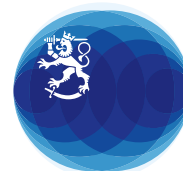


# EVALUATION

WATER AS AN ENTRY POINT FOR PEACE MEDIATION



Ministry for Foreign  
Affairs of Finland

Volume 2 • Case study reports and annexes



Evaluation On Finnish Water Diplomacy

2021/6B



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# **WATER AS AN ENTRY POINT FOR PEACE MEDIATION**

## **EVALUATION ON FINNISH WATER DIPLOMACY**

### **Volume 2 – Case study reports and annexes**

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**2021/6B**

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# EVALUATION ON FINNISH WATER DIPLOMACY

This evaluation report consists of two volumes. This is Volume 2 and contains the case studies and annexes.

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# Acronyms and Abbreviations

<b>ACCP</b>	Actors, Content, Context, Process (ACCP) Conflict Analysis Framework
<b>ADB</b>	Asian Development Bank
<b>AIT</b>	Asian Institute of Technology
<b>ALI</b>	Department for Africa and the Middle East of the MFA of Finland
<b>ASEAN</b>	Association of Southeast Asian Nations
<b>AWS</b>	Alliance for Water Stewardship
<b>BCM</b>	Billion Cubic Metre
<b>BG</b>	Benishangul-Gumuz
<b>BIG</b>	Business Induced Growth
<b>BRI</b>	Belt and Road Initiative
<b>BRIDGE</b>	Building River Dialogues and Governance
<b>CAREC</b>	Central Asia Regional Economic Cooperation Program
<b>CEO</b>	Chief Executive Assistant
<b>CEP-BCI</b>	Core Environmental Program Core Environment Program and Biodiversity Conservation Corridors Initiative
<b>CFA</b>	Comprehensive Framework Agreement
<b>CGIAR</b>	Consultative Group for International Agricultural Research
<b>CIDA</b>	Canadian International Development Agency
<b>CMI</b>	Martti Ahtisaari Peace Foundation, formerly known as Crisis Management Initiative
<b>COWASH</b>	Community-Led Accelerated WASH Project
<b>CSO</b>	Civil Society Organisation
<b>CTA</b>	Chief Technical Assistant
<b>CWA</b>	Consolidated WASH Account
<b>CWMP</b>	Community Watershed Management Programme in Sudan
<b>DSF</b>	Decision-Support Framework
<b>ECOSOC</b>	Economic and Social Council
<b>EEAS</b>	European External Action Service
<b>EECCA</b>	Eastern Europe, Caucasus and Central Asia
<b>EIA</b>	Convention on Environmental Impact Assessment in a Transboundary Context
<b>EIU</b>	Economist Group
<b>ELC</b>	IUCN Environmental Law Centre
<b>ELY</b>	Centre for Economic Development, Transport and the Environment, Finland
<b>EMS</b>	Evaluation Management Services
<b>EMSC</b>	Evaluation Management Services Coordination
<b>EMSP</b>	Environmental Management Support Programme
<b>ENB</b>	Eastern Nile Basin, consisting of Egypt, Ethiopia, South. Sudan and Sudan
<b>ENCOM</b>	Eastern Nile Council of Ministers
<b>ENECA</b>	United Nations Economic Commission for Africa
<b>ENSAP</b>	Eastern Nile Subsidiary Action Program
<b>ENSAPT</b>	ENSAP Team
<b>ENTRO</b>	Eastern Nile Technical Regional Office
<b>ENVSEC</b>	Environment and Security Initiative
<b>ENWMP</b>	Eastern Nile Watershed Management Project
<b>ESCWA</b>	United Nations Economic and Social Commission for West Asia
<b>ETH</b>	ETH Zürich university
<b>EU</b>	European Union
<b>EVA</b>	Development Evaluation Unit of the Ministry for Foreign Affairs of Finland





<b>EWA</b>	European Water Association
<b>FAO</b>	Food and Agricultural Organisation
<b>FCA</b>	Finn Church Aid
<b>FCG</b>	Finnish Consulting Group
<b>FELM</b>	Finnish Evangelical Lutheran Mission
<b>FIIA</b>	Finnish Institute of International Affairs
<b>FWF</b>	Finnish Water Forum
<b>GEF</b>	Global Environment Facility
<b>GERD</b>	Grand Ethiopian Renaissance Dam
<b>GMS</b>	Greater Mekong Subregion
<b>GWP</b>	Global Water Partnership
<b>HELCOM</b>	Baltic Marine Environment Protection Commission (Helsinki Commission - HELCOM)
<b>HYCOS</b>	Hydrological Cycle Observation System
<b>IAEA</b>	International Atomic Energy Agency
<b>ICBP</b>	Integrated Capacity Building Programme
<b>ICCON</b>	International Consortium for Cooperation on the Nile
<b>ICT</b>	Information and communication technology
<b>ICWC</b>	Centre for International Water Cooperation
<b>IDEN</b>	Integrated Development of Eastern Nile
<b>IGO</b>	International Governmental Organisation
<b>IHE</b>	IHE Delft Institute for Water Education
<b>IKMP</b>	Information and Knowledge Management Programme
<b>ILA</b>	International Law Association
<b>ISH</b>	Initiative for Sustainable Hydropower
<b>ITSP</b>	Integrated Training Strategy and Programme
<b>IUCN</b>	International Union for Conservation of Nature
<b>IWMI</b>	International Water Management Institute
<b>IWRM</b>	integrated water resources management
<b>JRP</b>	Junior Riparian Professionals Programme
<b>KEO</b>	Department of Development Policy at the Ministry for Foreign Affairs of Finland
<b>LMC (M)</b>	Lancang-Mekong Cooperation (Mechanism)
<b>MEA</b>	Multilateral environmental agreements
<b>MEDRC</b>	Middle East Desalination Research Center
<b>MEE</b>	Mekong Energy and Environment
<b>MEE-NET</b>	Mekong Energy and Environment Network
<b>MERFI</b>	Mekong Region Futures Institute
<b>MFA</b>	Ministry for Foreign Affairs of Finland
<b>MIT</b>	Massachusetts Institute of Technology
<b>MRC</b>	Mekong River Commission
<b>MRCS</b>	MRC Secretariat
<b>MTR</b>	Mid-term review
<b>MWARP</b>	Mekong Water Resources Partnership Programme
<b>MWRAS</b>	Mekong Water Resources Assistance Strategy
<b>NATO</b>	North Atlantic Treaty Organization
<b>NBI</b>	Nile River Basin Initiative
<b>NBTF</b>	Nile Basin Trust Fund
<b>NDC</b>	National Dialogues Conferences
<b>NELSAP</b>	Nile Equatorial Lakes Subsidiary Action Program
<b>NET</b>	Network
<b>NGO</b>	Non-Governmental Organisation
<b>NRBC</b>	Nile River Basin Commission
<b>NWM (F)</b>	Nordic Women Mediators (Finland)



<b>ODA</b>	Official development assistance
<b>OSCE</b>	Organization for Security and Co-operation in Europe
<b>OSU</b>	Oregon State University
<b>OWNP</b>	One WASH National Program
<b>PNPCA</b>	Procedures for Notification, Prior Consultation and Agreement
<b>PPA</b>	Policy Priority Area
<b>RBO</b>	River Basin Organisation
<b>REC</b>	(USAID's) Regional Economic Cooperation Project
<b>REILA</b>	Responsible and Innovative Land Administration project
<b>RG</b>	Reference Group
<b>RSF</b>	Reporters Without Borders
<b>RWSEP</b>	Rural Water Supply and Environmental Programme
<b>RWSP</b>	Regional Water Supply Project
<b>SAARC</b>	South Asian Association for Regional Cooperation
<b>SADC</b>	Southern African Development Community
<b>SDG</b>	Sustainable Development Goals
<b>SEA</b>	South East Asia
<b>SIDA</b>	Swedish International Development Cooperation Agency
<b>SIWI</b>	Stockholm International Water Institute
<b>SMA</b>	Senior Modelling Adviser
<b>SMART</b>	SMART (Specific, Measurable, Achievable, Relevant, and Time-Bound) goals
<b>SVP</b>	Shared Vision Program
<b>SWOT</b>	Strengths, Weakness, Opportunities, and Threats
<b>SYKE</b>	Finnish Environment Institute
<b>TA</b>	Technical Assistance
<b>TBIWRDP</b>	Tana-Beles Integrated Water Resources Development Programme
<b>TL</b>	Team Leader
<b>TSTD</b>	Tonle Sap Technology Demonstrations for Productivity Enhancement
<b>UN</b>	United Nations
<b>UNDP</b>	United Nations Development Program
<b>UNECE</b>	United Nations Economic Commission for Europe
<b>UNEP</b>	United Nations Environment Programme
<b>UNESCAP</b>	United Nations Economic and Social Commission for Asia and the Pacific
<b>UNESCO</b>	United Nations Educational, Scientific and Cultural Organization
<b>UPWCD</b>	Universities Partnership for Water Cooperation and Diplomacy
<b>USA</b>	United States of America
<b>USD</b>	United States Dollar
<b>USSR</b>	Union of Soviet Socialist Republics
<b>VNIRO</b>	Russian Federal Research Institute Of Fisheries and Oceanography (VNIRO) of the Federal Fisheries Agency for Fisheries
<b>WASH</b>	Water, Sanitation, and Health
<b>WB</b>	World Bank
<b>WBCSD</b>	World Business Council for Sustainable Development
<b>WCQ</b>	Water Cooperation Quotient
<b>WG</b>	Working Group
<b>WM</b>	Watershed Management
<b>WME</b>	Watershed Monitoring and Evaluation
<b>WMTF</b>	Water Management Trust Fund
<b>WPSP</b>	Water, Peace and Security Partnership
<b>WUP</b>	Water Utilisation Programme
<b>WWF</b>	World Wildlife Fund
<b>YYA</b>	Agreement of Friendship, Cooperation, and Mutual Assistance (the YYA Treaty for its acronym in Finnish)



# ANNEX 1. TERMS OF REFERENCE

## EVALUATION ON FINNISH WATER DIPLOMACY – LESSONS FOR THE FUTURE

### TERMS OF REFERENCE

19 February 2021

#### 1. Background

This evaluation is commissioned by the Development Evaluation Unit (EVA-11) of the Ministry for Foreign Affairs of Finland (MFA). The MFA is in the process of incorporating the water diplomacy concept in its foreign and development policy toolbox to increase Finland's role in international water-related issues and to connect water better with Finland's other peace mediation activities. The MFA is taking a leading role in the coordination of activities in Finland related to water diplomacy<sup>1</sup>.

The purpose of this evaluation is to support the MFA in this process and increase the MFA's preparedness to undertake carefully targeted water diplomacy actions. This evaluation is a 'forward-looking evaluation' and will provide answers to current information gaps and Finland's possible future role in water diplomacy. In parallel to this evaluation, the MFA requested SYKE to prepare a project proposal (titled '4P': *Pro-active Water Diplomacy for Peace, Prosperity and Partnership*) which aims to put the water diplomacy in practice through the Finnish Water Diplomacy Network. This project will be pre-appraised as part of this evaluation and these two exercises will be coordinated throughout the duration of the evaluation.

The following presents the Terms of Reference (ToR) for the *'Evaluation on water diplomacy in the context of Finnish development cooperation – Lessons for the future'*. It will be conducted by an independent evaluation team recruited by Particip GmbH – Niras Finland, from January 2021 to September 2021.

#### 1.1 Description of the broader context

Although open water-conflicts remain still relatively scarce, tensions are continuously present in various basins over surface and groundwater resources and in situations in which water is used as a 'weapon' as part of other conflicts. In this regard, it should be noted that water conflicts are rarely about water alone: water is used, for example, in relation to the demand for drinking water (pollution), navigation (dams, siltation), food production, inland fisheries, energy production (hydropower dams), maintaining environmental flows and water as a cultural identity. Therefore, water-related tensions are typically about differing water uses and needs that riparian states and other actors have.

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<sup>1</sup> For this reason, the ToR refers to MFA as the lead partner in the evaluation and development of water diplomacy related activities for the greater good of Finland.



Finland has been a strong long-term supporter of transboundary water cooperation, peace mediation, and multilateral collaboration in different regions. The Mekong Basin, Central Asia and the Nile Basin are often referred to as examples. In the international arena, Finland has been initiating both the UNECE Water Convention 1992 and UN Watercourses Convention 1997 and continued supporting their implementation. Domestically, Finland is actively supporting new activities such as the Centre for Peace Mediation, the Water Diplomacy Network and the Finnish Water Forum.

These activities link closely to water diplomacy, which is an increasingly dominant concept to complement the activities related to transboundary water cooperation. For example, the European Union issued two Council Conclusions on water diplomacy in 2013 and 2018, stating that high level political engagement is required to prevent and alleviate the conflict potential of shared waters and promote peace and stability. Globally, a variety of local, national, regional and international organisations, often linked to global research and development programs in river basins, are working in the field of water diplomacy.

Water diplomacy in this context is to be seen as a specific form of cooperation over water. While water cooperation typically builds upon the assumption of shared objectives and mutual interests, water diplomacy concentrates on the political aspects related to water and its use. It, therefore, takes the actors' differing interests and potential tensions as given. To tackle these tensions, water diplomacy also makes active use of diplomatic tools as well as peace mediation and conflict prevention mechanisms. This means taking into consideration varying interests among water users locally, regionally or across national borders. There are alternative definitions of the term water diplomacy. The following definition based on the two studies mentioned above will be used in this evaluation as a starting point and developed further if needed in the inception phase:

*Water diplomacy provides a means to prevent and mitigate water-related political tensions by making simultaneous use of water know-how and diplomatic tools and mechanisms across multiple diplomacy tracks. Water diplomacy, therefore, combines key aspects of foreign and security policy with development policy and peace mediation, with a focus on water and related resources under changing climate.*

## **1.2 Key actors in Finland**

Due to the cross-cutting nature of water diplomacy, numerous stakeholders have an interest in the subject. Some key actors dealing with water resources and related peacebuilding and conflict prevention are listed below, but the list is not exhaustive.

Relevant government entities and public agencies

- MFA, Political department, Centre for Peace Mediation (from 1 October 2020 onwards) as well as relevant regional departments (Department for Russia, Eastern Europe and Central Asia; Department for the Americas and Asia; Department for Africa and the Middle East)
- Finnish embassies in the relevant regions and countries
- Ministry of Agriculture and Forestry of Finland
- Ministry of the Environment
- Ministry of Economic Affairs and Employment and
- Ministry of Social Affairs and Health



Academia and educational institutions:

- Universities: Aalto University, University of Helsinki, University of Oulu, University of Eastern Finland and Tampere and Lappeenranta Universities of Technology
- Universities of Applied Sciences (HAMK, Turku, South-Eastern Finland)

Research institutions

- Finnish Environment Institute ([www.syke.fi](http://www.syke.fi))
- Finnish Meteorological Institute (<https://en.ilmatieteenlaitos.fi>)
- Geological Survey of Finland ([www.gtk.fi](http://www.gtk.fi))
- The Finnish Institute of International Affairs ([www.fiaa.fi](http://www.fiaa.fi))

Professional networks:

- Water Diplomacy Network (established in May 2019). The water diplomacy network is an unofficial body without independent decision-making powers. It is an advisory community of practitioners, aiming to develop the water diplomacy approach and coordination further. Its purpose is to harmonise, unify and strengthen a Finnish form of water diplomacy as a part of preventive peacebuilding in international fora and project-based initiatives worldwide.
- Finnish Water Forum (FWF) (established in April 2009) brings together 130 members representing research institutions, NGOs specialised in the water sector, and companies dealing with water-related technologies, consulting or design. The objectives of the FWF are to (i) Strengthen cooperation and knowledge sharing of ministries, institutions and private sector as well as improve the general business environment in water affairs; (ii) Improve the water sector and its competitiveness, and (iii) Support the implantation and monitoring of water sector strategies

### 1.3 Policy framework for the evaluation

The evaluation's policy framework consists of relevant policies related to transboundary waters, peace mediation, foreign policy, and diplomacy.

The Government of Finland's water diplomacy concept is presented in the 'Finnish Water Way'<sup>2</sup>, the five ministries' international water strategy<sup>3</sup>. The strategy builds on three focus areas - I Sustainable development and water; II People and water; III Peace and water - and related cross-cutting objectives. Here, water diplomacy is presented as preventive diplomacy in multi-track peace mediation. The water diplomacy concept complements water-related (development) cooperation and focuses on the political dimensions of cooperation. However, as the international water strategy is a joined policy of five ministries, water diplomacy may go beyond the purview of foreign affairs alone.

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2 Government of Finland, 2018. *Finnish Water Way: International water strategy Finland*. Ministry of Agriculture and Forestry; Ministry of Economic Affairs and Employment; Ministry of the Environment; Ministry for Foreign Affairs; and the Ministry of Social Affairs and Health. Helsinki, Finland.

3 Ministry of Agriculture and Forestry; Ministry of Economic Affairs and Employment; Ministry of the Environment; Ministry for Foreign Affairs; and the Ministry of Social Affairs and Health



In terms of peace mediation, Finland relies on and supports a number of policies both domestically and internationally. While the Action Plan for Mediation<sup>4</sup> sets the general policy context, the recently established Centre for Peace Mediation coordinates Finland's peace mediation activities that include, e.g. National Dialogues Conferences (NDC), the participation of women and youth as well as civil society<sup>5</sup>. Water diplomacy forms one thematic focus areas for Finland's peace mediation work. The Government Report on Finnish Foreign and Security Policy<sup>6</sup> also notes that Finland's good international reputation and experience both in mediation and water issues offers a possibility to combine mediation, diplomacy and transboundary water sector cooperation in solving international water-based conflicts.

At EU level Finland has adopted the EU Council Conclusions on Water Diplomacy (11/2018, thus updating earlier water diplomacy conclusions from 2013), setting out EU's future work foreseen to enhance EU diplomatic engagement on water as a tool for peace, security & stability. Other relevant reference documents include recently updated EU Mediation Concept and EEAS Peace Mediation Guidelines, both of which have been published in December 2020.

At the global level, both the 2030 Agenda for Sustainable Development and the Paris Agreement on Climate Change highlight the cross-sectoral role of water and the strong interlinkages between water and many policies: security, human rights, gender equality, climate change, health, food security, energy, inland navigation, pollution control, biodiversity, desertification, land degradation and the overarching need for less resource-intensive growth. While several Sustainable Development Goals (SDGs) link to water, the SDGs also include a specific freshwater-related goal (#6) and a specific indicator (#6.5.2) on transboundary water cooperation. The broad set of targets within SDG 6 address, e.g. water and sanitation, efficiency and equity of water use, integrated water resources management, transboundary water cooperation, and the protection of water-related ecosystems. Water diplomacy relates in addition to SDG #16: the promotion of peaceful and inclusive societies for sustainable development through several targets and SDG #17: strengthening of global partnerships for sustainable development, in particular target 17.16.

