
- **Optimisation of planning for benefits and resilience;**
  - Fostering early vertical and inter-sectoral cooperation within governmental authorities;
  - Coordination/integration of the different timeframes and geographic scales for planning in different sectors;
- **Development of new pilots and learning from past/existing:**
  - Setting up pilot experiences on different actions in the economies e.g. on alternative technologies or governance set-ups;
  - Drawing lessons learned;
  - Sharing and comparing experiences at regional level;
  - Upscaling implementation after the first learning cycle;
  - Document the process and experiences at regional level
- **Prioritizing (climate change) resilience:**
  - Develop planning based on resource availability and demand projections;

- Promote climate-resilient and no-regret measures, including resource efficiency and nature-based solutions;
- **Underpin decision-making with improved data:**
  - Improve available monitoring, datasets, information;
  - Promote procedures and platforms for accessibility and understanding.



## The Regional Roundtable on “The path towards Water, Energy, Food and Ecosystems Nexus in Southeastern Europe (SEE)”, Skopje, 23-24 October 2018

The Regional Roundtable is organized by the German Ministry for the Environment, Nature Conservation and Nuclear Safety (BMU) and Global Water Partnership - Mediterranean (GWP-Med) under the auspices of the Ministry of Environment and Physical Planning. It is part of the Project “Water-Food-Energy-Environment Nexus Policy Dialogue Process in South East Europe” (SEE NPDP) supported by the German Federal Environment Agency (UBA) and the Global Environment Facility (GEF) IW:LEARN program as well as of the Project “Promoting the Sustainable Management of Natural Resources in Southeastern Europe, through the use of the Nexus approach” (NEXUS Project) supported by the Austrian Development Agency (ADA).

The Roundtable is a contribution to the South East Europe (SEE) 2020 Strategy, aiming to assist towards achieving the objectives under its Dimension “Environment”, part of the “Sustainable Growth” Pillar.

It builds upon the outcomes of the Regional Roundtable on “Introducing and Operationalizing Water, Food, Energy and Environment Nexus in South East Europe (SEE)” and the First Closed Session on Nexus/ Nexus Ministries meeting, held on 20-22 June 2017 in Belgrade. It is part of a series of dialogue events aiming to catalyze action for concrete implementation of the Nexus approach in the SEE. These also include (i) the International Roundtable on Water and Energy Nexus in Transboundary Basins in Southeastern Europe, 6-8 November 2013 in Sarajevo, and (ii) the Regional Roundtable on “Water, Food, Energy and Environment Nexus in Southeastern Europe”, 9-10 December 2014 in Zagreb; conclusions of the roundtable are given in Annex I. at the end of this Information Note.

The Roundtable will:

- i. Provide a platform for economies to assess their progress regarding the implementation of past recommendations of strategic documents and projects;
- ii. Discuss possible pathways for Advancing the Nexus Approach in SEE;
- iii. Promote knowledge exchange and cross-fertilization among participating stakeholders.

Representatives of Ministries from SEE responsible for Water, Energy, Agriculture/Land and Ecosystems/Environment as well as representatives of other stakeholders in these sectors such as academia, NGOs, energy/private sector, regional and international organizations are invited to participate.

Participation expenses will be covered for a number of participants eligible for financial support i.e. participants from SEE, representing government authorities and institutions, non-governmental organizations, and academia. The application for financial support can be submitted within the registration form for the roundtable.

The Closed Nexus Ministries Session will be held back-to-back for representatives of governments advocating the Nexus approach, i.e. Ministries for Water, Energy, Agriculture/Spatial Planning and Ecosystems.

## **Annex I. Conclusions of Regional Roundtable on “Water, Food, Energy and Environment Nexus in Southeastern Europe” (9-10 December 2014, Zagreb)**

Acknowledging the statements, presentations, case studies and discussions carried out during the Regional Roundtable on “Water, Food, Energy and Environment Nexus in Southeastern Europe” the following was concluded:

1. There are many ongoing sustainable natural resources management related efforts and activities at local, national, transboundary, sub-regional and SEE Regional level. e.g. under the SEE 2020 strategy. Even though most of them are not “labelled” as “Nexus approach” in essence are pointing towards this direction. Therefore, there is a need to capitalize on these efforts, strengthen and, if possible, assist to be implemented in a methodologically sound and efficient way. Mainstreaming of such approaches -with the aim to facilitate them- through guidelines, monitoring etc. is both welcome and useful. Furthermore, introducing Nexus related thinking and concepts into existing and new transboundary basin agreements and arrangements is was welcomed.
2. The Nexus approach should be seen as an integral part of existing processes seeking to foster sustainable development; in SEE these processes include: (i) designing appropriate legal/institutional frameworks; (ii) utilizing existing institutional frameworks and working in obtaining innovative governance modes for integration through cooperation among administrations; (iii) utilizing existing legal and governance structures but implementing the Nexus approach through specific programmes and projects used as pilot/test cases. All three approaches are valid and may run in parallel as they are complementary and there is no single recipe to be followed.
3. The Nexus approach can assist towards sustainable management and use of natural resources on the basis of given developmental choices. Nonetheless, the use of Nexus approach, and the analytical frameworks it may encompass, should remain pragmatic and practical in order to avoid “paralysis through excessive analysis”. Being introduced at the early planning stage and used in a successful manner, the Nexus approach can assist in building consensus and reducing delays and costs at the stage of implementation of policies.
4. The Nexus approach provide four policy related and management “entry points” -water, energy, food, ecosystems/environment- to reach optimum synergy towards sustainable natural resources management and use. The end mix could involve a combination of different “percentage” contribution of each of them, each time depending on the goal, the circumstances and the means available.
5. The Nexus may be a “proactive” approach involving all competent sectors and stakeholders, at all governance levels at the design phase. This complements -offering added value to- the Environmental Impact Assessment (EIA) and even the Strategic Environmental Assessment (SEA) applied traditionally to address adverse impacts, after having already initiated and invested on specific programmes or projects.
6. Additional effort should be put at national, transboundary and regional levels to allow the introduction of the Nexus approach in the design and implementation of policies and strategies related to water, food, energy and environment as well as to developmental policies. These efforts should focus on:
  - assessing the (i) baseline situation of each sector (ii) their inter-linkages and (iii) effects of decisions under each sector to the rest of the sectors;

- setting short and long term goals taking into consideration the assessment findings;
- raising capacities and making available appropriate analytical tools and methodologies to achieve the above.

7. The Dimension Environment of the SEE 2020 Strategy offers an appropriate framework in this regard and related on-going and planned actions, including those under the part of the Regional Programme related to Nexus, are welcome

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The responsibility for the content of this publication lies with the authors.