International Rivers and Lakes

A Newsletter prepared jointly by the Department for Economic and Social Affairs, United Nations, New York and the Economic Commission for Latin America and the Caribbean, Santiago, Chile

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The editor encourages contributions of news items for an exchange of information with interested readers.

Individual copies of the *Newsletter* are available upon request. Requests should include full name and address of offices and officials wishing to receive copies.

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I. New water strategy draft by the World Bank[1]

The World Bank is drafting a water resource management strategy. Since this strategy will have a distinctive impact on the financing and management of water resources, this newsletter is reprinting the overview of the draft proposal for interested readership to examine and draw conclusions. The World Bank's website provides the following overview of the water management strategy:

Effective development and management of water resources are essential for sustainable growth and poverty reduction in all developing countries. Water resources management has become an important challenge for many of the World Bank's borrowers; environmental and social concerns are mounting as water scarcity increases and the quality of water declines. Also, the threats posed by floods and droughts are exacerbated by climate change.[2]

In 1993 the World Bank approved a Water Resources Management Policy Paper (WRMPP). In that paper, and in this new water strategy draft, the policy consists of: the institutional framework (legal, regulatory and organizational roles); management instruments (regulatory and financial); and the development, maintenance and operation of infrastructure (including water storage structures and conveyance, wastewater treatment, and watershed protection).

The 1993 Policy Paper reflected a broad global consensus, forged during the Rio Earth Summit process. This consensus stated that modern water resources management should be based on three fundamental principles (known as "the Dublin Principles"): the ecological, institutional and instrument principles.

The ecological principle argues that independent management of water by different water-using sectors is inappropriate, that the river basin must become the unit of analysis, that land and water need to be managed together, and that much greater attention needs to be paid to the environment.

The institutional principle argues that water resources management is best done when all stakeholders participate, including the state, the private sector and civil society, that women need to be included, and that resource management should respect the principle of subsidiarity, with actions taken at the lowest appropriate level.

The instrument principle argues that water is a scarce resource, and that greater use of incentives and economic principles is necessary to improve water allocation and to enhance water quality.

This new strategy takes stock of eight years of World Bank experience with implementing the 1993 Policy Paper. It also considers the World Bank's renewed commitment to poverty alleviation. The fundamental conclusion is that the principles articulated in the Policy Paper remain valid, but that the World Bank needs to make some adjustments if it is to be a better partner in assisting its borrowers to use water resources as a basis for growth and poverty alleviation in a socially and environmentally sustainable manner.

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[1] Full report from the World Bank can be found at http://lnweb18.worldbank.org/ESSD/essdext.nsf/18DocByUnid/AAF6891BBC78724C85256BAB00659390/$FILE/WRSSDraft.pdf.

[2] And quite possibly also by poor land and soil management, defective urban planning and protection of agricultural lands, and non-existing basin management (Editor's addition).

The World Bank has a long history of engagement in water resources development and management, with some of its most significant achievements (such as the Indus Treaty) associated with such work. Initially the World Bank saw the development of dams and other hydraulic infrastructure as synonymous with water resources management. In good part through some painful and highly visible failures, which severely damaged its reputation, the Bank learned about the necessity of incorporating not just technical and economic considerations, but also social and environmental factors into the design and operation of hydraulic infrastructure. The World Bank also learned that water management is about much more than simply building and operating infrastructure; it also includes the development of an enabling legal framework and institutions for management of both the quantity and the quality of water in basins and aquifers. Non-structural measures, such as water rights administration, allocation mechanisms, and information systems, must be incorporated as well.

From this experience there are two principal conclusions, which together form the basis for this Strategy.

- It is clear that the "management or infrastructure" dichotomy is false. Both are needed. In most developing countries, there is simultaneously an urgent need for more environmentally and socially sustainable management of water resources, and for the development and maintenance of the stock of small and large water infrastructure needed for growth and poverty reduction.

