



Briefing Paper

CABRI-Volga Policy Roundtable

Moscow

27 February 2007

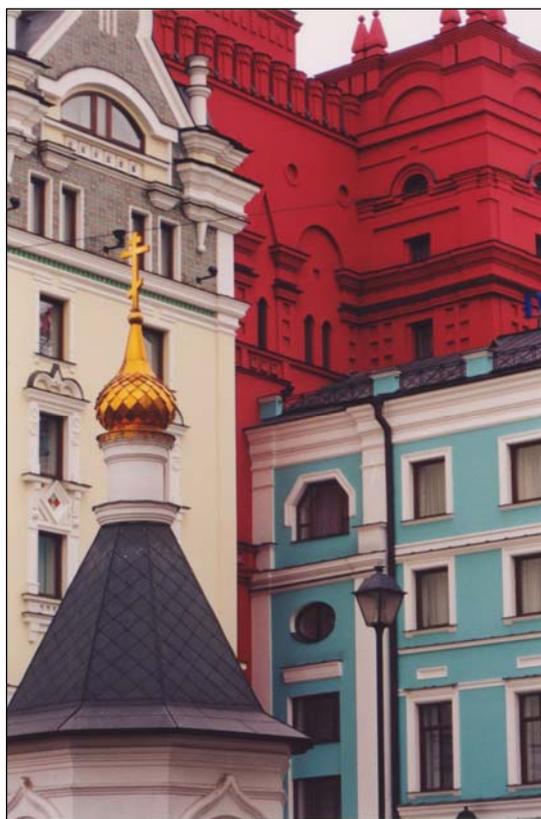




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1 The CABRI-Volga Policy Roundtable and its Objectives

CABRI-Volga (**C**ooperation **A**long a **B**ig **R**iver) is an international coordination action to facilitate cooperation and to coordinate research in environmental risk management in large river basins in the EU, Russia & the New Independent States (NIS). The project focus is on the Volga Basin which comprises 40% of the population of Russia, 45% of the country's industry and 50% of its agriculture.

Following twenty-seven months of close cooperation, experience and knowledge exchange between Russian and European Union experts on issues related to environmental risk management in large river basins the CABRI-Volga project will end in February 2007.

On 27 February 2007, a meeting at the Russian State Duma will be held to present the political-relevant results of the CABRI-Volga project and to have a discussion and exchange of views among a small selected group of State Representatives and project partners.

The aim of this one-hour meeting is to inform about the further development of CABRI-Volga and prospects for the future.

The meeting at the Russian State Duma will be directly followed by the Policy Roundtable:

“Russia’s Water Code and the EU’s Water Framework Directive – A Dialog of Research and Practise”

The specific aims of the Policy Roundtable are:

- Develop further both scientific and practical contributions to the EU-Russia dialogues on environment, social development and transport,
- Discuss possible options for the implementation of recommendations based on findings developed through three CABRI-Volga Expert Group Meetings,
- Identify perspectives for future international cooperation,

(For further information please see also the detailed agenda.)

Participants of the Policy Roundtable will be high-level decision makers from Russia as well as the European Union (a detailed list of all invitees is included in this briefing paper). The Policy Roundtable languages are Russian and English. All presentations and discussions will be translated by a professional interpreter.

2 Dates and Venue

The meeting in the Russian State Duma will take place on:

Tuesday, 27 February 2007, 11:30 – 13:00 at

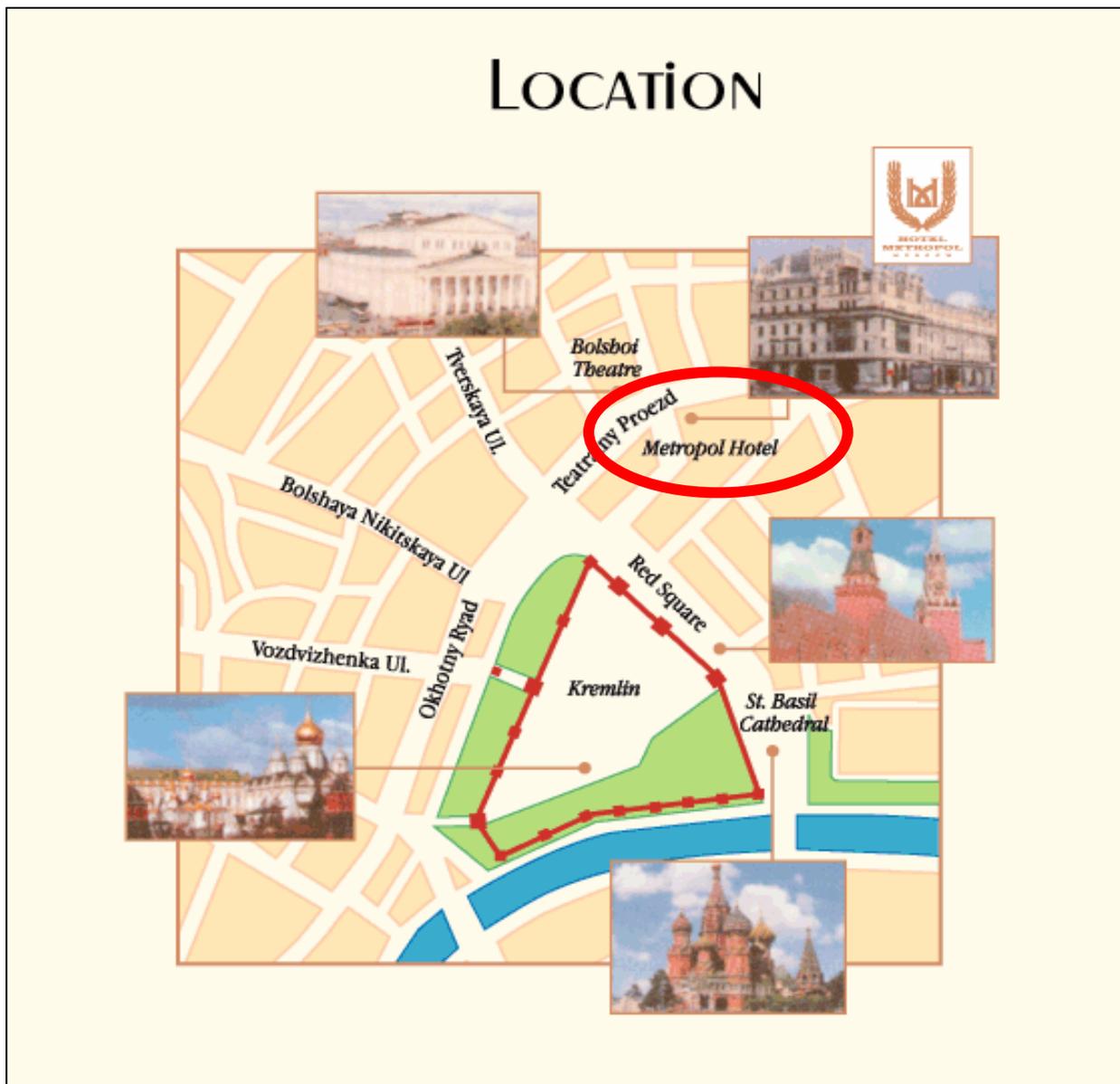
The Russian State Duma, Ohotnyiy Ryad Street 1 - Office No. 420, Moscow

After the meeting, participants will walk together to the Hotel Metropol – the venue of the Policy Roundtable - where lunch will be provided at 13:20.

The Policy Roundtable will take place on:

Tuesday, 27 February 2007, 14:00 – 18:00 at

Hotel Metropol, Teatralny Proezd 1/4, Moscow (www.metropol-moscow.ru)





3 Agenda

Meeting at the Russian State Duma

- 11:30 Presentation of the policy-relevant results of the CABRI-Volga project followed by a short discussion and exchange of views.
Participants will be informed about the further development of CABRI-Volga and prospects for the future.
- 13:00 Walk to the Hotel Metropol (nearby) and lunch at 13.20