#### 1.4 Legal framework

Two global UN conventions are particularly relevant for water diplomacy: UNECE Water Convention 1992 and the UN Watercourses Convention 1997. Both conventions were initiated by Finland, and Finland is also actively supporting their implementation, e.g., through funding and cooperation with UNECE Water Convention Secretariat.

- Convention on the Protection and Use of Transboundary Watercourses and International Lakes (UNECE Water Convention) done in Helsinki, on 17 March 1992 and in reference to it
- Protocol on Water and Health (Signed by Finland on 17 June 1999 in London)
- Convention on the Law of the Non-navigational Uses of International Watercourses (UN Watercourses Convention) was done in 1997 in New York, and it entered into force in 2014. Finland had acted as the initiator, proposing the preparation of such convention to UN General Assembly in 1970.

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4 Ministry for Foreign Affairs of Finland, 2011. *Action plan for mediation*. Publications of the Ministry for Foreign Affairs 12 /2011. ISBN 978-951-724-977-5. Helsinki, Finland.

5 <https://um.fi/peacemediation>

6 Government of Finland, 2020. *Government Report on Finnish Foreign and Security Policy*. Publications of the Finnish government 2020:32. ISBN 978-952-287-892-2. Helsinki, Finland.



Naturally, also other UN conventions are relevant for the theme. These include, e.g., the so-called Espoo Convention 1991 on EIA (Convention on Environmental Impact Assessment in a Transboundary Context) and relevant conventions related to peace mediation, diplomacy and foreign policy.

## **2. Rationale for this evaluation**

Finland has developed a well-regarded position in peace mediation and development cooperation worldwide. Water has thus far been part of the development cooperation context. This has led to situations when water touched political discussions, and it did not find a natural place in the institutional context of the Finnish ministries. With the establishment of the Centre for Peace Mediation within the MFA, water conflicts and diplomacy remains one of the peace mediation priorities<sup>7</sup>.

At the same time, an active academic and NGO community developed in Finland, ready, on the one hand, to contribute to the academic knowledge of water diplomacy and to develop the required capacity, and on the other hand, to put water diplomacy into practice. In addition, two academic studies have been conducted at the request of the MFA on the definition of the concept and the possible position of Finland in the international water diplomacy context. In this context, the evaluation is to contribute to a sustainable future for the Finnish water diplomacy activities.

Water diplomacy as a concept is also gaining increasing international recognition to complement both transboundary water cooperation and foreign policy. As a member of the European Union, the 2018 EU Council Conclusions create for Finland a natural framework for its water diplomacy activities. The global opening of the UNECE Water Convention means that an increasing number of countries are ratifying the convention and/or participating in the activities related to the convention. As an initiator and long-term supporter of the UNECE Water Convention, this provides Finland with an additional way to connect to various possible water diplomacy contexts.

## **3. Purpose and objectives of the evaluation**

In line with the evaluation plan 2020-2022, the Unit for Development Evaluation of the MFA of Finland (EVA-11) commissions a strategic evaluation to assess the potential of strengthening Finland's water diplomacy activities. The purpose of this evaluation is to support the MFA in the process of incorporating water diplomacy in its foreign and development policy toolbox and increase the Ministry's preparedness to undertake carefully targeted actions.

The evaluation is mostly forward-looking but also includes summative analysis to respond to the evaluation questions. The evaluation findings will be used by the relevant regional departments, the respective embassies, political departments in general, the Centre for Peace Mediation in particular, and the EVA-11. Other, indirect, stakeholders such as the Ministry of Environment and the Ministry of Agriculture and the parties participating within the 4P-project/ Water Diplomacy Network and the Finnish Water Forum will be the evaluation users.

The objective of the evaluation is to generate knowledge about the possibilities for future engagement of Finland in the area of water diplomacy, based on an analysis of strengths and weaknesses of past activities and an analysis of opportunities and threats in the related fields of water cooperation,

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<sup>7</sup> The thematic priorities of Centre for Peace mediation are: women and youth in peace processes, water diplomacy, new technologies, religious and traditional peace makers and policy work in multilateral organizations.



peace mediation and diplomacy. This evaluation will not evaluate individual projects or focus on the more ‘technical’ aspects of water cooperation. The evaluation is hence to produce evidence and present well-justified conclusions on the following evaluation questions.

1. What is the current and longer-term ambition of the MFA and other Finnish key actors in the area of water diplomacy?
2. What can the MFA learn from its previous interventions related to water diplomacy?
  - a. To identify the strengths and weaknesses of past water diplomacy-related activities of Finland, including the linkages to peace mediation
  - b. To assess the opportunities and threats for an engagement of Finland in water diplomacy.
3. How could the ambition of the MFA, on the one hand, and the wider water diplomacy network, on the other hand, be materialised in concrete terms?

Each of the above evaluation questions is substantiated in chapter 5 (*Approach and methodology*) by identifying possible issues, sub-evaluation questions and possible activities addressing these question and likely results and will be further defined during the inception phase. The approach is participatory and includes specific opportunities for joint learning.

#### **4. Scope**

The evaluation will include:

- Finland’s water sector cooperation interventions related to water diplomacy (carried out within Mekong River Commission (MRC) and in the Nile River Basin Initiative (NBI), i.e. ENTRO and ENSAP).
- Finland’s transboundary water sector cooperation with Russia and the work carried out within OSCE, where relevant.
- Support to the identification of steps to strengthen the future water diplomacy activities of the MFA.

The above scope, including the period that will be covered, will be detailed during the inception phase.

In parallel to this evaluation, the Ministry of Foreign Affairs requested SYKE to prepare a project proposal (titled ‘4P’: Pro-active Water Diplomacy for Peace, Prosperity and Partnership) which aims to put the water diplomacy into practice through the Finnish Water Diplomacy Network. To strengthen the mutual activities, the evaluation will execute a pre-appraisal on the project documentation of the 4P-project, and their work will be continuously coordinated and findings shared.

#### **5. Approach and methodology**

**Objective 1: To determine the current and longer-term ambition of the MFA in the area of water diplomacy through a joint learning process with key stakeholders**



Much information is already available on the topic of water diplomacy in Finland through the studies carried out at the request of the MFA. However, during the evaluation process, the envisaged role and activities of the MFA (and other key actors) in the field of water diplomacy will be further investigated. The multi-dimensionality of this evaluation process is visualised in the following figure:

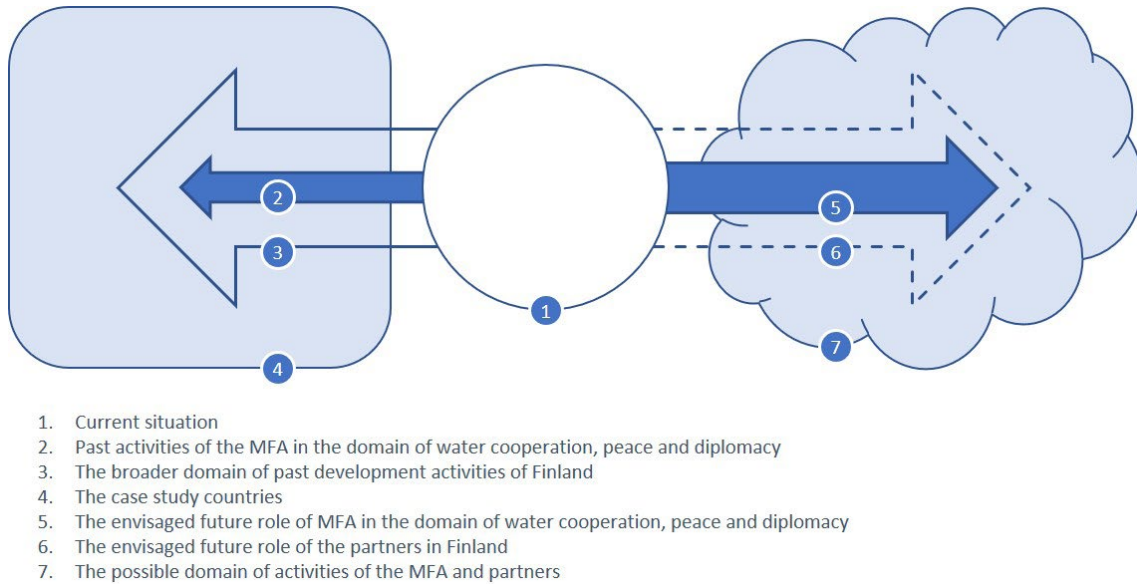
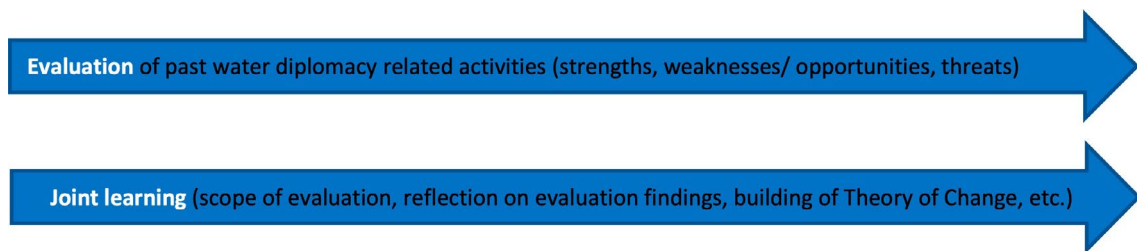


Figure 1: Schematic outline of the components of the forward-looking evaluation

The investigation will clarify the objectives and enable formulating detailed sub-evaluation questions. Key is to make joined and continued learning with the MFA a continuous part of the evaluation process.

As such (at least), two processes run in parallel which reinforce each other through time:



Next, in parallel to this evaluation, the Ministry of Foreign Affairs requested SYKE to prepare a project proposal (titled ‘4P’: *Pro-active Water Diplomacy for Peace, Prosperity and Partnership*) which aims to put the water diplomacy into practice through the Finnish Water Diplomacy Network. There is a significant overlap between the ‘4P’ and this evaluation, which requires careful deliberation between the project and the evaluation. This will be further investigated during the



inception phase. Given the overlap, a pre-appraisal of '4P' project is included in the evaluation to align activities early and ensure that both processes are mutually beneficial.



Given the current stage of water diplomacy in Finland, a step-by-step approach will be taken to facilitate joint-learning and decision-making. This approach will allow us to identify the strengths and weaknesses of past activities and identify opportunities to develop a solid base for future activities.

### ***Objective 1 – Issue: Establishing the ambition and identifying the role of the partners contributing to the Finnish water diplomacy***

Prior to any interference in a water-related conflict is a thorough understanding of the performance (indicators) of a water system at large. This requires a continued effort to bring knowledge from the embassy network, local civil society and academia (dedicated expertise). This information will then allow evidence-based action to be carried out by the MFA.

By designing the evaluation and the future ambition with both the MFA and partners, the future cooperation in joint water diplomacy activities will gain support and strength not only for the evaluation itself but also for the period after that when a new strategy for involvement of Finland in international water diplomacy will be translated into concrete actions.

#### Sub-evaluation questions:

- What are the goals and interests of the different partners regarding the evaluation and its outcome?
- How can the interests of the partners (other ministries, academia, NGOs, water diplomacy network) be included in the evaluation process?
- What role can the partners play in the constructive development of a Finnish water diplomacy sector after the evaluation?
- Which past activities serve to inform the design of future activities and fit within the ambition of the MFA and its partners?

### **Objective 1: Activities**

Joint learning: Since this evaluation process is looking backwards to look forward, learning about and from the past for the future is essential. For this purpose, dedicated learning and reflection meetings are built into this evaluation process. It is envisaged that eventually -through this joint learning opportunity, including the outcome of objective 3- these meetings will provide essential feedback to the MFA in terms of required human capacity, roles and commitments needed for the continuing role of Finnish actors in water diplomacy.

As a first step, the desired ambition and future activities will be explored during the inception phase with the MFA and partners through an (online) participatory meeting. In this meeting, participatory tools known as 'futuring' and 'back-casting' will be used to help the partners identify what they want to achieve, and which steps are needed to realise the goals. This activity will be informed by the outcome of the Water Diplomacy meeting on 11 March, in which the project proposal of the 4P-project will be presented.



Result: The online meetings will result in an initial demarcation of future ambition:

- Clear ambition for the future and the role of different partners in it
- Clear partnership in this evaluation process and ways in which partners can/will contribute
- This meeting will also help in identifying the knowledge gaps in the evaluation.
- A full evaluation matrix will be drawn in the inception phase with evaluation objectives and substantiated with indicators, data sources, data collection methods and analysis procedures.

## **Objective 2: What can the MFA learn from its previous interventions related to water diplomacy?**

### ***Objective 2 – Issue: Identifying Finland’s strengths and weaknesses based on past performance***

New water diplomacy-related initiatives are currently unfolding worldwide within and through (new) institutions and networks with different qualifications in relation to water diplomacy. While emphasising the importance of collaboration with these ‘hubs’, it is also relevant, at the same time, to exploit the unique selling points of Finland, including the expertise on water resources management. It is yet unclear how the Finnish initiatives are perceived by both their partners and requesting parties. Therefore, the past activities that fit within the ambition of the Ministry for Foreign Affairs and its partners need to be evaluated to help shape the future.

Sub-evaluation questions:

1. Purpose: what has been the logic and strategy to create impact?
2. Cooperation: How were the water diplomacy-related activities organised?
3. Deliverables: What are our results?

### ***Objective 2 – Issue: Needs of the requesting party***

As the evaluation is both looking backwards (to the ‘strengths and weaknesses’) and forward (to the ‘opportunities and risks’), the needs of the parties requiring assistance should be identified. This identification is an important part of past and future inputs since staff and partners should be serviced in their future needs. This evaluation is taking their interests at heart and needs to provide a way to help them reach agreement on future water issues.

The possible parties requiring assistance are many, including both specific actors in a given water diplomacy context (e.g. riparian countries, a regional organisation or a civil society network) to international governmental and non-governmental organisations as well as other possible actors needing and requesting assistance. For Finland, of particular relevance are the water diplomacy related activities by the OSCE, the EU as well as the UNECE Water Convention Secretariat and its parties.

Sub-evaluation questions:

- Is there a demand for the types of activities envisaged by the MFA and partners?
- Why do parties desire assistance from the MFA and partners?



## **Objective 2: Activities**

### **Activities: Pre-appraisal of the 4P-project**

#### Activity:

- Method and activities to be determined during the inception phase.

#### Result:

- Input for the project “*Pro-active Water Diplomacy for Peace, Prosperity and Partnership (4Ps for Peace)*” that aims to strengthen Finland’s water diplomacy.

### **Activities: Case study method**

After defining the evaluation matrix as part of the inception report, the analysis of the impact of Finland’s selected activities in case study countries will take place. The goal of the case studies is to:

- a) To identify the strengths and weaknesses of past water diplomacy-related activities of Finland.
- b) To assess the opportunities and risks for an engagement of Finland in water diplomacy.

#### Activity:

- Identification of interviewees from (but not limited to) the following contact groups: MFA, embassy staff, reference group, key actors in case study countries, and international water diplomacy peers.
- Provisional to the outcome of the reflection meetings, targeted case studies will be prepared with the support from country specialists in, e.g. the Mekong, and the Nile to obtain the information needed in line with the evaluation objectives.
- Inform the Ministry and partners about the (first) lessons learned from the interviews and desktop-analysis

#### Joint learning:

Initial results will be discussed with the Reference Group in an early stage. This will allow for identifying knowledge gaps and provide some guidance on whether the expectations about future ambitions are in line with the initial findings.

#### Result:

- Insight in initial lessons learned regarding the impact of selected Finnish development projects on the prevention of water-related conflicts.
- Overview of needs from parties asking for assistance

### **Objective 3: To establish the ambition of the MFA materialised in concrete terms**

With the outcome of the two previous studies commanded by the MFA, the desk study, the evaluation and the reflection meetings with the MFA and partners, a substantiated Theory of Change will be developed. This Theory of Change helps to inform which policy instruments suit the unique position and character of the Finnish water diplomacy context. This ToC helps to materialise the ambition of the MFA in concrete terms.



### ***Objective 3 – Issue: What will Finland offer to the global community?***

Different approaches to advancing water diplomacy ambitions can be taken, with varying roles for the professional diplomats and the network. Such as:

1. Forum and outreach function (convening power through, e.g., the Finnish Water Forum and outreach channelling expertise from the network to specific target groups in Finland and abroad).
2. Capacity development (with respect to water diplomacy and governance through targeted training, action learning and professional guidance and consultancy)
3. Research and research coordination
4. Mediation and advisory services (the Centre for Peace Mediation and the Water Diplomacy Network)
5. Norm entrepreneur (the role of ‘norm entrepreneur’, meaning to adapt an active approach in the further development and implementation of the Finnish approach. This role is close to the existing track-record of Finland and is, therefore, a function, which can be taken up by the Center for Peace Mediation and the Network.)
6. Collaboration and networking through other actor or forum, such as the EU, Blue Peace Initiative or UNECE Water Convention

#### Sub-evaluation questions:

- Which (combination of) activities are envisaged by the MFA and partners?
- Which (combination of) activities are envisaged or needed by the party requesting assistance?
- What kind of potential collaboration could Finland have with other regional and international actors promoting water diplomacy?
- Where (what regions or countries) can these activities be provided, and do they have extra added value on top of what is already done by others?

### ***Objective 3 – Issue: Sustainability of the Water Diplomacy-initiative***

Identifying water diplomacy activities that support the interests, requirements, and the ambitions of the Finnish water diplomacy community is important as acting on those (integrated and representing a broad scope) interests long-term continuation of activities needs to have a solid base. Next, in order to deal with the rising threat of water (nexus) related conflicts, it is essential to have the required human capacity readily available. This capacity is required to:

- c. organise and facilitate dialogues between stakeholders (based on a thorough understanding of the technical, historical, legal and socio-political dimensions); and
- d. technically understand, analyse and communicate integrated water resources management related problems.



#### Sub-evaluation questions:

- What does the assumed ambition imply for the required capacity and expertise (gap analysis)?
- How to ensure continues learning with the diverse range of actors (Mediation Centre, Water Diplomacy Network, the Ministries, etc.)
- Which funds need to be secured?
- Which capacity needs to be developed (young experts)?
- What strategy can be developed to increase the sustainability of the tools and services used?
- Fit with the Finnish water diplomacy actors: Which activities of the Ministry of Foreign Affairs and partners have had and will have added value to the Finnish water diplomacy community?

#### **Objective 3: Activities**

Key to strengthening the water diplomacy engagement is the establishment of a sound theory of change which is informed by the previous studies, the interviews and the learning meetings.

#### Joint learning:

- Joint write-up of theory of change through two participation meetings with the Ministry and partners.
- Having defined the theory of change, it can be beneficial, using both the retrieved knowledge and momentum, to explore activities that may well advance the future water diplomacy strategy. This may include:
  - informing the international community of the report findings through an international webinar;
  - preparation of data collection and analysis that support future water-diplomacy actions;
  - and exploring the options to make adjustments in current development projects.
- The ongoing research (water system analysis, stakeholder analysis, etc.) required to inform the diplomatic process provides an additional opportunity for the water diplomacy network and the academic sector in Finland in particular and may well be developed into a Community of Practice that supports both the national stakeholders as well as the international community.