- It is equally clear that development and management of water resources is a slow and highly political process. All countries, including industrialized ones, have a long way to go before they manage their water resources in accordance with principles of best practice. Accordingly, the challenge of reform is to determine what is feasible, in any particular natural, cultural, economic and political environment, and to develop alliances around a sequenced, prioritized, realistic program for improvement.

This Sector Strategy comes at a time when the World Bank Group is, in many respects, at a crossroads in its involvement in water resources. On the one hand, a lot has been learned. Indeed, the World Bank has learned a lot about ensuring that the poor benefit both directly and indirectly from resource management and water services, about mainstreaming the environment, and about the centrality of institutions. And, consequently, over the past decade there have been major changes in the World Bank Group's practices and portfolio that reflect these priorities. On the other hand, there are numerous high priority investments in infrastructure to be made by many developing countries, whose stocks of such infrastructure at all scales are of smaller magnitude than those of developed countries. If the World Bank and IFC cannot be reliable partners to borrowers who need to make major investments, the World Bank Group will neither be faithful to its mission nor be able to exercise much influence on the critical resource management issues. The corollary is that the World Bank Group must develop a new business approach for dealing with "high-reward/high-risk" hydraulic infrastructure. This approach must see hydraulic infrastructure as a means to an end and not an end in itself, and it cannot compromise social and environmental objectives. But where such infrastructure is needed, and where World Bank, IFC and MIGA support is vital, a new approach must be found for making decisions in a more transparent, time-bound and predictable way.

This Sector Strategy is the third in a trilogy of recent World Bank statements on water resources management and should be read in conjunction with the two earlier "volumes". The first of these, the 1993 Water Resources Management Policy Paper, outlines the principles governing the World Bank's work in water resources. The second, the 2001 assessment of experience with implementation of that Policy Paper ("Bridging Troubled Waters") by the Operations Evaluation Department (OED), concludes that the Policy Paper remains valid and germane, but that the ambition and the pace of implementation must be tailored to the wide variety of circumstances found in the countries that borrow from the World

Bank. This Strategy, the third part of the trilogy, which should be read in conjunction with the earlier reports, focuses on how the World Bank can more effectively assist its borrowers in translating principles into action.

II. Agreement between Bolivia and Chile delayed[3]

Several of the ministries of President Jorge Quiroga of Bolivia prefer to obviate the agreement of 12 April, between Quiroga and President Ricardo Lagos from Chile. The agreement commits both countries to promote a treaty for the concession and management of transnational water resources in the two countries. This happens after ministers Ramiro Cavero and Walter Nunez informed in Uyuni that, attending to the request of the inhabitants of the boundary area, the subject of promoting a treaty for the concession and management of transnational waters will not be pursued further.

III. ToolBox for integrated Water Resources Management by the Global Water Partnership[4]

The purpose of the ToolBox developed by the global Water Partnership (GWP) is to help the implementation of Integrated Water Resource Management (IWRM). Compared to traditional approaches to tackling water problems, IWRM takes a broader view of the sector; it examines a more complete range of solutions, and considers how different actions can affect and reinforce each other. Although it places different demands on the policymaker, the operator and the water-user, IWRM is more comprehensive, efficient and powerful than approaches tried hitherto. It offers greater hope of addressing water problems at all levels and in all their variety and complexity.

The essence of IWRM has been described as follows*:* "IWRM is a process which promotes the coordinated development and management of water, land and related resources in order to maximize the resultant economic and social welfare in an equitable manner without compromising the sustainability of vital ecosystems″. IWRM is not a blueprint, nor does it come with an instruction manual valid for all eventualities. The challenges for water managers come in many types; circumstances differ greatly between countries, and, just as importantly, within countries. Thus, policy measures that are feasible and acceptable in one place are inappropriate for another. The ToolBox is put together as a range of available options or tools. However, it is not the intention that these tools should be taken up and used randomly or in isolation, since IWRM stresses the interrelationship of actions of different types and working at different levels of influence. Moreover, water cannot be taken in isolation; water policies must also take account other sectoral policies, in particular land use.