CABRI-Volga Policy Roundtable at the Metropol Hotel

- 14:00 Welcome by Prof. Alexander N. Kosarikov, Vice-Chairman of the Committee on Ecology of the State Duma of the Russian Federation
- 14:15 Presentation of CABRI-Volga Recommendations
Siegfried Rupprecht, Director of Rupprecht Consult Forschung & Beratung GmbH and CABRI-Volga Project Coordinator
- 15:00 The EU Water Framework Directive – Reasons for an Integrated River Basin Management in View of an EU-Russian Cooperation
Prof. Franz Nestmann, University of Karlsruhe, Dean of the Department of Civil Engineering and Geo- and Environmental Sciences and Head of the Institute of Water Resources Management
- 15:45 Coffee Break
- 16:15 Implementation of the Water Code in the Russian Federation
Dr. Natalia Davydova, Director of the Ecological Projects Consulting Institute and CABRI-Volga Dissemination Manager
- 17:00 Opportunities for Further Cooperation
Pierrick Fillon-Ashida, European Commission - DG Research, CABRI-Volga Scientific Project Officer
- 17:30 Discussions and Conclusions
- 18:00 Closure

(Each presentation module will provide room for discussion and exchange)

- 19:30 Dinner at “Romanov” Restaurant at the Hotel “PETR the First”,
17 Neglinnaya Str., Moscow



4 Invitees

Prof. Alexander Kosarikov (Chairman)

Vice-Chairman of the Committee on Ecology of the State Duma of the Russian Federation

Mr. Dendev Badarch

Director of the UNESCO Moscow Office

Mr. Alexandre Bedritsky

Head of Russia's Federal Service on Hydrometeorology and Environment Monitoring (Rosgidromet)

Prof. Janos Bogardi

Director of the United Nations University Institute for Environment and Human Security

Mr. Marco Borsotti

Head of the United Nations Development Program (UNDP) Office in Russia

Mr. Alexander Davidenko

Head of the Federal Agency of Sea and River Transport

Dr. Natalia Davydova

Director of Environmental Projects Consulting Institute (EPCI), Moscow, and CABRI-Volga Dissemination Manager

Mr. Pierrick Fillon-Ashida

European Commission - DG Research, CABRI-Volga Scientific Project Officer

Mr. Alexander Gudyma

Head of the United Nations Environmental Program (UNEP) Office in Moscow

Dr. Elena Jeremenko

German Embassy to the Russian Federation, Member of the Scientific Committee

Dr. Rustem Z Khamitov

Head of the Federal Agency of Water Resources

Mr. Vladimir Komchatov

Head of State Oceanographic Institute, Moscow,

Mr. Vladimir Korneev

Delegation of the European Commission to Russia, Project Officer

Prof. Rolf Krohmer

Head of the German - Russian Centre URSUS at the University Karlsruhe, Germany

Mr. Jean-Luis Lavroff

Delegation of the European Commission to Russia (representing the European Commission's DG External Relations), Head of Section Science and Technology, Transport, Energy and Environment Section

Ms. Anna Lebedeva

Deputy of the State Duma

Prof. Alexander Likhotal

President and CEO of Green Cross International

Dr. Petr Mashkin

Puschino State University, Head of the Center



Prof. Tatyana Moiseenko

Professor of Ecology, Corresponding Member of the Russian Academy of Sciences and Scientific Leader of Aquatic Ecosystem Laboratory at INEP

Dr. Valery Neronov

Deputy Chair of the Russian Man and Biosphere (MAB) Committee

Prof. Franz Nestmann

Head of the Institute of Water Resources Management at the University Karlsruhe, Germany

Dr. Elena Nikitina

Director of EcoPolicy Research and Consulting, Moscow, and CABRI-Volga Scientific Coordinator

Dr. Iouri Oliounine

Executive Director of the International Ocean Institute – Headquarters in Malta

Mr. Jean-Louis Oliver

Secretary General of the French Water Academy

Mr. Grigori Ordzhonikidze

Secretary General of the Russian National Committee of UNESCO

Mr. Valentin Rodionov

Chairman of the Executive Committee of the Association of Economic Cooperation the Subjects of Russian Federation "Bolshaya Volga" (Great Volga Association)

Mr. Siegfried Rupprecht

Director of Rupprecht Consult Forschung & Beratung GmbH, Cologne, Germany, and CABRI-Volga Project Coordinator

Dr. Irmgard Schwätzer

Chairwoman of the German Committee for Disaster Reduction

Ms. Tatiana Shipitsina

European Commission, DG Environment, Policy Officer

5 The “CABRI-Volga” Project

CABRI-Volga is an international coordination action to facilitate cooperation and to coordinate research in environmental risk management in large river basins in the EU, Russia & the New Independent States (NIS).