Result: A sound Theory of Change and possible activities for both short and long term that strengthen the water diplomacy toolbox of the MFA.

The evaluation questions and the methodology to best support the achievement of the evaluation purpose and objectives are defined in cooperation between EVA-11, the reference group, the EMS Coordinator and the Team Leader recruited by Particip GmbH – Niras Finland and will be finalised during the Inception Phase.



## 6. The evaluation process and time schedule

The evaluation will take place during 2021 and completed in September 2021. It began in November 2020 by nominating the reference group and launching the process for identifying Team Leader candidates. The evaluation follows the general phasing of the Evaluation Management Services framework used by the Evaluation Unit. The detailed timetable will be prepared during the inception phase after the detailed scope has been defined. The final report and public presentation will take place in September 2021.

### Phase A: Planning phase:

- Preparation of the draft Terms of Reference for discussion with the evaluation Reference Group

### Phase B: Start-up phase:

- Start-up meeting (online) followed by finalisation of the ToR and submission for approval, recruitment of the evaluation team members

### Phase C: Inception phase:

- Kick-off meeting
- Submission of Draft Inception Report by the end of March 2021
- Meeting to discuss the Inception Report, followed by an administrative meeting
- Final Inception Report

### Phase D: Implementation phase:

- Implementation of data-gathering and analysis, the conduct of consultations and surveys

### Phase E: Reporting/Dissemination Phase:

- Findings, conclusion and recommendations (FCR) workshop
- Draft Final Report submission
- Meeting on the draft final report
- Final Report
- Public Presentation, in September 2021

A communication and dissemination plan will be prepared as part of the inception report, including a separate budget from this evaluation budget specified in Chapter 11.

## 7. Deliverables and reporting

**Phase A:** TL submits the draft ToR in liaison with the Evaluation Manager and the Coordinator of Evaluation Management Services.

**Phase B:** Presentation of the approach and methodology by the Team Leader.



**Phase C:** (Draft and final) Inception report, including the evaluation plan and desk study. The main report's structure and annexes or additional volumes shall be agreed upon in the Inception meeting.

**Phase D:** Final report (draft final and final versions) and a draft four-pager for communication purposes, summarizing the outcome of the evaluation submitted together with the draft final report.

## **8. Management of the evaluation**

The Evaluation Manager of EVA-11 will be responsible for the overall management of the evaluation process. The Evaluation Manager will work closely with other units/departments of the Ministry and other stakeholders in Finland and abroad. This evaluation is managed through the Evaluation Management Services (EMS).

There will be one Management Team responsible for the overall coordination of the evaluation. This consists of the EVA-11 evaluation manager, the evaluation Team Leader and the EMS Coordinator.

A reference group for the evaluation will be established and chaired by the Evaluation Manager. The reference group members will facilitate the participation of relevant stakeholders in the design of the evaluation, inform their colleagues about the progress of the evaluation, assist in identification of people and organizations to be included in the evaluation, raise awareness of the different information needs and help disseminate evaluation results. The reference group is to provide quality assurance, advisory support and inputs to the evaluation, e.g. through participating in the planning of the evaluation and commenting on deliverables of the consultant. The use of a reference group is key in guaranteeing the utility, transparency, accountability and credibility of an evaluation process and in validating the findings.

The evaluation team will be managed from a distance by the TL. This requires careful planning to ensure that a common, consistent approach is used in order to achieve comparability of the data gathered and the approach used in the analysis. The TL will develop a set of clear protocols for the team to use and will convene regular online team meetings to discuss the approach. During the process, particular attention should be paid to strong inter-team coordination and information sharing within the team.

The evaluation team is responsible for identifying relevant stakeholders to be interviewed and organising the interviews. The Ministry and embassies will not organise these interviews or meetings on behalf of the evaluation team but will assist in the identification of people and organisations to be included in the evaluation.

## **9. Quality assurance**

### *Internal quality assurance*

- The consortium implementing this evaluation will put in place a three-layer system of quality assurance for all products/reports: at the level of the Team Leader of the individual evaluation, through the EMSC/DSC and in-house senior QA advisors.
- The consultant is in charge of the impeccable quality of English and Finnish texts of the reports and related proofreading. The Finnish speaking senior evaluator will be responsible for Finnish translations of good quality.





- All deliverables shall be of publishable quality. The evaluation team should make their best efforts not to exceed the total length of 80 pages for the main evaluation report. A separate volume on annexes may be produced. It will be agreed during the inception phase, which of the final deliverables are to be published. The inception report should also outline the structure of the main report and the planned contents of the annex(es).
- The report should be kept clear, concise and consistent. The report must follow the draft writing instructions and template provided by MFA, and it should contain, *inter alia*, the evaluation findings, conclusions and recommendations. The logic between those should be clear and based on evidence.
- The final draft report(s) will be sent for a round of comments by EVA-11. The purpose of the comments is only to correct any misunderstandings or factual errors.

#### *External quality assurance*

It should be noted that EVA-11 has contracted an internationally recognised expert as an external peer reviewer for the whole evaluation process. The person interacts directly with EVA-11 and provides expert opinions on the planning and implementation of the evaluations. EVA-11 may or may not integrate any such external advice as part of their overall feedback and management responses of the evaluation.

### **10. Expertise required**

The evaluation team should consist of two senior international, two senior country evaluators/experts and an emerging evaluator and a research assistant. One senior international expert shall be nominated as the Team Leader. The expertise requirements for the Evaluation Team are:

#### **International evaluators (senior):**

- Strong understanding of and expertise in water diplomacy related to international water sector issues, covering transboundary water sector cooperation.
- Thorough understanding of mediation processes and diplomacy
- Strong expertise and experience in conducting evaluations and analysing institutional development and policy environments.
- Experience in working in Asia and/or Africa (the team should be complementary in those terms) in institutional or policy development role
- Experience in centralised, policy level evaluations with a strategic focus.
- Readiness to use a variety of evaluation methods (e.g. survey, in-depth interviews, participatory methods etc.) as well as readiness and availability to disseminate the evaluation results and recommendations in the way that it supports managing and learning of the MFA staff and management.
- Familiarity with development policy and cooperation and Finland's main goals and priorities in development policy and cooperation.
- Strong experience with interviewing and coding interviews/ qualitative research.
- Native-speaker level language skills in Finnish



### **Country specialists**

- Strong expertise on international water sector issues, covering preferably transboundary water sector cooperation.
- Thorough understanding of mediation processes and diplomacy
- Experience in working in case countries, and a thorough understanding of the case study context
- Experience in evaluations with a strategic focus.
- Readiness to use a variety of evaluation methods (e.g. survey, in-depth interviews, participatory methods etc.)

### **Research assistant**

Support for the organisation of online-meetings requiring particular expertise to support engaging interactions.

### **11. Budget**

The total budget for the evaluation, including contingencies, is Euro [REDACTED].

### **12. Mandate**

The evaluation team is entitled and expected to discuss matters relevant to this evaluation with pertinent persons and organisations. However, it is not authorised to make any commitments on behalf of the Government of Finland or the Ministry. The evaluation team does not represent the Ministry for Foreign Affairs of Finland in any capacity.

All intellectual property rights to the result of the Service referred to in the Contract will be exclusive property of the Ministry, including the right to make modifications and hand over material to a third party. The Ministry may publish the end-result under the Creative Commons license in order to promote openness and public use of evaluation results.

### **13. Authorisation**

Helsinki,

Anu Saxén  
Director  
Development Evaluation Unit  
Ministry for Foreign Affairs of Finland



## ANNEX 2. PEOPLE INTERVIEWED

In total, approximately 70 people were interviewed during the evaluation. They included informants related to the four case studies, representatives of the MFA, other international and Finnish stakeholders such as experts from civil society, other donor and multilateral organizations as well as academia. The people interviewed are listed in Table 1.

**Table 1 People interviewed**

**Stakeholders interviewed on Finnish Water Diplomacy: Water Diplomacy in general**

Lastname	First name	Position	Organisation	Department; unit
<b>Ahlfors</b>	Katja	Director	Ministry for Foreign Affairs of Finland	Political department, Centre for Peace Mediation
<b>de Schutter</b>	Joop	Business Director (former)	IHE Delft Institute for Water Education	
<b>den Boer</b>	Marlies	Policy Officer, Water Diplomacy	Ministry of Foreign Affairs of Netherlands	Inclusive Green Growth Department
<b>Eloheimo</b>	Karri	Senior Specialist, Water questions	Ministry for Foreign Affairs of Finland	Department for Development Policy; Unit for Sectoral Policy
<b>Haavisto</b>	Pekka	Minister for Foreign Affairs	Ministry for Foreign Affairs of Finland	
<b>Huovila</b>	Anna	Desk Officer	Ministry for Foreign Affairs of Finland	Political Department; Centre for Peace Mediation
<b>Jarmo</b>	Ratia	Undersecretary (former)	Ministry of Agriculture and Forestry of Finland	
<b>Kari</b>	Homanen	Head (former)	Finnish Environment Institute	International Affairs Unit
<b>Kauppi</b>	Lea	Director General (former)	Finnish Environment Institute	
<b>Keto</b>	Antton	Ministerial Adviser / Programme Manager	Ministry of Environment of Finland	Department of the Natural Environment
<b>Kontula</b>	Eero	Water Adviser (former)	Ministry for Foreign Affairs of Finland	Department for Development Policy; Unit for Sectoral Policy
<b>Marko</b>	Keskinen	Associate professor	Aalto University	Water and Environmental Engineering
<b>Ovink</b>	Henk	Special Envoy for International Water Affairs	Kingdom of The Netherlands	
<b>Pangare</b>	Ganesh	Asia-Pacific Regional Director	International Water Association	
<b>Rautavaara</b>	Antti	Director of International Water Affairs (former)	Ministry of Agriculture and Forestry of Finland	Department of Natural Resources; Natural Resources and Water Management Unit
<b>Vermont</b>	Sibylle	Deputy Head of Section	Federal Office for the Environment , Switzerland	International Affairs Division, Global Affairs Section
<b>Wolf</b>	Aaron	Professor	Oregon State University	College of Earth, Ocean, and Atmospheric Sciences; Geography



### Stakeholders interviewed: Case study 1 UNECE Water Convention

Last name	First name	Position	Organisation	Department and unit
<b>Belinskij</b>	Antti	Professor, Environmental Law	University of Eastern Finland	Faculty of Social Sciences and Business Studies; Law School
<b>Kaatra</b>	Kai	Director (former)	Ministry of Agriculture and Forestry of Finland	Department of Natural Resources; Natural Resources and Water Management Unit
<b>Kauppi</b>	Lea	Director General (former)	Finnish Environment Institute	
<b>Kinnunen</b>	Kari	Senior Advisor (former)	Mekong River Commission	Secretariat
<b>Lipponen</b>	Annukka	Environmental Affairs Officer	UNECE	Water Convention Secretariat
<b>Ratia</b>	Jarmo	Undersecretary (former)	Ministry of Agriculture and Forestry of Finland	
<b>Rekolainen</b>	Seppo	Director of International Water Cooperation (former)	Ministry of Agriculture and Forestry of Finland	International Cooperation

### Stakeholders interviewed: Case study 2 Finnish-Russian cooperation

Last name	First name	Position	Organisation	Department and unit
<b>Kaatra</b>	Kai	Director (former)	Ministry of Agriculture and Forestry of Finland	Department of Natural Resources; Natural Resources and Water Management Unit
<b>Kauppi</b>	Lea	Director General (former)	Finnish Environment Institute	
<b>Rekolainen</b>	Seppo	Director of International Water Cooperation (former)	Ministry of Agriculture and Forestry of Finland	International Cooperation

### Stakeholders interviewed: Case study 3 Mekong basin

Last name	First name	Position	Organisation	Department and unit
<b>Ahola</b>	Helena	Councillor (former)	Ministry for Foreign Affairs of Finland	Embassy of Finland, Bangkok
<b>Bird</b>	Jeremy	Chief Executive Officer (former)	Mekong River Commission	
<b>Brunner</b>	Jake	Head of Indo-Burma Group	International Union for Conservation of Nature	Viet Nam and Indo-Burma Group
<b>Dore</b>	John	Lead Water Specialist	Embassy of Australia, Bangkok	Department of Foreign Affairs and Trade
<b>Hatda</b>	An Pich	Chief Executive Officer	Mekong River Commission	
<b>Inkinen</b>	Antti	Councillor (former)	Ministry for Foreign Affairs of Finland	Embassy of Finland, Addis Abeba and Bangkok
<b>Intralawan</b>	Apisom	Professor	Mae Fah Luang University	School of Management
<b>Junnila</b>	Matti	Desk Officer (former)	Ministry for Foreign Affairs of Finland	Department for the Americas and Asia; Unit for Eastern Asia and Oceania
<b>Kääriä</b>	Tauno	Ambassador (former)	Ministry for Foreign Affairs of Finland	Embassy of Finland, Bangkok



Last name	First name	Position	Organisation	Department and unit
<b>Käkönen</b>	Mira	Postdoctoral researcher	University of Helsinki	Global Development Studies. Helsinki Inequality Initiative; Helsinki Institute of Sustainability Science
<b>Kittikhoun</b>	Anoulak	Chief Strategy and Partnership Officer	Mekong River Commission	Office of Chief Executive Officer
<b>Le Anh</b>	Tuan	Senior Lecturer	Can Tho University	College of Environment and Natural Resources
<b>Mäenpää</b>	Sirpa	Ambassador / Senior Advisor	Ministry for Foreign Affairs of Finland	Political department; Centre for Peace Mediation
<b>Meinier</b>	Bertrand	Programme Director	Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH	Mekong River Commission - GIZ Cooperation Programme
<b>Meranto</b>	Marita	Desk Officer (former)	Ministry for Foreign Affairs of Finland	Department for the Americas and Asia; Unit for Eastern Asia and Oceania
<b>Nam</b>	So	Chief Environment Management Officer	Mekong River Commission	Environmental Management Division
<b>Nicol</b>	Alan	Strategic Program Director, Water, Growth and Inclusion	International Water Management Institute	
<b>Oliver-Cruz</b>	Ignacio	Attaché (Cooperation)	European Union	Delegation of the European Union to Lao PDR
<b>Pulkkinen</b>	Sanna	Desk Officer (former)	Ministry for Foreign Affairs of Finland	Department for the Americas and Asia; Unit for Eastern Asia and Oceania
<b>Sarkkula</b>	Juha	Senior Researcher	Finnish Environment Institute	
<b>Sithirith</b>	Mak	Senior Lecturer	Royal University of Phnom Penh	Faculty of Development Studies
<b>Someth</b>	Paradis	Principal Hydrologist	eWater	
<b>Suhardiman</b>	Diana	Senior Researcher / Research Group Lead	International Water Management Institute	Research Group: Governance and Inclusion
<b>Verta</b>	Olli-Matti	Director	Ministry of Agriculture and Forestry of Finland	Department of Natural Resources; Natural Resources and Water Management Unit
<b>Ward</b>	John	Senior Scientist	Mekong Region Futures Institute	
<b>Xie</b>	Lei	Professor	Shandong University	Institute of Governance
<b>Zawacki</b>	Benjamin	Senior Program Specialist, Southeast Asian Security	The Asia Foundation	

#### Stakeholders interviewed: Case study 4 Nile basin

Last name	First name	Position	Organisation	Department and unit
<b>Pöihö</b>	Aapo	Ambassador (former)	Ministry for Foreign Affairs	Embassy of Finland, Cairo
<b>Seid</b>	Abdulkerim	Country Representative-Ethiopia, Regional Representative-East Africa	International Water Management Institute	
<b>Tafesse</b>	Alemayehu	Coordinator	Ministry of Water, Irrigation and Energy	Tana-Beles Watershed Management Project



Last name	First name	Position	Organisation	Department and unit
<b>Inkinen</b>	Antti	Councillor (former)	Ministry for Foreign Affairs of Finland	Embassy of Finland, Addis Abeba and Bangkok
<b>Saxén</b>	Anu	Director	Ministry for Foreign Affairs	Development Evaluation Unit
<b>Suominen</b>	Arto	Chief Technical Adviser	NIRAS Finland Oy / Community-led Accelerated Water, Sanitation and Hygiene Project	
<b>Ovaskainen</b>	Esa	Senior Consultant (former)	JP Development Oy	
<b>Negash</b>	Fekahmed	Executive Director (former)	Eastern Nile Technical Regional Office	
<b>Hailu</b>	Girma	Staff member	African Development Bank	
<b>Ammanuel</b>	Hiruy	Ambassador	Ministry of Foreign Affairs of Ethiopia	
<b>Aboulela</b>	Hisham	Honorary Consul General	Ministry for Foreign Affairs of Finland	Honorary Consulate General of Finland, Khartoum
<b>Balila</b>	Ibrahim Adam Ahmed	National Project Coordinator	Community Watershed Management Programme (CWMP)	
<b>Tervo</b>	Liisa	Team Leader (former)	Eastern Nile Technical Regional Office	
<b>Tafesse</b>	Mekuria	Executive Director (former)	Eastern Nile Technical Regional Office	
<b>Kruskopf</b>	Mikaela	Senior Consultant	NIRAS Finland Oy	
<b>Purhonen</b>	Osmo	Project Planning Advisor (former)	Eastern Nile Technical Regional Office	
<b>Mäenpää</b>	Sirpa	Ambassador / Senior Advisor	Ministry for Foreign Affairs of Finland	Political department, Centre for Peace Mediation
<b>Byring-Ilboudo</b>	Tina	Chief Technical Adviser (former)	Community Watershed Management Programme (CWMP)	
<b>Pohjonen</b>	Veli	Chief Technical Adviser (former)	Community Watershed Management Programme (CWMP)	
<b>Fekade</b>	Woubalem	Head, Social Development and Communications	Eastern Nile Technical Regional Office	

**Stakeholders interviewed: Pro-active Water Diplomacy for Peace, Prosperity and Partnership (4P) project proposal**

Last name	First name	Position	Organisation	Department and unit
<b>Hakala</b>	Emma	Senior Research Fellow	Finnish Institute of International Affairs	Global Security Research Programme
<b>Sojamo</b>	Suvi	Senior scientist	Finnish Environment Institute	Freshwater Centre
<b>Törnroos</b>	Tea	Head	Finnish Environment Institute	International Affairs Unit



# **ANNEX 3. CASE STUDY 1 UNECE WATER CONVENTION**

**RENS DE MAN**

**HANNU VIKMAN**



# 1. Context

## 1.1. History of UNECE and the Water Convention

The United Nations Economic Commission for Europe (UNECE) was established in 1947 by the Economic and Social Council (ECOSOC). The General Assembly of the UN requested to establish UNECE to serve as a multilateral platform facilitating the economic reconstruction of Europe in the post-war period. UNECE is one of the five regional commissions of the UN. Currently, 56 states are members, including European countries, the Russian Federation, the USA, and Canada. In addition, over 70 international professional organizations and other non-governmental organizations take part in its activities<sup>8</sup>.