The Introduction to the ToolBox:

- Reviews the various kinds of water problems in different parts of the world in order to indicate the variety of challenges being faced by policymakers, and the importance of avoiding a single "mindset" (Section 1).
- Summarizes the "traditional" stereotype of water policy, and indicates how it fails to meet the water needs of the twenty-first century (Section 2).
- Introduces the main ideas and components of IWRM and why they are likely to be more effective than previous approaches (Section 3).

[3] Agua Bolivia, 20 May 2002 (http://www.aguabolivia.org).
[4] http://www.gwpforum.org.

- Describes the main categories of items in the ToolBox (Section 4).
- States criteria for assessing and choosing Tools (Section 5).
- Offers guidance for assembling an effective package of Tools to tackle specific jobs (Section 6).

The ToolBox draws together a wealth of experience and expertise in IWRM in one practical, user-friendly product. Its aim is to support water professionals and policy makers by offering easy access to practical, non-perspective advice, information and guidance on how to establish integrated water resources management in the real world.

The IWRM ToolBox offers several types of information:

- tools
- cases
- references
- organizations
- people

The ToolBox enables the user to move between different issues, different geographical areas, different tools and organizations within a structured environment, hence supporting the cross cutting, holistic approach of IWRM. If the user reviews the list of tools, he may, for example be interested in C3 Demand management and C3.1 Improved efficiency of use. This tool is hyper linked to others – such as A4.5 Water campaigns and awareness raising and C7 economic instruments. It is also linked to a number of case studies, as well as some organizations and references. In turn, the case studies and references may also be linked with other tools.

Users can submit information such as suggestions for case studies, good references and comments on ToolBox material. GWP will review any information submitted to the ToolBox by users. Entries that meet GWP standards will receive an 'Approved' label and can be included in the ToolBox database.

IV. A New book on international water law[5]

The book "International Law of Water Resources: Contribution of the International Law Association", by Dr. Slavko Bogdanovic, was published in 2001 by Kluwer Law International within its International and National Water Law and Policy Series. The book is described by the editors of the series as follows:

Effectively managing increasingly scarce transboundary water resources in many parts of the world may become one of the most critical challenges facing the international community in the 21st century. Global warming is expected to exacerbate the existing problems of water scarcity in Africa, the Middle East and Central Asia, and threatens to affect even relatively water-secure regions and countries.

The availability of freshwater resources is declining worldwide. According to some estimates, population growth alone will mean that the number of water-stressed countries will increase within the next 30 years from 31 to 48, almost one quarter of the international community of nations. About 40% of the world's population depends on transboundary water resources, a situation that raises serious concerns at the international level.

[5] Dr.Patricia Wouters and Dr.Sergei Vinogradov, Series Editors, Dundee, Scotland 11 December 2000.

There are nearly 300 river basins, including the world's largest and most important freshwater resources, which are shared by two or more States. Unresolved issues of water resource use and allocation may create the potential for serious interstate conflicts and undermine regional stability. It is imperative that existing and potential disputes over access to shared water resources are resolved through peaceful means within the framework of legal principles and norms provided by international law.

The 1997 UN Convention on the Law of the Non-Navigational Uses of International Watercourses, offers States a framework of rules and procedures that would assist with the management of their transboundary freshwaters. This instrument could be used as a legal template for bilateral or basin-wide agreements. While not yet in force, the 1997 Watercourses Convention codifies a number of rules of customary law that apply to international watercourses. However, even in the absence of a universally ratified instrument, there is a body of international rules under the International Law Association (ILA), widely acknowledged as an authoritative statement of international law governing international watercourses, which rules on the law of international water resources.[6]

The normative impact of the ILA's 1966 Helsinki Rules and subsequent provisions formulated by its water resources committees and adopted by the ILA is readily evident. Firstly, many of the provisions of the 1997 UN Watercourse Convention, including its fundamental obligation to utilize international watercourses in an equitable and reasonable manner, can be linked to the work of the ILA. Secondly, the ILA's Helsinki Rules provided the foundation for the reference by the UN General Assembly to the International Law Commission to undertake its codification efforts regarding the law of international watercourses. For many nations the 1966 Helsinki Rules are considered to embody the essence of the international rules that apply in this field. This fact makes it extremely difficult to justify attempts to "re-write" the ILA's work in its entirety.