Fig. 1 The Volga Basin



The Partnership

The CABRI-Volga partnership is comprised of seventeen public and private sector partners from Russia and several EU member states, including universities, private research institutes, resource and training centers, industry, NGOs, and international organisations dealing with a variety of aspects in environmental risk management.

The Situation in the Volga Basin

At present, the Volga Basin is threatened by significant ecologic, social and economic risks and low funding of scientific establishment can be observed. Only small priority is given by citizens for environmental issues. Generally speaking governmental and institutional levels are facing challenges in cross-sectoral collaboration.

Key Project Objectives of the Project

- Fostering institutional cooperation and networking within the basin and with EU counterparts;
- Increasing research on risks and develop approaches for assessing risk;
- Channelling results back into EU/international processes;
- Leaving a legacy within the region enabling institutional cooperation on risk management, policy development and opportunities to participate in political processes for citizens.

The objectives of the project correspond to the Millennium Development Goals (MDGs) approved by the UN in 2000 to be met by the year 2015, specially to those related to an interdependent relation between the health of the river and achieving the MDGs in the areas of environmental sustainability and peoples' health.

Approach

To date three expert fora were held organised by the project consortium in different Russian CABRI-Volga cities such as Nizhny Novgorod, Kazan and Cherepovets. During these meetings over 70 experts from the European Union, Russia, America and Asia have identified the following problems and challenges and formulated recommendations to solve them:

- Water quality, incl. drinking water, sanitation and public health, biodiversity and natural habitats;
- Risk management and overall vulnerability of the Volga Basin;
- Use of water resources in a sustainable manner;
- Economic development and sustainable transport in the Volga Basin;
- Institutional cooperation and stakeholder participation.



Partners of CABRI-Volga

Partners in Russia:

- Environmental Policy Research and Consulting Center (Moscow)
- Caspian Marine Scientific and Research Centre (Astrakhan)
- Ecological Projects Consulting Institute (Moscow)
- Nizhny Novgorod State University of Architecture and Civil Engineering
- The Independent Noncommercial Organization the Research Innovation Project Institute "Cadastre" (Yaroslavl)
- Saratov State Socio-Economic University
- UNESCO Moscow Office
- Ammophos (Cherepovets)

Partners from the European Union

- Rupprecht Consult Forschung- und Beratung GmbH – *Project Coordinator* – (Cologne, Germany)
- Institute for Water Resources Management of the University of Karlsruhe (Germany)
- United Nations University - Institute for Environment and Human Security (Bonn, Germany)
- Aristotle University of Thessaloniki (Greece)
- Centro di Cultura Scientifica "Alessandro Volta" (Como, Italy)
- International Ocean Institute (Gzira, Malta)
- Compagnie Nationale du Rhône (Lyon, France)
- The Regional Environmental Center for Central and Eastern Europe (Szentendre, Hungary)
- Wageningen University (The Netherlands)

The Committee on Ecology of the State Duma of the Federal Assembly of the Russian Federation has expressed its strong interest in the CABRI-Volga project.

Budget

The overall budget of € 1.2 million is mainly provided by the European Commission under the International Cooperation (INCO) Programme. The UN University and UNESCO provide own match funding.



6 CABRI-Volga Recommendations

CABRI-Volga recommendations are the results of a thorough consultation process in which experts from Russia, the European Union, America and Asia were involved during three Expert Group Meetings in the Volga Basin (September 2005 in Nizhny Novgorod, April 2006 in Kazan, and November 2006 in Cherepovets).