UNECE carries out its activities through various committees and programs.<sup>9</sup> The work includes policy dialogue, negotiating international legal instruments, developing regulations and norms, exchanging economic and technical expertise, and technical advice for developing countries. UNECE's Commission is headed by an elected chair, while the Executive Secretary coordinates the work. UNECE's environmental activities date back to 1971 when a group of Senior Advisors started to advise member governments on environmental issues. That led to the establishment of the Committee on Environmental Policy (CEP) in 1994. The CEP is the overall governing body of UNECE's environmental activities, and it provides support on topics such as multilateral environmental agreements (MEAs), environmental performance reviews, monitoring, and knowledge sharing.

Concerning transboundary watercourses, the key MEA is the '*Convention on the Protection and Use of Transboundary Watercourses and International Lakes*' (adopted in Helsinki in 1992), also known as 'Water Convention.' The Water Convention aims to prevent water shortages and conflicts over pollution. The Water Convention is often compared with the '*Convention on the Law of the Non-navigational Uses of International Watercourses*' (adopted in New York in 1997 and enacted in 2014<sup>10</sup>) (i.e., UN Watercourses Convention). Both conventions are fully compatible with no contradiction, though some legal differences exist<sup>11</sup>. Finland has initiated both the UNECE Water Convention and the UN Watercourses Convention and actively supports the implementation<sup>12</sup>.

A fundamental strength of the 1992 Water Convention is that it has a governing body convening its parties and actively supporting the implementation. The Water Convention is a legally binding instrument promoting the sustainable management of shared water resources (by focusing on the SDGs), peace and regional integration, and preventing conflicts<sup>13</sup>. It requires the Convention

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8 <https://unece.org/mission>

9 Including the: Committee on Environmental Policy (CEP), Inland Transport Committee, Conference of European Statisticians, Committee on Sustainable Energy, Steering Committee on Trade Capacity and Standards, Committee on Forests and the Forest Industry, Committee on Urban Development, Housing and Land Management, Committee on Innovation, Competitiveness and Public-Private Partnerships, and a number of other specialist bodies.

10 <https://mmm.fi/en/water/international-policy>

11 <https://unece.org/environment-policy/water/un-watercourses-convention>

12 Currently, the Finnish funding continues as a core funding of 200 000 euros per year for the Water Convention secretariat.

13 <https://unece.org/environment-policy/water/about-the-convention/introduction>





parties to prevent, control, and reduce their transboundary impacts and focuses on active cooperation with the parties. This cooperation extends to other states, international intergovernmental organizations (IGOs), non-governmental organizations (NGOs), and other actors<sup>14</sup> implementing the Convention's activities.

**The impact<sup>15</sup> of the Water Convention derives from its focus on implementation and direct legal, technical, and practical assistance.** The Convention “has provided a permanent intergovernmental forum to discuss transboundary water cooperation, share experience and identify best practices in many areas. This has been an open and inclusive forum, supportive of building trust and finding common understanding – the crucial prerequisites to successful transboundary cooperation.”<sup>16</sup>

Following an amendment in 2016, all UN member states can accede to the Water Convention. The activities under the Convention are supported by a Bureau, in coordination with the UNECE Secretariat. Triennially, the Meeting of the Parties reviews the implementation of the Convention and adopts the Programme of Work.

Under the Convention, several bodies reside, including the Working Group on Integrated Water Resources Management, Working Group on Monitoring and Assessment, the Task Force on Water and Climate, the Implementation Committee, the Legal Board, the Task Force on the Water-Food-Energy-Ecosystems Nexus, the Joint Expert Group on Water and Industrial Accidents and the International Water Assessment Centre.

Since the global opening of the Convention in 2016, Chad, Senegal, and Ghana have acceded, and many other countries have started accession processes. Now, more than 100 countries typically participate in the meetings. **The strength of this Convention is that it is the right combination of high-level activities, guidance and networking, and local projects with many actors.** They feed into each other, which is very important, said a Finnish interviewee.

The UN Permanent Mission of Tajikistan initiated the establishment of the Group of Friends of Water in 2010. It was initiated as a platform for implementing the United Nations General Assembly resolution 64/198 “Midterm comprehensive review of the implementation of the International Decade for Action, ‘Water for Life,’ 2005–2015”. Later, the Group became an informal voluntary association of like-minded countries to promote the UN water agenda.<sup>17</sup> Finland is one of the Group of Friends of Water founders and a Member of its Steering Committee in New York.

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14 <https://unece.org/environment-policy/water/about-the-convention/partners>

15 For example, the Convention has contributed to or served as a model for the transboundary agreements on the Chu-Talas, Danube, Dniester, Drin, Rhine and Sava Rivers, as well as agreements on the Belarus-Russian, Belarus-Ukrainian, Estonian-Russian, Kazakh-Russian, Mongolian-Russian, Russian-Ukrainian and many other transboundary waters. Source: Opening brochure

16 [https://unece.org/fileadmin/DAM/env/water/publications/brochure/Opening\\_brochure.pdf](https://unece.org/fileadmin/DAM/env/water/publications/brochure/Opening_brochure.pdf)

17 [https://www.un.org/waterforlifedecade/friends\\_of\\_water.shtml](https://www.un.org/waterforlifedecade/friends_of_water.shtml)



## 1.2. An overview of the Finnish activities in the UNECE and Water Convention

An essential Finn in the development of water law at national and international levels was Eero J. Manner, a professor of economic law, a legal counsel of the Finnish Supreme Court, and a legal advisor to the MFA. E.J. Manner had a significant influence on cross-border water arrangements. He chaired the joint Finnish-Soviet Commission and was a long-term chairman of the International Law Association (ILA), preparing the ‘Helsinki Rules on the Uses of the Waters of International Rivers’. The ILA established a ‘Committee on The Uses of the Waters of International Rivers’ in 1954, responding in part to concerns over serious international river disputes (namely the Indus, Nile, Jordan, and Columbia rivers). The statements and resolutions of this Rivers Committee paved the way for the comprehensive rules adopted by the ILA in Helsinki in 1966, now known as the Helsinki Rules (Sergent, 1997) and (Bourne, 1996). The Helsinki Rules and new studies under the chairmanship of E.J. Manner established the principle of “reasonable and equitable utilization” of the waters in an international drainage basin as the cardinal principle of international water law, covering both navigational and non-navigational uses of international watercourses (Salman, 2007). Although the Helsinki Rules are part of customary international law and therefore not legally binding, they have remained the most widely accepted set of rules. They have had a significant influence on subsequent developments in international water law, including the UN Water Courses Convention.

Finland became a UN member in 1955 when the consensus in the Western world was that it was a satellite of the Soviet Union. During the first years of membership, Finland’s main goal was to clarify and define its political image while shunning a visible national profile. As a result, the Finnish delegation often abstained from voting in the General Assembly and avoided taking sides, particularly on issues on which the superpowers disagreed.

By the mid-1960s, the worst years of the Cold War were behind, and cooperation between the superpowers was increasing. As a result, Finland was able to grow its influence at the UN and was elected as a member of the Security Council in 1969-1970. In 1970, Finland co-sponsored eleven of the fifteen resolutions adopted by the Security Council. In the same year, Finland initiated the preparation of the UN Watercourses Convention at the UN General Assembly.

The work done first through the UNECE and later the Water Convention has defined water diplomacy as a concept. At the beginning of the UNECE, it was the only venue where states with differing political interests (including East and West Germany, Finland, and Russia) could convene and discuss shared issues (Berthelot & Rayment, 2007). Later, Asian countries joined because they were an official part of the UNECE-region. With the collapse of the USSR, new transboundary problems emerged.

Finland chaired the first triennium of the Water Convention and started working with its bodies. The Working Group on Integrated Water Resources Management and the Working Group on Monitoring and Assessment are the two central subsidiary bodies established by the Meeting of the Parties. Finland plays a crucial role in both of these. Finland’s engagement with the Working Group on monitoring and assessment started in 2001 when The Netherlands resigned from the chair. This Group focuses on the need for monitoring and assessment and supports countries confronting challenges with its implementation. Finland also provides funding to this Working Group. According



to one interviewee: “[Finland] knows that this is a stepping stone towards water diplomacy, but they are doing other things as well.” Recently, Finland has been a part of all critical water groups.

Finland co-chairs the Working Group on Integrated Water Resources Management with Germany. That is a vital role because the Working group prepares the decisions for the Meetings of the Parties (MoP). The Working Group also provides advice to requesting parties on integrated water resources management.

**As conflicts are often linked to water and climate change, competition for natural resources becomes a more direct part of diplomacy.** A group of country representatives led by Hungary has been convening discussions since 2019 on guidelines for water allocation within and between countries as part of the Water Convention’s Programme of Work in 2019-2021<sup>18 19</sup>. These political discussions are being solidified in a water allocation handbook, which is expected to be adopted at the 9<sup>th</sup> MoP in September 2021. According to some Finnish interviewees, a Finnish team (SYKE, University of Eastern Finland) won the bid to prepare a draft handbook, thus recognizing Finnish expertise and experience. The Task Force on the Water-Food-Energy-Ecosystems Nexus, chaired by Finland since 2012, and the Working Groups on Integrated Water Resources Management and Monitoring and Assessment have discussed the handbook drafts (6 December 2019). The drafting team received additional financial support from the Ministry of Agriculture and Forestry and the Ministry of the Environment, while the MFA maintains active contact with the team. Through this activity, Finnish work on water allocation has gained prominence and could offer additional opportunities for Finnish outreach.

Next, Finland provides expertise to the Implementation Committee. The Implementation Committee has an independent advisory function through which parties can seek support to implement the Convention or settle disputes<sup>20</sup>. Finland is also a long-standing member of the Bureau, which coordinates the activities of the various bodies.

In addition to participating in the different water convention bodies, Finland has been financing various activities through UNECE. The basic funding of the UN to the multilateral conventions is small; hence the budget derives from the parties and international financing organizations. Finland was the primary donor of the Environment and Security Initiative (ENVSEC), launched in 2003<sup>21</sup>. The ENVSEC Initiative aims to<sup>22</sup> reduce environmental and security risks and to strengthen cooperation among and within countries. ENVSEC is a partnership of six international organizations (UNEP, UNDP, UNECE, OSCE, REC, and NATO as an associated partner).

A significant initiative launched under ENVSEC is the “Capacity building for cooperation on dam safety in Central Asia”<sup>23</sup>. This project focuses on trust-building by establishing model national law on

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18 <https://unece.org/environment-policy/water/areas-work-convention/water-allocation-transboundary-context>

19 [https://unece.org/DAM/env/water/publications/WAT\\_NONE\\_14\\_PoW/UNECE-Transboundary-cooperation-15-19-FINAL-WEB2.pdf](https://unece.org/DAM/env/water/publications/WAT_NONE_14_PoW/UNECE-Transboundary-cooperation-15-19-FINAL-WEB2.pdf)

20 <https://www.youtube.com/watch?v=qIXlnsjWHA>

21 Finland was in 2010 ENVSEC’s main donor with a contribution of €2.6 million to activities in Eastern Europe, South Caucasus and Central Asia for the period 2009-2010 within the framework of the Wider Europe Initiative, and a contribution of €2.5 million to activities in South-Eastern Europe for the period 2009-2012. Source: Gaia Consulting, 2010. *Evaluation of Environment and Security Initiative (ENVSEC)*.

22 Activities include policy integration, capacity building of government institutions, hotspot risk mitigation, and civil society strengthening and promotion of good environmental governance. Source: Gaia Consulting, 2010. *Evaluation of Environment and Security Initiative (ENVSEC)*.

23 <https://unece.org/environment-policy/water/areas-work-convention/projects-central-asia/capacity-building-cooperation-dam-safety-central-asia>



dam safety, harmonizing the (legal) procedures for dam safety regulatory frameworks, and regional agreement on dam safety cooperation. The partners in this project are the government agencies dealing with dam safety in the five Central Asian countries: Kyrgyzstan, Kazakhstan, Turkmenistan, Tajikistan, and Uzbekistan. The project was executed in three phases (2006-2007, 2007-2011, 2012-ongoing) and supported by the governments of Finland and the Russian Federation. Finland funded the original pilot project (phase 1) in 2004-2006, the basis for the subsequent phases. The dam safety project is highly relevant to the populations of the five countries. It provides “the key forum for regional dialogue and umbrella for joint activities” within a context in which “it is clear to all stakeholders in the region that water, and thereby dams with their various usages, is at the centre of political tensions in the region” (Gaia Consulting Oy, 2010). The project is formulated in technical objectives and lacks a water diplomacy-sensitive approach. According to the evaluation, this is a deliberate strategic choice to avoid delays in a highly political context. Despite this, “the project is integrally building confidence and trust in a region where the five respective countries rarely cooperate on concrete matters.”

Finland also provided significant financial and content support to the “Second Assessment of Transboundary Rivers, Lakes, and Groundwaters” (2011). This assessment provides a comprehensive overview of the status of major transboundary waters in the European and Asian parts of the UNECE region, including rivers, lakes, wetlands, and aquifers. Finnish authorship is visible and was recognized by several interviewees.

Finland’s position at the Water Convention is quite substantial due to its active role and financial support. In addition, according to one interviewee, many big players are not active.

Currently, there are frequent contacts between the Secretariat and representatives of Finnish ministries and research institutes over transboundary water issues. Finland provides €200 000 a year to support the UNECE Secretariat. There are no indications for this amount to change in the near future.



## 2. Findings

### 2.1. Logic and strategy to create impact

**Finding 1. Continued support to UNECE allows Finland to play a key role in international water diplomacy.**

The other partner countries have considered positive the continued support of Finland to the Water Convention. For Finland, the presence of a strong neighbour incentivized it to have support arrangements in place. Therefore, the signing of the Water Convention was also of geopolitical importance, reflected by the presence of MFA diplomats in the bilateral commissions. That explains part of Finland's interests.

A much more pragmatic motive is the sincere willingness to take responsibility and share the Finnish experiences with the outside world. Finnish and non-Finnish international interviewees recognize the excellent example of the Finnish experience on how a small country can establish successful cooperation with Russia. Particularly the technical/diplomatic solution reached over the Vuoksi River is well regarded and created new demands. Furthermore, Finland has been open and active in sharing its experiences at various events, which has contributed to the interest of other countries in joining the Convention, according to interviewees involved in these outreach activities.

In recent years, Finland has been part of all essential groups on water, like the Group of Friends of Water, and knows (according to an interviewee) that the activities through the UNECE provide a steppingstone towards water diplomacy. Through the work done within the context of the UNECE, Finland can contribute to water diplomacy effectively, considering the activities and impact of the working bodies. Through the credibility Finland gained, other countries support Finland's active role. Furthermore, it allows Finland to participate in several projects and increase its visibility, for example, through the Water Allocation Handbook and FinWaterWEI project in Central Asia.

### 2.2. The organization of water diplomacy-related activities

**Finding 2. Finland is taking a leading role in the Water Convention by chairing key activities.**

The *Working Group on Integrated Water Resources Management* and the *Working Group on Monitoring and Assessment* are the two main subsidiary bodies established by the UNECE Meeting of the Parties. Finland continues actively guiding water monitoring, which is central to trust-building in transboundary cooperation. Finland plays a crucial role in both these Working Groups. Finnish expertise is also provided to the *Implementation Committee* (on personal title). Finland is also a long-standing member of the *Bureau*, which coordinates the activities of the various bodies. Finland's position is relatively strong because key international players are not active.



Internationally, Finland actively shares its experiences of cooperation at various events. That has created interest among other (e.g., African) countries to join the Convention.

**Finding 3. The strong inter-ministerial cooperation furthers a cross-sectoral approach, but the support of MFA to UNECE is subject to fluctuation.**

Finland has well-established cooperation between ministries (e.g., Agriculture and Forestry, Environment, MFA). That allows open sharing of experiences and efficient coordination, as confirmed by several Finnish interviewees. Initially, MFA was active in the UNECE and led the Finnish activities, but MFA's role has fluctuated over the years. Currently, there are frequent contacts between the UNECE Secretariat and representatives of Finnish ministries and research institutes over transboundary water issues. Finland provides €200 000 a year to support the UNECE Secretariat. There are no indications for this amount to change soon. The drafting team on the Water Allocation Handbook received additional financial support from the Ministry of Agriculture and Forestry as well as the Ministry of the Environment, while MFA maintains close contact with the team. There are, however, complaints from Finnish stakeholders that the funding available for these demanding activities is not sufficient or predictable enough to allow the allocation of sufficient time.

## **2.3. Impact of the Finnish water diplomacy (and related) activities**

**Finding 4. Finland has had a strong influence on the development of international transboundary water rules**

Although the Helsinki Rules are part of customary international law and therefore not legally binding, they have remained the most widely accepted set of rules and have significantly influenced subsequent developments in international water law, including the UN Watercourses Convention.

**Finding 5. The work first done through both the UNECE and later the Water Convention is water diplomacy in itself.**

At the beginning of its existence, the UNECE was the only venue where states with different political interests (including East and West Germany, Finland, and Russia) could convene and discuss shared issues. Later, Asian countries joined because they were an official part of the UNECE region. After the collapse of the USSR, new transboundary issues emerged. According to the interviewees, now support requests come from African countries, particularly for assistance with monitoring and assessment.

**Finding 6. The activities in the various bodies deal directly or indirectly with water-related tensions and the technical and diplomatic avenues to mitigate these.**

Finland has also financed various activities through the Water Convention bodies. For example, Finland was the primary donor to the Environment and Security Initiative (ENVSEC), which aims to reduce environmental and security risks and strengthen cooperation among and within countries, including the capacity development for cooperation on dam safety in Central Asia. This project builds confidence and trust, adding to existing cooperation through interstate commissions and mandated river basin organizations in the region (Gaia Consulting Oy, 2010).



Since 2019, a group of country representatives led by Hungary has been convening discussions on guidelines for water allocation within and between countries as part of the Water Convention's Programme of Work 2019-2021. These highly political discussions are being solidified in a water allocation handbook, due to be adopted in September 2021. A Finnish team (SYKE, Uni Eastern Finland) won the bid to draft the handbook, which is a recognition of Finnish expertise and experience.

The Implementation Committee has an independent advisory function through which parties can seek support in implementing the Convention or in case of dispute settlement. Knowledgeable Finnish experts have assisted in various non-disclosed disputes. However, the members of the Implementation Committee do not represent their countries.

## 2.4. Demand and reasons for the types of activities envisaged by the MFA and partners

### **Finding 7. Finland has gained a strong reputation within the UNECE**

Finland has a good reputation and respect in the international water community, mainly because of its active role in UNECE and UN Watercourses Convention. Finland's expertise in transboundary cooperation is rooted in the experience with Russia and provided Finland with credibility with other countries. According to one interviewee, Finland's position is also quite strong because many big players are not active.