Given the increasing political and economic importance of transboundary water resources and of the pertinent international legal issues, a broad-based competence in the fundamentals of international water law is required not only for the legal profession but also for experts from other water resource-related disciplines such as hydrology, water management, engineering, etc.. This book, which contains the complete collection of the ILA rules on international water resources, as well as comments, explanatory notes and other supporting materials, will be of significant academic and practical value to the wide range of experts working in this field.

Dr. Bogdanovic's collection is unique in many respects. Never before has the work of the ILA in a particular field of international law been presented in such a comprehensive and systematic manner. Legal scholars and researchers will find this book very helpful in discovering the conceptual underpinnings and the evolution of international water law. For the practitioners, particularly those involved in negotiating and drafting international water agreements, this collection will serve as a useful reference tool containing a wealth of "black letter" normative material.

[6] Of course, the main constraint of international water law is not the lack of substantive principles, but the absence of compulsory jurisdiction, should the parties not agree on arbiters or courts for conflict adjudication.

V. Europe: international cooperation needed to prevent conflicts over transboundary waters[7]

Equitable access to an adequate supply of freshwater is becoming more of an issue, even in Europe, where one in seven still have no access to safe drinking water and adequate sanitation. Water scarcity, and the fact that 15 countries receive half or more of their total water from neighbouring countries, is a source of potential conflict.

One of the conclusions of the Second International Conference on the Sustainable Management of Transboundary Waters in Europe was that to avert disputes, international cooperation is necessary. The Conference was held in Miedzyzdroje, Poland, from 21 to 24 April 2002, under the auspices of the United Nations Economic Commission for Europe (UNECE). Participants underlined the need to integrate transboundary water management with the management of surface and groundwater, coastal waters and marine resources. They also took stock of several pilot projects under the UNECE Convention on the Protection and Use of Transboundary Watercourses and International Lakes, which was adopted in Helsinki on 17 Mar 1992 and entered into force on 6 Oct 1996.

VI. Mexico: President sticks by water-debt stance[8]

On 21 April 2002, Mexican President Vincente Fox met with governors from northern Mexico, promising to help them in an ongoing water dispute with the United States. The US says Mexico owes it 1.4 million acre-feet (1.73 billion m^3) of water, under a 1944 treaty that requires Mexico to release 350,000 acre feet (432 million m^3) annually through the Rio Grande River[9]. Mexico claims it does not have the water to repay, and has not released the agreed-upon levels of water into the Rio Grande since 1992. Fox pledged to the Mexican governors that he supports their assertions that Mexico can not return all the water it owes to the United States. In a September 2001 meeting with US Congressional leaders, Fox said Mexico needed to improve the efficiency with which it uses water before it could realistically start to repay the debt.

VII. Secretariat requests information for the Río Magdalena factual record[10]

On 22 April 2002, the Secretariat of the North American Commission for Environmental Cooperation (CEC) sought information from the public for use in the preparation of a factual record on the Río Magdalena submission (SEM-97-002). The notice, along with a description of the information requested, is posted on the CEC web site: <http://www.cec.org>. The Secretariat will accept information until 30 August 2002.

The Río Magdalena submission was filed with the CEC on 7 April 1997, by Comité Pro Limpieza del Río Magdalena. The Submitters contend that Mexico is failing to effectively enforce its environmental law by allowing wastewater to be discharged into the Magdalena River from the municipalities of Imuris, Santa

[7] UNECE, 30 Apr 2002 (http://www.unece.org/press/pr2002/02env03e.htm). Related web site: UNECE Water Convention, http://www.unece.org/env/water. Contact: Rainer Enderlein, UNECE Environment Division, email:rainer.enderlein@unece.org.
[8] WaterTech Online, 22 April 2002 (http://www.watertechonline.com/News.asp?mode=4&N_ID=30997).
[9] 1944 Treaty between the USA and Mexico, URL: http://www.internationalwaterlaw.org/RegionalDocs/Co_Tj_RioG.htm
[10] From elan-owner@csf.colorado.edu 22 April 2002. Received: from mail.ccemtl.org (g4.ccemtl.org [209.29.119.2]) by csf.colorado.edu.