The Expert Group Meetings provided a still relatively unique opportunity in Russia to bring together for joint discussions experts from various scientific disciplines and institutional backgrounds such as academia, politics, business, industry, and NGO's. Out of the each time over 70 experts, the majority (about 2/3) were from Russia.

CABRI-Volga partners have been developing a large set of recommendations to address the most pressing issues in the Volga Basin (see the overview of recommendations and actions provided as a separate document).¹ CABRI-Volga is currently in the process of consolidating these recommendations to a list of policy recommendations for decision makers on:

- how to enhance institutional coordination in environmental risk management in large river basins,
- how to develop close interactions within the triangle state-business-society,
- how to strengthen participation of multiple stakeholders in environmental decision-making, and how to consolidate effective partnerships between them.

For the purpose of discussion and validation at the CABRI-Volga Policy Roundtable, a small subset of high-level policy recommendations has been selected concerning.

- systematic multi-hazard risk management,
- implementation of the new Russian Water Code, and
- alternative financing solutions.

Systematic multi-hazard risk management

Human and environmental security in large river basins versus risk of floods and water related technological accidents, as well as risks associated with poor drinking water quality have been identified as areas deserving specific attention in the Volga Basin. A package of policy strategies and measures on *what* can be done and *how* to reduce the vulnerabilities from floods, technological accidents and those related to poor drinking water quality in the Volga River Basin have been formulated. A list of possible recommendations to decision-makers and practitioners representing various stakeholder groups is suggested. Particular focus of these recommendations is on how to enhance coordination of policies, tools and

¹ In addition to policy recommendations, CABRI-Volga has also been working towards the formulation of bottom-up scientific recommendations as part of a "research agenda & scientific priority action plan". This document, besides identifying and substantiating major possible future directions of national and international research, is focusing on possible actions on how to strengthen national and European research networks, and on how to promote broader dissemination and circulation of user-friendly information and knowledge. It also sets priorities about how to build stronger links between science and practice and to make science more socially responsible. The CABRI-Volga "research agenda & scientific priority action plan" and specific recommendations within this document have been discussed and validated in a series of CABRI-Volga scientific outreach workshops organised in Astrakhan, Puschino and Yaroslavl in February 2007.



actions between diverse groups of stakeholders in prevention, emergency response and rehabilitation of affected populations and livelihoods.

In the area of flood risk assessment, it is suggested to apply integrated risk assessment methods which include social, economic and environmental dimensions for flood prone areas. This general recommendation is substantiated through several suggested actions including:

- the establishment of an inventory of available methodologies for flood risk assessment and select the most appropriate for the Volga Basin,
- enhancing the capacity of existing centres and if necessary find new centres to apply the risk assessment methodology at local/municipal levels and apply participatory approaches in the Volga Basin,
- ensuring the overall (economic, physical, social) preparedness of relevant institutions and public for flood risks through application of assessment results (for example, ensure 'economic' preparedness via developing a legislative basis for the purchase and functioning of insurance policies within flood-prone areas), and
- providing to the public on time clear and user-friendly information and advice on possible actions against risks.

Implementation of the new Russian Water Code

On 1 January 2007, the new Water Code No. 74-ФЗ (replacing the one of 1995) of the Russian Federation entered into force. It is based on the principles that water body protection (both surface and ground) takes priority over use; that usage shall not have an adverse impact on the environment, and that utilisation be prioritised toward drinking and domestic purposes. Some of the Water Code's innovations include wider applications of river basin approaches, the introduction of integrated water basin management schemes, water conservation zones, defining vertical subsidiarity between levels in water use and water protection, and enhancing the participation of the public and various stakeholders in decision-making and action.

The European Union's Water Framework Directive (WFD) was studied in the development of the Russian Water Code. Consequently 20 basin districts are defined, four of which will constitute the Volga (the new boundaries still have to be approved as they have not yet been harmonised with existing administrative boundaries). Schemes for each basin on integrated water body use and protection will be developed by "the federal executive body," while basin councils, composed of diverse stakeholder groups, will be established and invited (on a consultative basis) to make recommendations toward the schemes. Monitoring of water bodies will be undertaken at the district level, and will be undertaken by federal executive bodies in collaboration with territorial authorities.