According to several international interviewees, Finland is visible in EU water meetings, the UNECE, the New York Group of Friends of Water, and donor-coordination meetings. Interviewees feel that Finns are discrete, good-willed, and open to sharing their experiences with cooperation. In the Group of Friends of Water, the Finnish Permanent Representation is considered to be involved, bring in new ideas, lead others, and be reliable and neutral partners. Finland is seen in New York but not in Brussels directly.

According to two international interviewees, Finnish diplomats in the Water Convention are well-prepared. People remark that Finland's position has been remarkably constant and reliable, allowing others to learn from their experiences. They take it down to a technical level where they have a solid capacity. They provide the technical assistance designed to enhance dialogue and share their history in transboundary cooperation and water expertise.

The impact of the Finnish activities is also visible in the composition of the Bureau: according to one interviewee, this is the only Convention where the parties do not want to change the Bureau because the parties supporting it, including Finland, represent them so very well.

### **Finding 8. Finland could lead the international water community in furthering cross-sectoral action**

According to one international interviewee familiar with the UNECE, the international community needs to plan for the future: future water and climate change issues are extremely challenging and require integrated cross-sectoral approaches. Cross-sectoral work is needed to identify a broader set



of solutions and prevent adverse consequences of end-of-pipe solutions. Therefore, in addition to diplomats, water diplomacy requires strong cross-sectoral teams to think outside the ‘water box.’

Although there is competition in water diplomacy through various European (e.g., Dutch, Swiss, Sweden) countries, **Finnish water diplomacy could facilitate dialogue and empower diplomatic, economic, and water-related actors to identify mutual understanding and effective solutions.**

Finland is already engaged in nexus activities and could invest additional resources in supporting parties to reflect on their impact and troubleshoot the sensitive cases. Several interviewees argued, however, that it is essential for Finland’s position that any activity is built on a thorough analysis of the local context (culture, power distribution, needs) and based on a broad partnership (embassies, universities, private sector, civil society organizations) with water as the central linking pin.

Finland could seek collaboration with, for example, the FAO to get support on nexus activities. New tracks of activities can be developed through multilateral frameworks such as the Water Convention. Specific activities and support requests from countries related to transboundary cooperation serving conflict resolution and prevention have already been identified, and Finland could consider supporting activities that appropriately correspond to national priorities and can be considered strategic. Having the Water Convention Programme of Work formally endorsed by the member governments offers opportunities for cost-sharing.

Interviewees recognize MFA’s ambition for water diplomacy but question whether a thorough analysis has been made about the demand site. Raising Finland’s flag by, e.g., the prominence gained through Finland’s work on water allocation could increase the demand but warrants a cautious approach. **One piece of advice given concerning the development of opportunities is to be less shy about what Finland is doing and achieving as recognition helps in the long term.**





# **ANNEX 4. CASE STUDY 2**

## **FINNISH-RUSSIAN COOPERATION**

**HANNU VIKMAN**

**RENS DE MAN**



# 1. Context

## 1.1. Background

### 1.1.1. Transboundary watersheds

Finland and Russia share 19 major transboundary watersheds, shown in Figure 1 Transboundary watersheds shared by Finland and Russia. Most of them flow from Finland to Russia, like the Vuoksi River, the most important one. After Finland gained its independence from Russia in 1917, the Vuoksi was Finland's internal river – an essential source of hydropower, a national pride filled with cultural value for the young nation. After World War II, Finland lost part of its Eastern land areas to the Soviet Union, including most of the Vuoksi River and two of the four newly built hydropower dams. As a result, Finland's hydropower output was reduced by 30%.

Figure 1 Transboundary watersheds shared by Finland and Russia



Source: Adapted from <https://rajavesistokomissio.fi/rajavesistot/>



### 1.1.2. Political and legal context

Finland and the Soviet Union began transboundary water cooperation soon after Finland gained its independence in 1917. In 1922, the two countries established an agreement on log floating, maintenance of river channels, and fishing regulation in frontier watercourses. The early cooperation was partly motivated by the great floods in Lake Saimaa in 1924. After two wars, bitter peace treaties, and a suspicious and hostile general atmosphere, the importance of the Vuoksi for both countries forced them to start negotiations about transboundary cooperation immediately. Although initial attempts to start Vuoksi cooperation had happened during the peace negotiations, where hydro-power played a key role, finding consensus was not easy as both countries focused on their interests.

Soon after the Second World War, Finland and the Soviet Union concluded the 1947 Agreement on the Regulation of Lake Inari in northern Finland. The 1959 Agreement between Finland, Norway, and the Soviet Union later replaced the initial one. In 1948, Finland and the Soviet Union concluded the Agreement of Friendship, Cooperation, and Mutual Assistance (the YYA Treaty for its acronym in Finnish). The treaty required that the two countries act in a spirit of cooperation towards developing economic relations. The Agreement was in force until 1992 when Finland and Russia concluded the new Treaty on Relations (Belinskij et al., 2018).

The awakening of environmental awareness concerning water protection took place in Finland in the 1950s and 1960s. Many different committees and advisory boards started to address water issues. The Water Act Committee was established in 1951 with the task of drafting a new Water Act. A separate Water Protection Committee was established in 1954 to investigate the situation and protection of Finnish waters thoroughly. These two committees worked together, and the new Water Act was completed in 1961 and entered into force in 1962. The Act comprehensively covered the use and protection of water bodies. Transboundary waters started receiving more attention after the publication of a large-scale water protection study.

Between 1950 and 1970, the Soviet Union experienced significant environmental degradation. The driving force of such degradation was an uncompromising maximization of economic growth and industrialization. Water and soil pollution received considerable public attention and criticism, occasionally exceeding the news threshold despite censorship. In 1960, the Soviet Council of Ministers responded to criticism by drafting a regulation laying down water resources' use requirements, promoting water protection. The same year, a decree provided for the implementation and control of transboundary water transport, fishing, timber extraction, use of water resources, and construction of power plants, based on bilateral agreements between the Soviet Union and neighboring countries.

By 1970, the Soviet Union had concluded border agreements with several countries, including China, Czechoslovakia, Romania, and Hungary, thus creating the conditions for establishing a transboundary river basin agreement between Finland and the Soviet Union. The simultaneous movement of both countries in water protection played a significant role in the preparation and negotiation of subsequent agreements.



## 1.2. Relevant action arenas

### 1.2.1. Transboundary Water Commission

The ‘*Finnish-Russian Agreement on the utilization of transboundary watercourses*’ was signed in Helsinki in April 1964. The agreement defined the principles of the use of the joint transboundary waters of Finland and the Soviet Union and covered the hundreds of transboundary watercourses between the two countries. The *Transboundary Water Commission* was established after President Kekkonen ratified the Agreement in January 1965. From the outset, the Commission became a relevant cooperation body that maintained relations between Finland and the Soviet Union and managed transboundary water cooperation for the benefit of both countries. Managing water issues was a relatively efficient way to strengthen dialogue between the governments of Finland and the Soviet Union. The first meeting of the Commission was held in April 1966 in Helsinki (Räsänen, 2020).

Both countries appoint three members and three alternates to the Commission and make available a secretary and any necessary experts. The Agreement does not require establishing any secretariat for the Commission, and none has been created to this date (Belinskij et al., 2018).

The Commission (including the working groups) involves key players on both sides. The participants, according to the Commissions website, are:

#### **Finland**

- the Ministry of Agriculture and Forestry;
- the Ministry of the Environment;
- the Ministry for Foreign Affairs;
- Southeast Finland ELY Center (Centre for Economic Development, Transport and the Environment);
- Lapland ELY Center;
- Border Guard;
- Finnish Environment Institute (SYKE);
- Natural Resources Institute Finland (Luke); and
- Fortum Corporation (power company).

#### **Russia**

- Water Agency of the Russian Federation;
- Neva-Ladoga Watershed Administration;
- Northwest Russia Hydromet (Department of Hydrology, Meteorology and Environmental Monitoring);



- The Federal State Water Management Entity ‘Baltvodhoz’;
- Northwest Russia Department of the Ecological, Technological and Nuclear Control Agency of the Russian Federation;
- Border Guard Administration of the Republic of Karelia;
- Russian Federal Research Institute Of Fisheries and Oceanography (VNIRO) of the Federal Agency for Fisheries; and
- OAO TGK-1 (power company).

During the first three years of operation (1966-68), meetings were held twice a year, then once a year. Commission meetings were usually held alternately in Finland and the Soviet Union. At the 1970 Commission meeting, the Commission set up working groups, where matters dealt with at regular meetings were prepared. Working group meetings and meetings on various topics were held between the Commission meetings.

The 1964 Agreement took into account previous agreements on fishing and securing fish migration. The guidelines for fishing and the movement of fish remained essentially unchanged. The Agreement provided for the conservation of fish stocks in transboundary waters, among other things, by taking various appropriate measures in the event of the closure of a migratory fish waterway. The Agreement concerned, in particular, separately defined salmon and whitefish waters. The Agreement also required fish stocking by both parties to offset the decline in transboundary fish stocks.

With the 1964 Agreement, the Commission became the body that supervised and issued permits for timber floating in transboundary waters. The first meetings of the Commission in 1966 established a general timber floating rule for transboundary waters. In the late 1970s, the Commission’s work inclined to water resources’ use issues, further emphasized in the 1980s. Water quality monitoring in transboundary waters began in June 1966. The Commission’s 1966 Monitoring Guidelines regulated water sampling. Water quality became a critical factor in the work of the Commission in the early years. In water protection and use issues, cooperation between Finland and the Soviet Union utilized the *Helsinki Rules*, adopted by the ILA in Helsinki, Finland, in August 1966.

In connection with hydropower on the Vuoksi, the Commission began, in 1968–1969, to investigate the impact of Soviet power plant Svetogorsk on electricity production at Finnish power plant Imatra. Investigations showed that the production volumes of Imatra decreased due to the raising of the upstream water level at Svetogorsk. In response, the Commission drafted the Hydropower Agreement, signed in Helsinki in July 1972. The agreement included conditions for raising the surface water level of Svetogorsk and compensating for losses to Imatra. Figure 2 shows the profile and hydropower plants of the Vuoksi river.



Figure 2 Profile and hydropower plants of the Vuoksi



Source (Belinskij et al 2018)

From 1980, the focus of the Commission’s work began to shift towards integrated water resources management. One of the most significant achievements between 1980 and 1999 considered by Räsänen (Räsänen, 2020), is the long-term preparation and implementation of the Discharge Rule on Lake Saimaa and the Vuoksi River, further examined in Section 1.2.2.

Regarding international water law, both Finland and Russia are parties to the 1992 United Nations Economic Commission for Europe (UNECE) Water Convention, while only Finland is a party to the 1997 UN Watercourses Convention. Neither of these international conventions influenced the Finnish-Russian cooperation as they were finalized after the bilateral agreements between Finland and Russia. Instead, the Finnish-Russian water cooperation was used as an example when negotiating the two global conventions.

Hydropower development and pollution control were the initial drivers of the Finnish-Russian cooperation on frontier watercourses. Flood management, fisheries, and transportation have been topical since the beginning, while the importance of log floating has declined considerably since the 1960s. More recently, adaptation to climate change in flood risk management and water quality objectives of the European Union (EU) Water Framework Directive (2000/60/EC), binding Finland, have posed new challenges and possibilities for collaboration between the two countries. In addition, recent sanctions that EU countries, among others, have imposed on Russia have challenged the relationship between the EU and Russia on many fronts. While all these events have significantly impacted the general collaboration between Finland and Russia, none have substantially affected the already established water cooperation.

The decisions have, for the most part, been unanimous with only occasionally differing views. Sometimes differing views are debated off the record, and formal meetings may require short breaks to establish common ground. Well-functioning personal relationships between officers facilitate cooperation, but even staff changes at the Commission or the working groups have not upset this cooperation. The main reasons for this are the solid regulatory mandate provided by the agreements (“the formal backbone”) and the long history of collaboration, which supports a



shared understanding of the operation modes in the Commission and working groups. Furthermore, both states aim to choose the most suitable people for the institutions, and officers are usually well briefed by former members of the Commission and working groups (Belinskij et al., 2018).

Border guards have been an essential source of information on what is happening at and near the border. Since its inception, the Commission has worked closely with border guards. When the Commission was set up, several border guards were full members of the Commission. Border guards allowed for various projects to be carried out in the vicinity of the border, with their permission and assistance. In addition, in the early years, border guards supported the transmission of hydrological information between both sides of the border. The main focus of border guards' work was monitoring compliance with regulations on the maintenance of transboundary waters and structures, preventing changes in the location or pollution of Finnish or Russian waters. The border guards also played a role in preparing the List of Transboundary Waters between Finland and the USSR during 1968–1971. The Commission approved the list at a meeting in Helsinki on 14 October 1971. The list in Finnish and Russian was compiled using border documents, border maps, and local data to facilitate the Commission's work. In total, the list includes about 400 water bodies in the border area (Räsänen, 2020).

### 1.2.2. The Vuoksi

The current transboundary cooperation in the Vuoksi River Basin is based on three agreements:

- 1964 The Finnish-Russian Agreement on the utilization of transboundary watercourses;
- 1972 the Hydropower Agreement; and
- the 1989 Discharge Rules on Lake Saimaa and the Vuoksi River.

The objective of the 1972 *Hydropower Agreement* is to regulate the Vuoksi in a manner that is satisfactory to all the power stations (Preamble of the Agreement). This Agreement governs the flow and the water levels to ensure efficient use of the two hydroelectric stations. The Hydropower Agreement acknowledges the energy loss that the Svetogorsk hydropower station in Russia causes to the Imatra hydropower station in Finland. For this reason, Russia must permanently compensate Finland for the losses of 19,900 MWh per year caused by the Svetogorsk station.

The 1989 Discharge Rules refers to the 1964 Agreement, and the Finnish-Russian Commission deals with both agreements. In this way, the Watercourses Agreement and the Vuoksi Agreement form a coherent basis for the Finnish-Russian transboundary water cooperation in the catchment area of the Vuoksi River.

The Commission decided in a meeting in 1979 that the long-drafted “*Basic Regulations for the Regulation of Lake Saimaa and the Utilization of Vuoksi Water Resources*” would be submitted for approval by the governments of both parties. The plan was to change Lake Saimaa's discharge as soon as floods or droughts were predicted (Belinskij et al., 2018). The 1979 draft Saimaa regulatory plan met with strong opposition in Finland. There were suspicions that it would lead to significantly higher annual water level fluctuations in Lake Saimaa than the natural state. The necessary conditions for the plan were not seen on the Soviet side either, as it was anticipated that the draft plan would cause damage to water, fisheries, power, housing, agriculture, forestry, etc.



The review and preparation of Saimaa's new regulation plan began between 1985 and 1988, with the main principle of combating harmful floods and droughts remaining unchanged. The aim was to restrict the water level fluctuations of Lake Saimaa within a predefined zone. The plan's objective was not to benefit specific water uses, such as hydropower or fisheries, but to reduce the damage and inconvenience caused by floods and periods of water scarcity. The new plan did not escape resistance this time either. Finnish nature conservationists were concerned about the variation in the Saimaa winter water level's impact on the nesting of the critically endangered Saimaa ringed seal (Räsänen, 2020). During the negotiations, Finland's interests focused on managing Lake Saimaa's flood and drought risks, while the Soviet Union paid particular attention to hydropower production. The Discharge Rules was signed in October 1989 (Belinskij et al., 2018).

The Discharge Rules sought to follow the natural water levels of Lake Saimaa. To optimize hydropower production, the power company operating the upper hydropower dams can make short-term deviations from the natural flows of the Vuoksi, provided the variation stays within the "normal zone" set in the Vuoksi Discharge Rules as a weekly average. Regulation along the lines of natural flows is vital for avoiding flooding and extreme drought, improving conditions for transportation and fish, minimizing harm to properties and recreation, and improving the conservation conditions for the endangered Saimaa ringed seal. The seal is the flagship species of Finland, and the Finnish Nature Conservations Act and the European Promoting Development in Shared River Basins Habitats Directive strictly protect it. According to forecasters' predictions, actual flow regulation measures are used only when a flood or drought emerges (Belinskij et al., 2018).

### 1.2.3. Compensation

The legal basis was developed to address the challenge of optimizing the flow regulation: the discharges are adjusted, supervised by the Commission, to balance the requirements of hydropower production, the mitigation of flood impacts, and meeting environmental needs (Honkonen & Lipponen, 2018).

According to the 1964 Agreement, the party that permits measures that cause loss or damage in the territory of the other is liable for reparations. The damaging party can also compensate the damaged party by granting certain privileges in other shared watersheds since the Agreement covers all watercourses shared by Finland and Russia. Allowing compensation in an entirely different location emphasizes the principle of broader benefit-sharing, a very progressive mechanism that is probably unique on a global scale.

The maximum flow capacity of the Svetogorsk and Lesogorsk power plants in Russia is 800 m<sup>3</sup>/s, whereas the flow capacity of the Imatra plant in Finland is 1,000 m<sup>3</sup>/s. Discharges exceeding 800 m<sup>3</sup>/s may lead to bypasses at Svetogorsk and Lesogorsk, with subsequent compensations from Finland. The compensation procedures per the 1964 Agreement were cumbersome and hence discussed and agreed upon in the Transboundary Water Commission (Räsänen, 2020). However, reparation for hydropower losses has been technical rather than political, for instance, in the compensation from Russia to Finland under the 1972 Hydropower Agreement. Despite their potential political nature, compensation has maintained a similar technical and expert-driven character, as have most other matters dealt with by the Commission and its working groups.

The compensation regime of the 1964 and 1989 Agreements has only covered losses to (potential) hydropower production, although, in principle, the Agreements would also cover damage caused





by flooding and droughts. Drought-related harm was not a subject of compensation as it has been deemed the result of natural conditions and did not result in loss of hydropower caused by state action up or downstream.

Loss of energy production on the Russian side may result from regulated flows that exceed the capacity of the Russian power plants. After an exceptional flow period, the overall balance was counted, and compensation of eventual losses was negotiated. In total, payments from Finland to Russia have been less than €1 million. In contrast, the Discharge Rules has prevented damages in Finland of about €10 million by 2012, according to estimates. Since the 1989 Discharge Rules, there have been two instances in which Finland has compensated Russia: the first was delivered in food and the second in cash. Since 2004, there has been a couple of high flow periods, and the hydropower losses have been calculated, but no compensations have been paid.

Finland has initiated discussions concerning the regulatory fundamentals of compensating the “non-natural” excess flows to the Russian hydropower stations. From the Finnish perspective, most of the compensated damage to the Russian hydropower interests results from joint management of the Vuoksi, which do not belong, literally interpreted, to the realm of compensation under the 1964 Agreement. Despite this, there has been an established practice of paying compensation for the hydropower loss related to excess flows. Part of the reason for this practice seems to be the old Finnish water law, which included such compensation for Finnish rivers. The procedure was extended to cover also the transboundary Vuoksi River. Presently, there are no regulations in the water law of either country and, hence, compensation has not been paid since 2007 (Belinskij et al., 2018).