Ana and Magdalena de Kino in Sonora, Mexico, without proper treatment.

On 5 February 2002, in light of Mexico's response, the Secretariat recommended to the Council that a factual record be prepared, and suggested further review of Mexico's enforcement in regard to the three Sonoran municipalities of laws requiring treatment of wastewater and prohibiting water pollution. On 7 March 2002, the Council instructed the Secretariat to prepare a factual record as recommended by the Secretariat. The overall plan to develop the factual record was published on 22 March 2002 on the CEC web site.

Under Article 14 of the North American Agreement on Environmental Cooperation (NAAEC), the Secretariat may consider a submission from any person or non-governmental organization asserting that a Party to NAAEC is failing to effectively enforce its environmental law. When the Secretariat determines that the NAAEC Article 14(1) criteria are met, it may then continue with a process that can lead to the development of a factual record on the matter. A factual record seeks to provide detailed factual information to allow interested persons to assess whether a Party has effectively enforced its environmental law with respect to the matter raised in the submission.

Under Article 15(4) and 21(1)(a) of the NAAEC, in developing a factual record, the Secretariat shall consider any information supplied by a Party and may ask a Party to provide information. The Secretariat may also consider any relevant technical, scientific or other information that is publicly available, submitted by the Joint Public Advisory Committee (JPAC), by interested non governmental organizations or persons, or developed by the Secretariat or independent experts. In accordance with Article 15(7) of NAAEC, the Council may, by a two-thirds vote, make the final factual record publicly available.

The CEC was established under NAAEC to address environmental issues in North America from a continental perspective, with a particular focus on those arising in the context of liberalized trade. The CEC Council, the organization's governing body, is composed of the environment ministers (or equivalent) of Canada, Mexico and the United States.

VIII. EC outlines policy for water management in developing countries[11]

The European Commission adopted on 12 March 2002 the 'Communication on water management in developing countries. It has thus been communicated to the Council and the Parliament. The document is designed to guide the EU's support for water resources management in developing countries in an attempt to deal with the growing scarcity and decreasing quality of global water resources.

Responding to the challenge of providing water and sanitation for all in developing countries, is the theme of the Commission Communication entitled 'Water management in developing countries: Policy and priorities for EU development co-operation'. This Communication builds on the recommendations for action of the International Conference on Freshwater held in Bonn in December 2001, and supports the development of an EU initiative as a key agenda point for the World Summit on Sustainable Development.

[11] From: Karsten Weitzenegger karsten@weitzenegger.de, Mon 18 March 2002. The final text of the Communication can be found in all EU languages, as well as a press release at: http://europa.eu.int/prelex/detail_dossier_real.cfm?CL=fr&DosId=172380. The guidelines for water resources development cooperation can be found at: http://europa.eu.int/comm/development/sector/intro_en.htm

IX. President Bush names Cabinet Panel on Oregon water dispute, USA: 4 March 2002[12]

The following article, reprinted from the Water Forum, deals with an internal problem of the United States. However, the range of issues and interests involved in this case is such that it gives a good example of the problems that may affect river basins, nationally or internationally. The article is reproduced below for the benefit of Newsletter readers.

President George W. Bush established a cabinet-level panel to help resolve a tug-of-war between environmentalists and farmers in Oregon over water deemed essential to both fish and agriculture. The panel is to recommend within 18 months ways to "enhance water quality and quantity," in Oregon's Klamath River Basin, Bush said in a presidential order.

Bush named Interior Secretary Gale Norton, Agriculture Secretary Ann Veneman, Commerce Secretary Donald Evans and Council on Environmental Quality Chairman James Connaughton to head the panel, which is to seek comments from a broad range of interested groups and individuals.