During the Policy Roundtable, two presentations will be given on the new Russian Water Code as well as on the EU's WFD and practical lessons learned on the Rhine River Basin and elsewhere.

There will be opportunities for discussion about specific recommendations on:

- supporting the process of Water Code implementation in Russia by
 - developing normative acts for regulating the division of competences between federal and regional authorities, for example, in allocation of funding from water use fees and for defining new regulations for water protection zones,



- developing a strategy containing short- and mid-term schemes and goals for the Water Code implementation similar to the WFD implementation process,
 - defining the rules and concrete tools for broader participation of stakeholder groups in a dialogue, consultations and action, and
 - introducing effective control and enforcement procedures over its implementation.
- supporting the formation of the new system of Basin Councils by
 - developing transparent and effective operational procedures and rules clearly defining the competences and functions of the Basin Councils and
 - setting up clear divisions of competences and effective mechanisms of interaction with existing regional water basin administrations.

Alternative financing solutions

In the EU, the internalisation of costs caused by processes and actions that damage the environment as well as the provision of incentives for more benign technologies and environmental behaviour through the use of economic instruments is high on the political agenda. It is expected that a variety of instruments will be used to fully internalise environmental costs, including taxes, regulation, obligations or commitments, and trading schemes – also sometimes summarised as “green taxation” instruments.

It is positively viewed that these alternative financing solutions involve all stakeholders and be fully reflected in the market.

As a practical example worth considering in the Volga Basin and beyond is the license system for sewage discharges in the Netherlands: Fees are paid depending on pollution level; a fine has to be paid when limits are exceeded, and in severe cases court action is taken. In the latter case, it is possible that an industry has to close down. The taxes go into a fund which is used a) to give subsidies to enterprises to develop/implement improved technologies resulting in lower pollution levels and b) to fund enforcement and monitoring. In the Netherlands a long term perspective is taken: polluters know in advance that taxes will be increased in a period of for example 10 years. This means that actors can calculate whether investments in clean technology will pay off. Responsibilities for enforcement are clearly allocated. The Ministry has an inspection body which assesses the functioning of the agencies responsible for enforcement. The Dutch system has thus a stepwise approach with incentives to invest in the reduction of pollution.

The possibilities and limitations of application of economic instruments summarised under the term “Green Taxation” should be investigated and assessed. In case such solutions be deemed appropriate (following a thorough research/review), a legislative basis for its implementation would need to be prepared - and enforced.

It has been recognised by the experts involved during the three CABRI-Volga Expert Group Meetings that the effectiveness of the polluter-pays principle which is already in place in Russia since 1990s needs to be increased.

Among possible recommendations suggested by the experts is the introduction of indirect subsidies for implementing up-to-date environmental technologies (aimed at water quality improvements and water related risk reductions), i.e. technology innovation funds. Of particular importance is the suggestion to establish regional development funds in the Volga Basin to support SMEs, their access to new environmentally benign technologies and involvement in R&D projects.



Furthermore, it is suggested to introduce “blue labels” for facilities which contribute to water savings and water pollution reductions. Among possible effective mechanisms could be quotas for water-use, and higher fees for the water used above the established level could be a part of such system.

Finally, the need for a target use of funds accumulated from payments by water-users exclusively for the purposes of water resources protection and conservation, e.g. for maintenance of purification or hydro-technical facilities infrastructure, for emergencies mitigation, or for general water management is emphasized. It is recognized as an important consideration in formation of effective financial mechanisms in water governance.

Please find attached a selection of complementary information on relevant subjects:

Attached as separate files:

- Summary of CABRI-Volga Draft Recommendations and Actions (to be further developed based on Policy Roundtable discussions and other expert advice)
- Water Code of the Russian Federation (unofficial English translation)
- A comparative summary of the Russian Water Code and the EU’s Water Framework Directive

Further information on the EU’s Water Framework Directive is available under http://ec.europa.eu/environment/water/water-framework/index_en.html.

Additional CABRI-Volga related documents are available on the project website www.cabri-volga.org.