Russia has requested compensation for damages to fish farms in the Russian Vuoksi region caused by discharges lower than the limit value of the Discharge Rules. Finland has challenged their requests. A summary of compensations is shown in Table 2.

**Table 2 Compensations paid in the Vuoksi river**

Basis for compensation	Reason for compensation	Payment <from> <to>	Modality
1964 Agreement Concerning Frontier Watercourses	Loss of hydropower production in Russia due to discharge from Finland exceeding the capacity of Russian power plants	Finland paid Russia	
1972 Hydropower Agreement	Loss of hydropower production at Imatra (lower head) resulting from the flow regulation at Svetogorsk	Russia paid Finland	Electricity
1989 Discharge Rules on Lake Saimaa and the Vuoksi River	Loss of hydropower production in Russia	Finland paid Russia	Food, cash
	Damages to fish farms in the Russian Vuoksi region caused by discharge lower than the limit value	Finland has not paid Russia	

Source: Evaluation team



## 1.3. Finland's water diplomacy-related activities

### 1.3.1. Way to transboundary water cooperation

Negotiations on transboundary waters were accelerated in the 1950s and 1960s in a more favorable atmosphere. Finland's President Kekkonen's role in peace politics, his close relations with the Soviet Union, the beginning of political easing in the mid-1960s, and the impact of the YYA agreement on Kekkonen's relations with the East must be taken into account. Considering Kekkonen's relations with Soviet politicians, natural interests, and connecting factors with legal advisers, it is possible to say that the president contributed to the final formation of transboundary water cooperation.

Transboundary water issues between Finland and the Soviet Union were considered more extensively in 1960 when an agreement was drawn up between the Government of the Republic of Finland and the Government of the Union of Soviet Socialist Republics. Several articles of the second part of the agreement covered transboundary waters, including pollution, fishing, waterborne transport, waterway crossings, and exchange of information. In addition, previous agreements drafted in the early 20th century had to be brought into line with the Finnish Water Act, which was revised in 1961.

The Ministry of Trade and Industry set up the *Commission to Investigate Legal Issues Related to the Use of Certain Transboundary Waters* in 1961 to examine transboundary waters and cooperation for international waters. Its task was to clarify the issues related to the possible conclusion of a general water law agreement between Finland and the Soviet Union and prepare a proposal for such an agreement. The Commission undertook research and study trips. International issues were taken into account by clarifying the principles of international water law in transboundary waters, applying, e.g., model agreements of the International Association of Lawyers (ILA) and the Institute of International Law (Institut de Droit International). The aim was to draw up an agreement between Finland and the Soviet Union following international law.

Negotiations on transboundary waters gained momentum in 1962, when the Commission for the Preparation of the General Transboundary Water Framework Agreement submitted its final report in December 1962. The report proposed a model agreement for a joint transboundary river basin agreement between Finland and the USSR. During a visit to the Soviet Union in February 1963, Prime Minister Ahti Karjalainen suggested establishing a transboundary water commission. In June 1963, Finland's Ambassador to Moscow prepared a proposal for the Soviet authorities to start negotiations. In late 1963, the Soviet Union declared its readiness for treaty negotiations.

The Transboundary Water Framework Agreement was primarily the initiative of Finland and the emphasis it gave on the Agreement. In addition, President Kekkonen's good relationship with Khrushchev can be highlighted as a factor that contributed to the creation of the Transboundary Water Commission. For example, the importance of the YYA Agreement and Kekkonen as an intermediary between Finland and the Soviet Union can be considered paramount in creating the Agreement and the Commission. The establishment of the Commission was influenced by extensive and persistent research work, the simultaneous movement of Finland and the Soviet Union in the field of water protection, previous agreements that needed to be updated, the reform of the Finnish Water Act – and also sheer luck (Räsänen, 2020).



### **1.3.2. Future of transboundary water cooperation**

According to one Finnish participant in the Commission's work, there is no internal need for changes in the work of the Commission. While there is always room for improvement, the current state of cooperation bodes well in the light of the UNECE Principles for Effective Joint Bodies (Honkonen & Lipponen, 2018). Changes in the operational environment (global politics, climate change, EU directives, etc.) may require reactions (Räsänen, 2020). One possibility is that the hydropower losses caused by additional discharges in the Vuoksi would be settled as part of an overall solution, given the increasing prevalence of such situations as the climate warms. This issue could be tied together with an agreement on Russia's participation in Lake Inari's fisheries management. Finland is regulating Lake Inari in Lapland for the benefit of hydropower production in Russia (Rekolainen et al., 2020).



## 2. Findings

### 2.1. Logic and strategy to create impact

**Finding 1. There was a genuine need to agree upon the transboundary waters between Finland and the Soviet Union after World War II as Finland lost part of its Eastern land areas**

Regulation of the flows in the Vuoksi was relevant to both countries: to manage flood or drought threat, optimize hydropower generation, manage water quality, and ensure free movement of fish and prevent damage to fish stocks.

**Finding 2. There is a transparent, logical chain of actions in the collaboration**

The institutional framework was founded on the 1964 Finnish-Soviet Agreement on the transboundary watercourses' use and later developed to respond to ease and streamline cooperation needs. The 1972 Hydropower Agreement helped satisfactorily regulate the Vuoksi to all the power stations and streamlined compensation procedures. The 1989 Discharge Rules aimed to minimize the adverse consequences of weather conditions in the river basin.

### 2.2. The organization of water diplomacy-related activities

**Finding 3. Successful transboundary water management is mainly explained by the solid regulatory mandate and professional (rather than political) cooperation**

The Agreements provide a clear formal mandate at an appropriate management level and focus on facts and technical cooperation. The working modality combines all key actors' formal and informal collaboration and engagement, including the private sector.

A relatively compact composition of the Commission and non-political expert collaboration in the Working Groups, without any secretariat, has facilitated direct dialogue between the parties.

The fundamental principles of the 1964 Agreement included a compensation mechanism, which is not common in transboundary water agreements. Compensation was dealt with in a technical and expert-driven manner without politicizing the issues.

The 1964 Agreement does not include specific flexibility clauses. The Finnish-Russian Commission was also made responsible for overseeing the implementation of the Discharge Rule, showing that it can be implemented with flexibility as a cooperation framework.



**Finding 4. Good cooperation has been maintained by well-functioning personal relationships**

As evidenced by interviewees, well-functioning personal relationships between officers facilitate cooperation. Both states also aim to nominate the most suitable people to the institutions, and the officers are well briefed by the former members of the Commission and the working groups. Mutual trust has been built over the years.

**Finding 5. A holistic approach and integrated water resources management facilitate optimization of benefits**

An integrated water resources management approach takes into account the different water uses as well as environmental requirements. The fact that compensation has recently been withheld indicates the management of (the Vuoksi) discharge in a way that maximizes the overall benefits versus costs/damages as if it were managed in one country.

## 2.3. Results and impacts

**Finding 6. The cooperation between Finland and Russia is well established and resilient to external tensions**

Two very different neighbouring states have, despite their complicated history, established a well-functioning and robust cooperative regime that covers all the transboundary freshwater watercourses between them, and has lasted almost 60 years – despite dramatic changes in the operating environment: the collapse of the USSR, Finland’s membership in the EU, requirements set out in the EU Water Framework Directive, international sanctions imposed on Russia, and climate change. The decisions have, for the most part, been unanimous with only occasionally differing views (Belinskij et al., 2018).

**Finding 7. The cooperation has brought concrete benefits to both countries**

The concrete benefits of the cooperation include optimization of hydropower generation, control of the high and low water levels of Lake Saimaa, improvement of water quality, recovery of fish stocks, and safeguarding the living conditions of the Saimaa ring seal (Räsänen 2020).

**Finding 8. The cooperation between Finland and Russia is well recognized in international forums**

The cooperation between Finland and the USSR/Russia in transboundary waters is a showcase and has served as a model in international cooperation, e.g., in the formulation of the UNECE Water Convention and the UN Watercourses Convention.

An evaluation conducted by the Strategic Foresight Group in 2017 covered 286 transboundary river basins and 146 countries. Finnish-Russian cooperation got the highest Water Cooperation Quotient (WCQ) of 100. “Our transboundary water cooperation with Russia has produced excellent results: flood damages have been prevented, loading of waters has decreased, and water quality



has improved,” said the Permanent Secretary at the Ministry of Agriculture and Forestry and chair of the Finnish party to the Commission.<sup>24</sup>

## 2.4. Success/failure factors

### **Finding 9. Essential elements need to be in place to ensure successful transboundary cooperation**

The most important reasons for the well-functioning cooperation, revealed by participating experts and Commission protocols include: (i) clear formal mandate at an appropriate level of management; (ii) focus on facts and technical cooperation; (iii) combination of formal and informal collaboration and engagement of all key actors; (iv) pride in and commitment to cooperation (Belinskij et al. 2018); (v) mutual trust-building over the years; (vi) a holistic approach (integrated water resources management); (viii) institutional structure (lack of secretariat); (ix) compact composition of the Commission; and (x) non-political expert collaboration in the working groups.

### **Finding 10. Action was taken when there was momentum, and there were visionary and committed persons in the right place**

The preparation of the 1964 Agreement and the establishment of the Commission were based on extensive and persistent research work, simultaneous social currents in Finland and the USSR (in water protection), and knowledgeable individuals in politics and water management who were well networked. Their contribution at least accelerated reaching an agreement and setting up a commission.

## 2.5. Demand for Finland’s water diplomacy

### **Finding 11. While there is always room for improvement, there is no need for revisions, not to speak of third party involvement**

The Agreement has served as an example for later global and bilateral agreements and on transboundary water cooperation. Indeed, there is no internal need for changes in the work of the Commission. Necessary changes can be made without revising the actual agreements. An example is an adjustment that was triggered by the discharges from Lake Saimaa that have exceeded the limits of the Discharge Rule in recent years. In 2020, the Commission discussed the possibility of supplementing the Rule with an additional cooperation procedure without revising it and approved this supplement in 2021, as reported by one Finnish participant.

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24 <https://mmm.fi/en/-/suomen-ja-venajan-rajavesistoyhteistyö-arvioitiin-maailman-parhaaksi>



**Finding 12. Experiences from the cooperation between Finland and Russia have not been utilized as a reference to the full extent**

Although the Agreement has served as an example, using lessons learned from the cooperation experience has not been systematic but mainly dependent on individuals. According to one Finnish water expert, relevant Finnish experts have been invited to share their knowledge on transboundary water management in international forums and other countries interested in this experience. Some lessons sharing has taken place through the UNECE Water Convention's platform (Honkonen & Lipponen 2018).



# **ANNEX 5. CASE STUDY 3 MEKONG BASIN**

**KIM GEHEB**

**HANNU VIKMAN**

**RENS DE MAN**



# 1. Context

## 1.1. Background

### 1.1.1. Mekong basin

The Mekong River is one of the world's great rivers. Covering nearly 5,000 km from its source on the Tibetan Plateau to the Mekong Delta, the river flows through six countries: China, Myanmar, Thailand, Lao PDR, Cambodia, and Vietnam. A map of the basin is illustrated in Figure 3.

**Figure 3** Mekong river basin



Source: Adapted from FCG International Ltd, 2019. Final Evaluation Finland's Support to Mekong River Commission (2010-2015). Helsinki, Finland



According to the Mekong River Commission, the basin is home to one of the richest biodiversity areas in the world, with more than 20,000 plant species and 850 fish species discovered to date. An estimated 80% of the nearly 65 million people living in the Lower Mekong River Basin depend on the river and its rich natural resources for their livelihoods, making sustainable development crucial for the environment and communities living in the basin. A central concern in the Mekong River Basin has been its very rapid development. Most attention has been focused on hydropower development in the Chinese and Lao portions of the basin. However, irrigation infrastructure has also been extensively developed in the Thai and Vietnamese parts. For many observers, the Mekong is now a fully regulated river, with China enjoying a highly hegemonic position with necessary security implications. A summary of hydropower dams is shown in Table 3.

**Table 3 Summary of hydropower dams in the Mekong**

	Contribution to total outflow (%)	Known installed capacity (2019) (MW)	Minimum storage (km <sup>3</sup> )	Capacity as a % of the total outflow
Cambodia	18	505	1.8	0.4
China	16	22,018	45.8	9.6
Lao PDR	35	6,653	28	5.9
Myanmar	2	66	0.9	0.2
Thailand	18	745	4.5	0.9
Vietnam	11	3,538	4.5	0.9
Totals	100	33,525	85.5	18

**Notes:** Calculated from MERFI's Mekong Region Dams Database. Calculations assume an average annual discharge of 475 km<sup>3</sup>. 'Minimum storage' refers to the maximum known aggregated storage capacity.

The impacts of these dams on river flows (Hecht & Lacombe 2014), sediments (Pukinskis 2013), fisheries (Pukinskis & Geheb 2012), and riparian ecologies are generally well known. Less well known are the impacts of reduced flows on groundwater; or how populations are likely to react when the resources on which they depend decline or collapse. This latter knowledge gap is particularly egregious given regular regional calls for social stability and the evident social instability that can emerge around natural resources in specific contexts (such as in Myanmar – including those parts of the country that fall within the Mekong River Basin (Woods 2019)).

### 1.1.2. Political and legal context

A vital characteristic of the Mekong is that most of its countries are authoritarian – to varying degrees, as shown in Table 4. The political regime has significant implications for how water is governed and what can be done in the water governance space.



**Table 4 Democracy and freedom scores for the Greater Mekong countries**

	CAM	CHN	LAO	MYN	THA	VTN	FL
Freedom (2020) <sup>1</sup>	24	9	13	28	30	19	100
Press Freedom (2021) <sup>2</sup>	46.84	78.72	70.56	46.14	45.22	78.46	6.99
Democracy (2020) <sup>3</sup>	3.10	2.27	1.77	3.04	6.04	2.94	9.2
Voice and Accountability (2019) <sup>4</sup>	15.27	6.4	3.94	23.65	24.14	11.81	99.01
Rule of Law (2019) <sup>4</sup>	17.79	45.19	17.31	12.98	57.69	53.37	100

**Sources and Notes:** CAM = Cambodia; CHN = China; LAO – Lao PDR; MYN = Myanmar; VTN = Vietnam; FL = Finland. Finland included as comparison. <sup>1</sup>Freedom House (2021): 100 = complete freedom, 0 = total absence of freedom; <sup>2</sup>RSF (2021): 0 = complete freedom of the press, 100 = complete absence; <sup>3</sup>EIU (2021): 10 = full democracy, 0 = full authoritarianism; score greater than 0 and below 4 denote authoritarian regimes, while scores between 4 and 6 denote ‘hybrid regimes’; <sup>4</sup>Kaufmann & Kraay (2021): Scores are a global ranking, with 100 = topmost rank, and 0 = lowermost rank.

There are 13 cooperative mechanisms (Zawacki, 2019) in operation across the Mekong Region<sup>25</sup>. Virtually all of these focus on trade and investment and may have geopolitical connotations (for example, the Mekong-US partnership). Two of them have water-specific dimensions: the Mekong River Commission (MRC) and the Lancang-Mekong Cooperation Mechanism (LMCM).

According to many regional interviewees, there has not been any water-related conflict in the Mekong, rather water-related tensions. The most commonly mentioned source of tension was hydropower development (mainly Chinese and Lao), e.g., “Hydropower has been a catalyst for diplomacy”<sup>26</sup>. There is relatively good research to indicate that Chinese dams have played a significant role in markedly reducing downstream sediments and increasing dry season flows while reducing wet season flows. While it can be argued that the latter is a positive outcome, it diminishes the Mekong’s ‘flood pulse’, which is critical to its ecosystem function. **Finland has contributed significantly to the understanding of the Mekong’s hydrology and sediment dynamics, mainly through the efforts of Aalto University and SYKE.**

The exacerbating and confounding impacts of climate change were also regularly remarked upon, mainly concerning China’s hydro-hegemony. Interestingly, significant Thai abstractions from the Mekong mainstream during, for example, the 2015-2016 drought, were very rarely mentioned by regional interviewees. Often overlooked (or downplayed) is the significant damming that has occurred in Vietnam’s Central Highlands. One interviewee argued that “their impact on the Delta is not so much.” Perhaps, he said, they impacted Cambodia – but then Cambodia built the Lower Sesan 2 dam (which dams two relevant tributaries descending from Vietnam).

Dams proposed for the Mekong mainstream are subject to the MRC’s procedure for notification, prior consultation, and agreement (PNPCA). The PNPCA for the first of Lao’s submissions, the Xayaburi dam, was mentioned as being particularly fraught, given concerns raised by Vietnam and Cambodia and how discussions advanced to very high levels. Laos unilaterally went ahead with the dam before the PNPCA process was complete. These tensions may have emerged because this was the very first dam submitted to the PNPCA.

<sup>25</sup> ‘Mekong Region’ is variously defined. In this report, it comprises the national territories of Cambodia, Lao PDR, Myanmar, Thailand, and Myanmar; the Chinese province of Yunnan, and that of the Tibet Autonomous Region.

<sup>26</sup> Interviewee 53



Related to the above – and which was also regularly discussed during the interviews – is regional geopolitics. The creation of the LMCM was widely regarded as a geopolitical move by China, while recent regional manoeuvring by the USA was frequently referred to during the interviews. “The [LMCM] has become a new way of geo-politicizing the Mekong ... [The Lower Mekong Initiative] is now back. This just creates more conflict”, as one interviewee said. Recent US moves were mainly seen to stem from a report (2020) issued by the Sustainable Infrastructure Partnership, a project housed under the US-Mekong Partnership and funded by the US Department of State. It argues that for much of 2019, the Mekong basin in China received average to high precipitation, which Chinese dams prevented from continuing downstream, where there was a severe wet season drought. The US Stimson Institute has advanced the report’s findings into almost real-time monitoring of Chinese hydropower activities under an initiative called Mekong Dam Monitor. The report’s methodology has been widely critiqued, including by Aalto University’s researchers.

Besides these infrastructure-related tensions, an additional one regularly mentioned was the channel blasting activity near the Thai/Lao/Myanmar tripoint, which the Thais eventually cancelled. This project involved the blasting of rapids by the Chinese to enable larger ships to pass between the lower Mekong and Yunnan. Thailand would appear to have withdrawn from this project unilaterally, citing local CSO concerns.

Respondents generally referenced low CSO and NGO representation levels in regional discussions around the river and the tributaries – even if, as one interviewee emphasized, there is plenty of Track 1.5 and 2 diplomacy in these arenas. “There is not a real openness and receptiveness to NGOs, to civil society throughout the ASEAN region. You look at the founding of ASEAN ... it does not have a sort of ECOSOC-like process by which NGOs are seen as a legitimate part of the conversation ... ‘NGO’ really equals ‘government critic’ in the eyes of the Track 1s”. For another interviewee, the MRC is not doing enough to address its relations with non-state actors. “For me, it’s the biggest shortcoming of the MRC framework.” Civil society is generally highly relevant across the region – partly because of the existing, or increasing, level of restrictions on civil society and its freedoms.