Drought last year reduced water supplies in the basin, threatening irrigated crops, hydroelectric supplies and protected coho salmon and sucker fish promised to Indian tribes under a treaty. Farmers repeatedly broke open locked gates to gain access to water for parched farmland. Although heavy snowfall has assured adequate water supplies this year and reduced tensions in the region, the dispute was rekindled by a Bush administration plan in January that would give farmers a first crack at the water.

"Ensuring that the farming community has access to sufficient water supply while complying with federal environmental laws and respecting tribal trust obligations will involve complex economic and legal issues that call for the immediate attention of cabinet-level officials and others," Bush said in the order.

A Sierra Club official welcomed the panel's formation but expressed wariness over the Bush administration's previous record toward preserving wilderness and threatened species. "We definitely need interagency cooperation in the area, and if the goal is to restore ecological health, then more power to them," said Melanie Griffin, Sierra Club's director of land protection. However, she said, "If you look at the (administration record on) national parks, the grizzly bears and the off-road vehicles, so far we're not seeing a lot." She expressed concern that Environmental Protection Agency head Christine Whitman was not included on Bush's panel. The chairman of the White House Council on Environmental Quality was named to the group.

Said Steve Pedery of the environmental group WaterWatch of Oregon, "My reaction to this task force is extreme misgiving.... They have made clear that their goal is to maximize irrigation deliveries." He said the group advocates steps to enhance water conservation and encourage farmers to sell water rights.

As part of an annual water allocation process for the Klamath basin, the Federal Bureau of Reclamation proposed in January a 10-year plan which would fully irrigate farms for the period, leading critics to charge that it would reduce water levels below those needed for the survival of fish promised to local Indian tribes.

Under that proposal, farmers could voluntarily sell water back to the government. Farm groups endorsed it, but environmentalists and Klamath-basin tribes criticized it.

[12] [WaterForum] Digest Number 581, by Randall Mikkelsen.

X. NGOs welcome European Parliament's clear "no" to water transfers[13]

Environmental NGOs, WWF, BirdLife International and the European Environmental Bureau (EEB) welcome the clear position taken by the European Parliament against unsustainable water management schemes across Europe. European Parliamentarians met in Brussels on 6 March 2002, where they adopted a tough Resolution on the "European Union's Sustainable Development Strategy," which was sent to Heads of State and Government at the Barcelona Summit (15-16 March).

The Resolution contains a clear expression of concern about "the precedent set by proposals for the development of unsustainable water management schemes across Europe" such as water transfers. It calls on the Commission "not to provide any EU funding for such water transfer projects."

MEPs stopped short of issuing an outright condemnation of the Spanish Hydrological Plan law of 20 June 2001 by removing a specific reference to it that had been voted at last week's Parliamentary Committee on the Environment, despite its clear EU dimension and NGO concerns about it.

Nonetheless, NGOs hope that the Parliament's Resolution will send a clear signal to decision-makers in the EU that this type of water management scheme is viewed as unsustainable by many across Europe.

The Spanish Hydrological Plan is a "water transfer" law that includes as many as 863 water infrastructure works and other developments in addition to dams and reservoirs – on top of the piping for the transfers. Many NGOs believe that the plan could lead to the destruction of certain areas requiring protection under EU nature conservation, such as the Ebro Delta.

They estimate that as many as 86 Special Protection Areas and 82 Sites of Community Interest, as designated under the Wild Birds and Habitats Directives, are under threat from the infrastructure development required by the plan. Moreover, they state that the plan will contravene the principles of sustainable water management by substantially increasing water demand in Spain and clearly violating the legal provisions of the EU Water Framework Directive.

Worse still, say NGOs, the plans are likely to be partly financed by the European taxpayer. It is understood that the Spanish authorities are looking for a Euro 7.0 billion cash injection for the scheme from the EU's cohesion and structural funds.

Eva Royo Gelabert from WWF commented: "Although the European Parliament's Resolution does not make a specific reference to the Spanish Hydrological Plan, Members of the European Parliament have today taken a very clear and responsible stance against unsustainable water management schemes in Europe. We hope that other EU Institutions will now follow suit. The services of the European Commission, by comparison, have had several multi-stakeholder complaints against the Spanish Hydrological Plan for months on their table, but we still don't know what is the European Commission's official reaction to it."

Miguel Naveso from BirdLife International said: "MEPs have recognized the contradictory nature of the current situation in Spain: the EU is seeking to protect precious natural heritage on one hand, yet plans are being made to use EU funds to finance environmentally-damaging infrastructure on the other. The Commission should respond to the European Parliament's demand and refuse to fund unsustainable water

[13] *European Water Management News*, Wednesday 6 March 2002.

projects with European Union taxpayers' money."

Stefan Scheuer of the EEB adds, "After this clear statement from the European Parliament against EU support for unsustainable water transfer projects, like the Spanish Hydrological Plan, it is now up to the Commission to take a position on this issue before the Johannesburg Summit. The EU's credibility on sustainable development must not be jeopardized and environmental protection laws must not be undermined by financing the wrong projects."

XI. Relaunching the Danube Pan-European Corridor: A bridge which unites Europeans[14]

Ms. Loyola de Palacio, Vice-President with special responsibility for transport and energy of the European Commission, signed the Memorandum of Understanding on the Danube pan-European corridor, today, on behalf of the European Commission, in the presence of high-level representatives of the other countries concerned: Austria, Bulgaria, Croatia, Germany, Hungary, Moldova, Romania, Slovakia, Ukraine and Yugoslavia.

"In the run-up to enlargement, the development of pan-European transport infrastructures is one of the EU's priorities" she said. "In this connection, the Danube is a major artery, a veritable backbone which links no less than ten States on the European Continent."

The Memorandums of Understanding on the corridors enable the various States concerned to consult one another and cooperate with a view to the harmonious development of transport arteries of European interest for the benefit of all the States. "The conditions are now in place to undertake concerted efforts to develop this waterway which is of crucial importance for the whole of Europe, while respecting the environment. Our first priority must be to clear the river around Novi Sad," announced Ms. Loyola de Palacio.

The Memorandum of Understanding creates a flexible and efficient structure for concerted action and the promotion of various initiatives to develop the Danube corridor, and, provides a discussion forum for projects of common interest. The Danube, together with the Rhine and the Rhine-Main-Danube canal, is a key link in the strategic connection between the Black Sea and the North Sea. The Danube corridor is therefore particularly important for the whole of Europe.

The development of the corridor will benefit the forthcoming enlargement of the EU, the stabilization process in the Balkans, and the strengthening of cooperation between the EU and Eastern Europe and the New Independent States. This example of regional cooperation on a large scale brings together the EU Member States, the accession candidate countries, the Balkan countries and the States of the former Soviet Union. Ten countries have signed the Protocol of Agreement: Austria, Bulgaria, Croatia, Germany, Hungary, Moldova, Romania, Slovakia, Ukraine and Yugoslavia.

The final obstacle to be overcome is the project to clear the river around Novi Sad, which is to be funded by the Commission to the tune of over Euro 8 billion (representing 85% of the total cost). All the contracts have been signed. "It is very important that all the parties involved honour their commitments and do their utmost to facilitate the completion of the work, on schedule, by the end of August 2002,"

[14] *European Water Management News*, Wednesday 6 March 2002

stressed Ms. Loyola de Palacio. The development of this inland waterway and intermodal transport on the Danube is one of the priorities of European transport policy as set out in the Commission's White Paper *European transport policy until 2010: time to decide.*

The Commission also recently proposed a revision of the guidelines for the trans-European transport networks and the removal of the existing bottleneck by supporting the funding of a new link-up project on the Danube, between Straubing and Vilshofen. The Commission is already funding projects on the Danube, the biggest one being the construction of the Vidin Calafat Bridge (Bulgaria-Romania).

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