Other tension areas mentioned were:

- Sovereignty as an issue – the idea that each Mekong country is pursuing its development agenda, rather than the collective decision-making and governance that the ‘Mekong Spirit’ might imply, or the collaboration needed to manage a transboundary river basin. “Sovereign interests trump any notion of collective interest.” “Negotiations have to be honest. We have four countries, and each one protects their own needs. This prevents honest negotiations”.
- The possibility that hydropower development has more to do with construction interests than with demands for electricity was also raised.
- Benefit-sharing was a critical issue in the Mekong. It is, one interviewee said, a discussion that has continued since the 1995 Agreement.

### **1.1.3. Outlook on future water conflicts in the Mekong**

Over the coming decade, the probable key points of regional tension will all arise from water scarcity. The latter would probably be mainly anthropogenic but exacerbated by climate change. China might attempt to draw attention away from the issue by increasing its BRI and Lancang-Mekong Cooperation investments and infrastructural development. For some countries, however, it might



be challenging to absolve China. Vietnam uses Chinese damming to distract attention away from its own damming in the Central Highlands. For Thailand, too, this might yield awkward challenges, given that its ambitions under the Khong-Loei-Chi-Mun project, which seeks to irrigate large areas of the country's northeast with Mekong water. Lao PDR might find itself having to answer to the accusations of downstream countries if its reliance on hydropower does not change.

There are currently hints that Thai policy concerning the Mekong is changing. The cancellation of the Mekong channel blasting project is one such indication. Provided it continues to resist awarding power purchase agreements (PPAs) to the proposed Chinese mainstream dams in Lao PDR (the Pak Beng, the Pak Lay, and the Sanakham), this would also indicate a shift in orientation. However, the Luang Prabang Dam, to be constructed by a Thai developer, may confound this interpretation. Thailand has always provided PPAs to dams developed by Thai firms. What emerges in the Vietnam delta is still unclear. The country plans to implement very large-scale infrastructural projects to mitigate sea-level rise and saline intrusion over the next few years. The Vietnamese state is expected to endorse widespread complaints about China and blame Chinese dams as a part of its own South China Sea strategy and long-standing animosity between the two countries.

The river's flood pulse's undermining is expected to have significant knock-on impacts on fisheries, riparian ecologies, and biodiversity. Of particular importance here is what communities dependent on these natural resources can do once the resource collapse. Floods may also occur. The region is, however, dependent on floods, so these do not always cause consternation. Floods can, however, be exacerbated by dams making emergency releases. Given deficient levels of coordination between dam operators, this could become a significant problem.

As and when these crises manifest and escalate, the MRC's institutional architecture might be severely challenged. As one interviewee observes, "the MRC is a very operational body, a very technical body". In 2015, much of the MRC's technical mandate was decentralized to the National Mekong Committees of its member states, creating an opportunity for the MRC to seize a greater convening and diplomatic mandate. To some extent, it has embraced this role, particularly in forging a relationship with the LMCM. However, that capability must grow if the MRC is not to become overwhelmed by the possible magnitude of future conflicts.

Finally, Cambodia, China, Lao PDR, and Vietnam might continue to ostracise civil society and seek to ensure that it is excluded from water-related decision-making. Civil society is expected to continue in these countries but via conduct designed to avoid state criticism. How civil society engagement in the Mekong water sector will evolve in Thailand is unclear, given recent anti-NGO legislation. In one interviewee's view, Thailand will seek to nuance the law to be less of a 'dragnet.'

## **1.2. Relevant action arenas**

### **1.2.1. Mekong River Commission**

The Committee for Coordination of Investigations on the Lower Mekong River Basin (the Mekong Committee) was established in 1957 under auspices of the United Nations with the membership of Cambodia, Lao PDR, Thailand, and Vietnam. Due to political instability, Cambodia left the Committee in 1977. The cooperation was re-established in 1995 when the governments of Cambodia, Lao PDR, Thailand, and Vietnam signed the Agreement on Cooperation for Sustainable Development



of the Mekong River Basin (the 1995 Mekong Agreement), which established the Mekong River Commission (MRC).

The MRC is usually regarded as a river basin organization and has its mission “to promote and coordinate sustainable management and development of water and related resources for the countries’ mutual benefit and peoples’ well-being”<sup>27</sup>. The MRC excludes two Mekong countries from its membership (China and Myanmar). Its mandate is restricted exclusively to the mainstream, it has no regulatory authority, it has no independence, it is consensus-based, and its mandate does not encompass engagement with actors outside of its membership<sup>28</sup>. Historically, the commission has played a crucial knowledge-producing role. The MRC has procedures that define how it approaches five key areas<sup>29</sup>: data and information exchange and sharing; water use monitoring; notification, prior consultation, and agreement (PNPCA); maintenance of mainstream flows; and water quality. The third of these, the PNPCA, is the best known and has governed discussions amongst MRC members on mainstream dam development. The five procedures underpin MRC’s perception of itself as a ‘water diplomacy platform’.

The period 2010-2015 was characterized by significant changes in MRC organization and downsized programme scope and delivery (FCG International, 2019). Finland was an active participant in the MRC and donor meetings that led to these significant changes. The MRC Strategic Plan (2011-15) and Regional Roadmap imposed changes in the operational structure that required a greater focus on sustaining the MRC through decentralized in-country activities.

In the face of declining donor financing, the MRC Secretariat (MRCS) shifted from a wide-ranging programme-based approach to a more focused organization built around a set of core functions. These included the three current MRC core functions:

- Secretariat, administrative and management functions: promotion of dialogue and communication; reporting and dissemination; stakeholder engagement and communications/public information;
- River basin management functions: the main technical work of the MRC under the Planning, Environmental Management, and Technical Support divisions; and
- Consulting and advisory services: provision of technical expertise, databases, models, expert networks to support studies undertaken outside of the MRC, among others.

A transition roadmap, formulated in 2011, described the steps needed to implement the decentralization plan. The downsizing and decentralization of MRC functions had a dramatic impact on staff and operations. At the end of 2010, the MRCS Secretariat had 154 staff members; by 2016, that number had been reduced to 64 full-time staff.

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27 <https://www.mrcmekong.org/assets/Publications/policies/agreement-Apr95.pdf>

28 Note that FCG International’s (2019) recommendation that “International development partners should encourage MRC to broaden their stakeholder engagement policy to better encompass the inputs and contributions from private sector and civil society and facilitate communication between member countries and non-government stakeholders in striving for mutual understanding on sustainable development” (p. vii) is not feasible given the MRC’s limited (government-focused) mandate.

29 See <https://www.mrcmekong.org/about/mrc/procedures/>



## 1.2.2. Lancang-Mekong Cooperation Mechanism

The LMCM was established in 2015 with all six Mekong countries as members. Its principles were ratified as the Sanya declaration in March 2016. The LMCM is led by China, who, in 2018, indicated that the LMCM was a response to “...a rising backlash against globalization and protectionist sentiments and a lack of momentum in East Asian cooperation” (Zawacki, 2019). The LMCM has a diffused focus that includes a Water Cooperation Center located in Beijing.

Intra-regional relations remain highly bilateral. The lack of MRC independence reflects national reluctance to cede any sovereignty. Sovereignty was regularly cited during the interviews conducted for this report as a key challenge for regional transboundary water resources governance. The LMCM has repeatedly reiterated sovereignty as a central organizing principle.

## 1.2.3. Main actors in the Mekong Basin

In addition to the MRC and LMCM, many active stakeholders, including development banks, UN organizations, bilateral partners, and international and national non-governmental organizations (NGOs), work closely with the MRC.

The Greater Mekong Subregion (GMS) programme covers the six countries bordering the Mekong River: Cambodia, Laos, Myanmar, Thailand, Vietnam, and Yunnan Province, and Guangxi Zhuang Autonomous Region of China. The Asian Development Bank (ADB) facilitates the GMS. The programme started in 1992 to promote economic and social development among the countries by strengthening economic linkages. The GMS countries have agreed to pursue a shared vision of a more integrated, prosperous, and equitable sub-region. A key objective is to develop markets and the movement of goods across borders. It strongly emphasizes economic development while also developing human resources and promoting sustainable use of natural resources.

The World Bank (WB) was not active in regional cooperation in the Mekong region in the first ten years of the MRC (Ministry for Foreign Affairs, 2005). WB participated in the development Water Utilisation Programme (WUP), and the Mekong Water Resources Assistance Strategy (MWRAS) was prepared jointly by the WB with ADB 2004-2006. The Strategy emphasizes positive opportunities and the potential to balance the risk- and investment-averse attitudes of the past decade and stress the benefits of cooperation. It also argues that (i) much has been achieved in the region that is essential and positive; (ii) that these achievements are, however, far from sufficient to address the upcoming challenges and capture the opportunities; and (iii) that, unless the development partners give serious attention to the present institutional dynamics in the Mekong River management, there is a high likelihood that the progress made in building cooperation among the riparian states dissipates (The World Bank & Asian Development Bank, 2006). The strategy was controversial, and it was criticized for its aggressive promotion of controversial dam, irrigation, and water diversion projects while failing to account for their risks.<sup>30</sup> MWRAS was carried forward into the Mekong Water Resources Partnership Programme (MWARP), which aimed to form the basis for an assistance and investment programme in the Mekong River Basin and potentially provide a framework for donor support harmonization.<sup>31</sup>

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30 <https://archive.internationalrivers.org/campaigns/mwras>

31 <https://www.ais.unwater.org/ais/aiscm/getprojectdoc.php?docid=3017>



The European Union (EU) has primarily worked in the Mekong Region through bilateral channels. Its regional cooperation has focused on the Association of Southeast Asian Nations (ASEAN), supporting ASEAN integration and region-to-region dialogue (Ministry for Foreign Affairs, 2005). EU holds biannual meetings with the MRC and provides technical and financial support on issues, such as development and climate change. The European Commission and the MRC have had several funding agreements since 2003 (Soutillo, 2019).

There are few UN regional programmes explicitly targeted at the Mekong Region. The Economic and Social Commission for Asia and the Pacific (UNESCAP) focuses its activities on three thematic areas: (i) poverty reduction, (ii) management of the impact of globalization, and (iii) addressing emerging social issues. The activities include legislative, advisory, and technical cooperation work. UNESCO supported the development of an Integrated Training Strategy and Programme (ITSP), bringing the various training needs for the MRC under one umbrella to address the needs through one comprehensive and coherent training programme.

The MRC's bilateral development partners have included Australia, Belgium, Denmark, EU, Finland, France, Germany, Japan, Luxembourg, New Zealand, Sweden, Switzerland, the Netherlands, and the USA in close cooperation with multilateral organizations such as ADB, ASEAN, UNDP, UNESCAP, and (as observers) the International Union for Conservation of Nature (IUCN) and World Wildlife Fund (WWF).

The CSO space is very active in the Mekong, especially amongst Thai actors. However, a recently drafted law currently under consideration by the Thai parliament has severe implications for the conduct of Thai civil society and is considered an existential threat. In Cambodia, there is a large diversity of NGOs and CSOs involved in the water space, although recent pushback by the state has introduced much caution into their conduct. "Water is considered okay," said one interviewee. "But land is very dangerous because land-grabbing is a serious problem." In Vietnam, there is a thriving NGO community, which takes great care to avoid confrontations with the government. Similarly, there is an emerging NGO sector in China whose careful and constructive criticism seems to be valued by the Chinese Communist Party. Although many international NGOs have resident offices in Lao PDR, virtually no local NGO or CSO activity exists.

## **1.3. Finland's water diplomacy-related activities**

### **1.3.1. Finland's first regional activities**

Finland's regional cooperation in the Mekong Basin started in 1987 when the MFA financed the Mekong hydrographic atlas update. The MRC member countries updated the Mekong's hydrographic maps with the aid of the project and prepared topographical maps for the river shore areas. The atlas was later digitalized with Finnish financing, making updates easier. In addition to the atlas, Finland financed a study on navigational aids for the river. The Finnish policy rationale for its support is unknown (Ministry for Foreign Affairs, 2005).

Finland has supported the Asian Institute of Technology (AIT) in Bangkok since the 1980s, especially in water and environmental engineering, telecommunication technology, pulp and paper technology, and the AIT Center in Hanoi.





### 1.3.2. Support to Mekong River Commission

According to one Finnish interviewee, when the Mekong Committee was transformed into the MRC, the MFA had no broader strategy or decision on Finnish support. In the mid-1990s, Finland's support to the MRC was expanded and intensified. The environment had gained an increasing profile in Finland's development cooperation, and in 1995 Mr Pekka Haavisto, the new Minister of the Environment, was also the Minister of Development Cooperation. Vietnam was one of Finland's most significant development partners, and Finland was looking at what else could be done to enhance regional integration and development in Asia. The MRC seemed to unify the interests of the region. When Minister Haavisto visited Thailand, Laos, Vietnam, and Cambodia, cooperation on the Mekong River was widely discussed. Political support existed.

Conversely, none of the regional interviewees knew the logic and strategy for Finnish water sector investments in the Mekong. Some speculated that it came off support to the MRC by other Nordic countries, notably Denmark and Sweden. Some interviewees noted that Finland has significant water management expertise and that, therefore, they perhaps felt that they could share it with developing countries.

Most regional interviewees were aware of Finnish support to the MRC if Finnish support to regional water-related activities was widely known. According to one interviewee, "Finland has traditionally been a partner of the MRC, more on the technical side: data and modelling. I have heard of Finland's water diplomacy, but in the Mekong, people have not really heard of this. Water diplomacy would not work without a solid technical understanding of the problems".

Finland saw an opportunity to increase integration in the region and promote environmental protection. In addition, it could offer technical knowledge from other experiences, such as the transboundary water cooperation with Russia and the HELCOM Baltic Sea protection initiative. In 1998, a senior Finnish environmental specialist became the first Finnish Senior Advisor to the MRC Secretariat, responsible for developing the Water Utilisation Programme (WUP) and an environmental policy for the basin, as a Finnish interviewee knew. There were diplomatic intentions in the intensified support to the MRC at a high level. Still, Finnish support to the MRC was quite technical in practice due to its management through development cooperation. According to one interviewee in the region, "I don't see their work in policy or diplomacy. It was positive in other ways".

Since 1999, Finland's support to the MRC has consisted of:

- Internet system to the MRC (1999);
- WUP (2000-2008);
- Socio-economic and environmental analysis in Lower Mekong (2004-2005);
- Information and Knowledge Management Programme (IKMP) (2008-2015);
- Initiative for Sustainable Hydropower (ISH) (2008-2014);
- Water Management Trust Fund (WMTF) (2008-2013);
- Senior Modelling Adviser (SMA) to the Modelling Team (2009-2012); and
- Integrated Capacity Building Programme (ICBP)/Junior Riparian Professionals Programme (JRP) (2009-2015) (Ministry for Foreign Affairs, 2005).



**WUP** developed procedures for water use that could be agreed upon by the four governments of the lower Mekong. While it advanced technically well, it was not followed by the political process of establishing rules and regulations. Finland's support to WUP-FIN was well known amongst interviewees. It was seen as a highly technical intervention, yielding, in particular, significant modelling advances and systems that would contribute towards the MRC's Decision-Support Framework (DSF).

WUP included water flow modelling, which had earlier been carried out in the Tonle Sap area. Several interviewees complained that the models were highly complex and required significant capacity to run and interpret results. "The models they developed were incredibly bespoke. There was intensive training on their use amongst the countries, but this is sophisticated modelling, and few can use them". Another interviewee considered the DSF "an impact of their support. It is still the officially recognized tool of the MRC – so whichever results it generates has to be accepted by the member countries because they have endorsed it." One interviewee mentioned that the first person to receive capacity building under WUP-FIN was Sai Samal, the current Minister for the Environment in Cambodia.

The Finnish work on the Tonle Sap was well known, and it attracted respect: "In Cambodia, people recognize Finland's work on the Tonle Sap". This work is also seen as highly technical, and the project's logical frameworks or impact pathways were not designed to extend beyond primary partners.

An ex-ante evaluation of Finnish development cooperation in the Mekong Region was carried out in 2004-2005, soon after the formulation of a new development policy. This new policy stated that Finland directs most of the operational development cooperation funds into bilateral cooperation. Regional cooperation funds are to be channelled through regional institutions to projects that promote integration and stability or contribute to solving development problems that have regional dimensions (such as environmental threats, infectious diseases, and crime). According to the ex-ante evaluation (Ministry for Foreign Affairs, 2005): "There has not been a particular strategy for Finnish cooperation with the Mekong Region. Decisions have been taken on a project-by-project basis. However, in hindsight, it could be said that the Finnish assistance seems to have been directed towards projects which have laid the basis for further development interventions and investments, on projects which have supported and provided information for further action." "By and large, the Finnish cooperation with MRC has been successful. Implementation of projects has not faced major difficulties apart from the political sensitivities which surrounded the preparation of the hydrographic atlas from time to time." One Finnish interviewee said that there was strong resistance at the top of the MRC towards WUP.

This evaluation emphasized increasing complementarity, cooperation, and coherence in future Finnish support to the region and recommended moving away from project-based initiatives to a strategic approach. It further recommended strengthening the Finnish administration in the field by establishing an office for regional cooperation in Vientiane (close to the MRC Secretariat) or strengthening the Embassy in Bangkok. There were two Counsellors (one at a time) in the Bangkok Embassy, responsible for cooperation with the MRC between 2006 and 2015, plus one local expert, first in Bangkok and later another one in Vientiane. Despite their interest, they had limited resources for closer monitoring and communication.

The evaluation recommended long-term support to the MRC, focusing on its roles as a regulatory agency and as a centre of excellence on research, data collection, and dissemination of information regarding the basin. The evaluation further recommended that the MRC could be a prominent



regional actor for Finnish cooperation to become a more meaningful governance body in the future. Finland should consider having the MRC as one of its main channels for regional cooperation. Strengthening the MRC strengthens its potential as a governing body.

Probably as a result of the 2004 Development Policy that prioritised bilateral cooperation, regional support to the Mekong was debated in the MFA, according to one interviewed former MFA employee, who also said that this was a reason to develop a regional Mekong strategy. An internal draft presented a vision for Finland's regional and bilateral development cooperation. In regional cooperation, "Finland operates through regional actors, especially in key areas that are important for Finnish added value: governance development and natural resource management. Finland pays special attention to improving the position of ethnic minorities, developing the information society and strengthening the environmental perspective. Finland has diversified its co-operation into economic and trade co-operation and institutional partnerships" (Ministry for Foreign Affairs, 2006).

A Final Evaluation of Finland's Support to Mekong River Commission (2010-2015) (FCG International, 2019) concluded that Finnish-funded programmes – IKMP, ISH, WMTF, and JRP – had been highly relevant, generally effective, and had a lasting effect on the MRC's organization and development processes in the Lower Mekong Basin. However, there were also efficiency issues in the delivery of some of these programmes and many lessons learned for potential future engagement with the MRC or other river basin organizations. Furthermore, Finland's development assistance history in the Mekong region has not demonstrated many synergies and regional coherence between the various environmental programs and projects. The section below is mainly based on the Final Evaluation, supplemented with interviews undertaken as part of this evaluation.

WUP was the initial basis for water resources assessment in **IKMP** programme development, and the funding for international technical advisors; the Hydrological Cycle Observation System (HYCOS) and hydro-meteorological system development with Finnish and French support was essential for important core MRC services. The IKMP objective was "to build a solid foundation of data, information and knowledge products, systems and services that support the Mekong River Commission." The programme had five components: (i) Programme Management; (ii) Hydro-meteorological Data; (iii) Geographic Information System and Databases; (iv) Modelling; and Communications and Knowledge Management.

IKMP concentrated on establishing a basin-wide river monitoring network, an MRC information system, modelling services for planning, forecasting, and impact assessment, and a 'Knowledge Hub' for transboundary water resources. Finland was a major contributor to the programme, and the work of the Senior Modelling Advisor was integrated into the IKMP and specifically to serve the objective of modelling services.

At the end of IKMP in 2015, it was concluded that monitoring was doing relatively well. Where the Final Evaluation did raise concerns, it was concerning (i) maintaining continuous sediment monitoring; (ii) preparation for a groundwater monitoring programme; (iii) independent capacity to maintain the monitoring network had been at least partially achieved by the member countries, although significant risks existed when the countries took over the monitoring network; and (iv) that the Knowledge Hub suffered from delays and lack of human resources. According to the Final Evaluation report, there was a lack of budget and capacity to maintain the monitoring stations and warning systems when these functions were transferred to the member countries as part of the decentralization process.



A regional interviewee regarded hydrological monitoring, especially integrated modelling, as the best known of the Finnish contributions to the MRC: “This modelling has been critical to the countries and has contributed to planning capacity. The modelling was critical for the MRC’s Council Study”. Modelling was highly appreciated by another interviewee: “They provided a reference point. [They] set the baseline for everything. If they funded the Strategic Environmental Assessment, this did have an impact and provided the basis for the PNPCA. I think this does contribute. No other [river basin organization] has a real procedure like the PNPCA.”

The objective of the Initiative of Sustainable Hydropower (**ISH**) was “to enable MRC to help Member Countries better integrate decisions about hydropower management and development with basin-wide integrated water resource management perspectives, through the established MRC mechanisms and national planning systems, consistent with the 1995 Mekong Agreement”.

Technical capacity was improved in hydropower sustainability assessment, dam safety and monitoring, data and information systems, as well as drawing lessons from the growing pool of regional and international good practice related to sustainable hydropower considerations. New guidelines and tools were developed, including the Guidelines on Multi-purpose Evaluation of Hydropower Reservoirs, which provided support for optimising the planning of hydropower development portfolios, and a twelve-step process for assessing options on Benefit Sharing Mechanisms. The ISH assisted member countries in implementing the PNPCA for two hydropower projects. The ISH also made significant contributions to the Council Study.

The first dam to be submitted to the PNPCA process was the Xayaburi. The dam caused considerable concern for Vietnam and Cambodia. One regional interviewee pointed out that Cambodia even threatened to take Lao PDR to an international court. Hence, the PNPCA was elevated to the MRC Council level (i.e., a meeting of the ministers responsible for the MRC). While these meetings were going on, Lao PDR decided unilaterally to break ground and commence construction of the dam. Although this decision was to test Lao PDR’s relationship with Cambodia and Vietnam, it would appear these two countries were willing to tolerate the action: Cambodia because it had (at the time) its mainstream dam ambitions, and Vietnam because it did not wish to threaten its long-term friendship with Lao PDR.

The ISH programme was supported by Finland, Germany, Belgium and Luxemburg. A German evaluation rated the ISH’s technical cooperation relevance and efficiency as ‘very successful’, effectiveness and sustainability as ‘successful’, and impact as ‘rather successful’. The ISH was officially closed in 2015 and was followed by the Sustainable Hydropower Development project, funded by Germany’s Gesellschaft für Internationale Zusammenarbeit GmbH (GIZ).

It can be argued that Finland’s support to ISH may have contributed towards procedural outcomes of diplomatic relevance. Besides feeding into the PNPCA, ISH was also responsible for developing the MRC’s Hydropower Mitigation Guidelines; it drafted a Sustainable Hydropower Strategy for the MRC, which continues to be negotiated amongst the countries five years after the initiative ended; and, in 2010, released the controversial Strategic Environmental Assessment (SEA) of Hydropower on the Mekong Mainstream – which called for a ten-year moratorium on mainstream dam building, to allow studies to be carried out to better understand the likely impact of the mainstream dams, and to consider mitigation measures.

Amongst the many controversies that affected the PNPCA process, one was the hire, by the Government of Lao PDR of a Finnish firm Pöyry, to carry out an evaluation of whether or not the Xayaburi



had adequately addressed the MRC's design guidelines. Pöyry deemed that it had and went on to become the lead engineering firm on the project. Some regional interviewees pointed out the irony of having a Finnish-supported output (the Mekong SEA) calling for a moratorium on mainstream dam-building, while a Finnish firm got involved in the dam's construction, and that this might have affected regional perceptions of Finland's neutrality. Another regional interviewee, however, complemented Finland for its impartiality.

On the Tonle Sap, studies supported by Finland and in which Finnish researchers were involved continue to have significant relevance today as one interviewee put it; these "brought in new ways of seeing governance of the Tonle Sap".

At the beginning (2006), the **WMTF** was co-financed by France, Finland and Denmark, but after 2010 Finland was the only active donor. The Fund was used to support a variety of activities, including MRC's first Summit (2010), implementation of Strategic Plans, components for the MRC Council Study, studies on the impact of mainstream hydropower projects (2014 - 2015), the Mid-Term Review of the MRC Strategic Plan (2011-2015), and funding the Pre-Summit International Conference to the second MRC Summit (2014).

The **ICBP** was formulated for (i) independent organizational, financial and institutional review; (ii) junior riparian professional (JRP) training; (iii) MRC internships; (iv) gender mainstreaming and (v) training activities and various capacity building activities across the MRC programmes.

Finland supported the **JRP** in two phases: 2009-2011 and 2011-2015. The structure of the training process was to build basic capacities in the IWRM and in the programme cycle management. Regional interviewees stressed Finland's contributions to regional capacity building. An essential feature of JRP was on-the-job training at the MRC, e.g., young modellers from Member Countries were allowed to work with the modelling team of the IKMP. The JRP training programme was considered successful and sustainable as almost all JRPs continued to contribute towards river basin management in their respective national agencies, and, interviewees remarked, promoting a deeper understanding of the challenges faced by the MRC in their home countries. Finland was the sole financier of the JRP.

Finland's support for work on the Tonle Sap has had an enduring legacy. A good example of this has been an academic debate in which Finnish researchers from Aalto University have challenged the findings of research conducted by China's Southern University of Science & Technology. In a 2020 paper, Ye Wang and colleagues argued that "...the contribution of dam construction in China to the recent [Tonle Sap] lake shrinkage was insignificant when compared with the impacts of precipitation decrease." In their 2021 response, Kallio and Kummu counter that "...the analysis ... leads to misleading and even opposite findings compared to an analysis where the nature of the flood pulse system is properly taken into account... anthropogenic changes, such as dam operations, explain most of the significant reduction in annual high flow discharges observed along the Mekong River, while the change in precipitation seems to play a smaller role."

Finnish contributions towards the above activities were built around a core team of mostly well-regarded Finnish experts who developed small regional networks focussed around either the very technical foci of the work being implemented under the MRC or ADB; or the slightly broader foci of Siemenpuu's investment into regional NGOs.



There was an implied concern amongst interviewees that the Finnish departure from the regional water sector and the MRC was abrupt and surprising, given the networks and relationships Finnish experts had established and that Finland had come to be seen as a partner in the regional water research. Its hasty withdrawal combined with the rapid decentralization of the MRC left some unfinished tasks such as MRC's information system and knowledge hub and weak quality assurance for effective management of the hydro-meteorological networks. The reasons for Finland's withdrawal of support were not known by regional interviewees. Some speculated that it might have to do with a re-prioritisation of funding (e.g., to Myanmar alone, and not the Mekong more generally); and/or that budget to Finnish ODA had been reduced.

### 1.3.3. Finland's cooperation with Asian Development Bank

A Finnish interviewee emphasized that larger cooperation in the region and, subsequently, also cooperation with ADB started with a sharp focus on the environment. Relevant projects that Finland has financed with ADB include:

- Poverty reduction and environmental management in the watershed area (1995-2000);
- Environmental training and institutional strengthening in the region (1997-1999);
- Critical wetlands management and preservation in Lower Mekong (1999-2002);
- Chong Kneas environmental improvement, project planning (2003-2004); Tonle Sap Sustainable Livelihoods Project (2004);
- Continued planning of the previous two projects (2005-2006);
- Core Environmental Program Core Environment Program and Biodiversity Conservation Corridors Initiative (**CEP-BCI**) (2006-2019); and
- Tonle Sap Technology Demonstrations for Productivity Enhancement (**TSTD**) (2010-2013)

Finland financed technical assistance (TA) for the Protection and Management of Critical Wetlands in the Lower Mekong Basin. The project supported the development of ADB's strategy to promote regional cooperation and ensure the sustainability of the lower Mekong basin by focusing on two critical wetland areas: the Tonle Sap Great Lake area in Cambodia and Siphandon wetlands in Laos. The TA included 14 components ranging from policy assessment, research and monitoring to trial projects and preparation of feasibility studies, making it highly complex, overly ambitious, and challenging to implement. The ADB demonstrated weakness in the fields of natural resources-related research activities and trial projects.

The Chong Kneas Environmental Improvement Project aimed to improve social and natural environmental conditions related to boat landing facilities, social infrastructure, and related community services at Chong Kneas on the Tonle Sap (Ministry for Foreign Affairs, 2005).

CEP-BCI commenced in 2006 amid growing concerns over the fragmentation of forests and protected areas and other environmental damage arising from rapid economic development in the GMS. CEP-BCI sought to strengthen GMS capacity and collaboration in environmental planning



and monitoring, as well as conservation and livelihood improvement in some of the sub-region's most important biodiversity landscapes.<sup>32</sup>

TSTD contributed to the enhancement of productivity and environmental conservation in the Tonle Sap Basin. The TA supported (i) pilot demonstration of productive, profitable and bio-secure technologies, and (ii) promoted development and application of rural ICT for technology adoption and market access improvements, thereby influencing productivity, diversification and competitiveness.

#### 1.3.4. Other cooperation of Finland

**The Mekong Water Dialogues**, coordinated and facilitated by the International Union for the Conservation of Nature **IUCN** and supported by Finland in 2007-2014, was relevant to Finland's support to the MRC. The dialogue had some inputs into the ISH programme in regard to public and NGO involvement in assessing impacts of hydropower development proposals and floodplain management. The Mekong Water Dialogues were built around a review of MRC, ADB and the World Bank strategic plans. Results concentrated on multi-stakeholder dialogues (e.g., Tonle Sap), and National Working Groups assisted national water policy development and public hearings on flood management in Thailand. The dialogues encouraged the MRC to adopt a more structured approach to civil society engagement (FCG International, 2019) However, virtually no regional interviewee mentioned the Mekong Water Dialogues that implicitly should have involved significant NGO and CSO engagement, whereas Finnish support to the Thai initiative, the Mekong Energy and Environment Network **MEE-NET**, and towards the creation of Vietnamese NGO, Green Innovation and Development (GreenID), supported via Finnish foundation, Siemenpuu, were noted.

The Mekong Water Dialogues suggests, in a progress report, that it was able to organise multi-sector and multi-level interactions through National Working Groups in Cambodia, Lao PDR, Thailand and Vietnam. These were not mentioned in an interview with senior IUCN staff, who emphasised the advances that the dialogue made in encouraging Vietnam and Laos to sign up to the Ramsar Convention; and for Vietnam to accede to the UNECE Water Convention. Another interviewee felt that the Mekong Water Dialogues programme “was not so successful”.

Finland's support to MEE-NET had importance while it had a Mekong focus (MEE-Net switched its focus to Myanmar and the development of independent grid systems soon after Finnish support ended). A MEE-Net report (supported by the Heinrich Böll Foundation) on the political economy of regional energy investments remains a singular and critical insight into the dynamics of regional hydro and energy politics. One regional interviewee argued that “GreenID kind of originated from the collaboration with MEE-NET”. The latter NGO has a focus on the development and evolution of non-hydro renewable energy systems in Vietnam. In 2018, GreenID's director, Khanh Nguy Thi, was awarded the Goldman Environmental Prize because she used “scientific research and engaged Vietnamese state agencies to advocate for sustainable long-term energy projections in Vietnam. Highlighting the cost and environmental impacts of coal power, she partnered with state officials to reduce coal dependency and move toward a greener energy future”<sup>33</sup>.

In addition to the regional support, Finland has had long-term bilateral cooperation with Vietnam (since the 1980s-), Laos (1990s-) and Cambodia (2000s-). An example of a relevant bilateral project

32 <https://www.adb.org/news/finland-commits-14-million-mekong-environment-program>

33 <https://www.goldmanprize.org/recipient/khanh-nguy-thi/>



is the Environmental Management Support Programme **EMSP** in Lao PDR (2010-2014). The overall objective of EMSP was to prevent unacceptable damage to the environment, environmental health and the livelihoods of people affected by large scale development projects and strategic plans implemented in Lao PDR (NIRAS Finland Oy, 2015).





## 2. Findings

### 2.1. Logic and strategy to create impact

**Finding 1. Since the establishment of MRC in 1995 and a new Minister of the Environment and Development Cooperation, Finland began to consider more active support to MRC and ADB, focusing on environmental aspects**

Finland's support to the Mekong Basin was taken to a new level after MRC's establishment, a strengthened environmental focus in Finland's development policy, and Minister Pekka Haavisto holding both the environment and development cooperation portfolios. Consequently, the focus in Finnish development cooperation moved from resource use to the protection of natural resources. The policy rationale for Finland's earlier support is unknown.

**Finding 2. Finland wanted to expand bilateral cooperation with Vietnam to the Mekong Region**

Finland wanted to build on its cooperation with Vietnam and was looking at enhancing regional integration and development in Asia. The MRC seemed to unify the interests of the region.

**Finding 3. Finland aimed to improve decision making to be based on knowledge and transparency**

Particularly by supporting the WUP and the ISH, Finland wanted to contribute to a shared understanding of downstream environmental and social impacts of infrastructural development in the Mekong for a platform for decision-making that is transparent and based on facts.

Finland believed that, together with other donors, it can best influence decision-making by supporting the effectiveness, transparency and stakeholder consultation of planning and impact assessment processes within the framework of the MRC.

**Finding 4. Coherence across the various Finnish programmes and initiatives in the Mekong region was not strong**

Although projects funded by Finland have laid the basis for further development and provided data information for further actions, decisions on support have been taken on a project-by-project basis. Previous evaluations of Finland's regional programmes have criticized weak strategic approach and coherence. Even the attempt to develop a regional plan in 2006 did not appear to provide significant improvement.



## 2.2. The organisation of water diplomacy-related activities

### **Finding 5. Finland's water diplomacy was implemented through development projects, emphasising development objectives and diluting diplomatic dimensions**

Finland's support was mainly financed from the development budget. Consequently, activities were formulated in compliance with the cross-cutting objectives of development policy, and project documentation is relatively silent on possible diplomatic dimensions. Interviews suggest that these projects did not have close coordination with diplomats and/or diplomatic processes.

All the same, the provision of scientific data and assessment of environmental aspects of intended projects, e.g., on the biodynamics of the Tonle Sap Lake, has led to political debate.

## 2.3. Results and impacts

### **Finding 6. Projects funded by Finland contributed to a process to clarify and refine MRC's role in brokering the balance of conservation and development, especially in hydropower development**

The ISH programme was relevant and controversial because it drew attention to the significant public and international concerns about dams on the Mekong mainstream and provided impact assessments and models that predicted potential effects, identified information gaps and offered advice on strategies to mitigate such effects. Finland's support to the MRC's Initiative on ISH may have contributed towards procedural outcomes of potential diplomatic relevance. ISH's work fed into the PNPCA and its design in a variety of ways; ISH was also responsible for developing the MRC's Hydropower Mitigation Guidelines.

### **Finding 7. Concrete results were achieved with development projects supported by Finland**

The Finnish support in the region is best known for hydrological monitoring, especially integrated modelling. This has been important for the lower Mekong countries and has contributed to planning capacity. The modelling was also highly relevant to the MRC's Council Study. The modelling software provided has, however, been said to be too complicated or that it required capacities far higher than were available. The timing of the withdrawal of support from the MRC in 2015, coinciding with decentralisation and Finnish policy/budget changes, contributed to the decline of the IKMP sustainability.

The JRP training programme has been considered as successful and sustainable as almost all trained professionals continued to contribute effectively towards river basin management from their respective national agencies.

### **Finding 8. Finland's activities were not perceived as diplomatic initiatives in the region**

Finland bought into existing or planned for initiatives and contributed to their implementation. The technical nature of Finland's interventions makes it difficult to assess the extent and degree of their possible contribution to the reduction or mitigation of water-related tensions. It can be



argued that they did contribute in a ‘preventative’ way to informing potential water-related disputes with scientific knowledge.

## 2.4. Success/failure factors

### **Finding 9. Implementation of diplomacy through the development cooperation mechanism affected resource allocation and continuity**

Finnish supported development projects were among many others pursued by the Finnish Embassy in Bangkok. Despite their interest, staff were overloaded and had limited resources for closer monitoring and communication.

Support to the regional cooperation has been subject to policy (re)considerations. For example, the 2004 Development Policy prioritised bilateral cooperation and, according to one former MFA employee, the regional support to the Mekong was debated in the MFA. Dramatic changes in development budgeting have resulted in inconsistency and ultimate, abrupt withdrawal of the support.

### **Finding 10. Finnish expertise was recognised and highly appreciated in the region**

A group of Finnish experts worked for a long time in the region with high motivation and competence. As one regional interviewee put it, “the Finns have provided some great people who have contributed a lot to the Mekong.”

## 2.5. Demand for Finland’s water diplomacy

### **Finding 11. Regional countries see current diplomatic mechanisms as being sufficient for addressing water-related tensions**

There is currently no demand for third party involvement in the prevention or mitigation of water-related conflicts in the Mekong. This is not to say that conflicts cannot emerge, but there is currently little regional appetite for third party intervention.

While national pride might prevent third party involvement from being sought, there is a multiplicity of ways in which Finland can provide discrete support towards negotiated outcomes without being seen to be directly involved. Water diplomacy is not, after all, a single strategy. For this, it is vital to maintain a strong awareness of regional water developments and hydro-politics, maintaining a rolling assessment of the status of these, and risk analysis of whether or not they might translate into more acute hydro-conflicts.

### **Finding 12. Mekong Region is a geopolitical hotspot**

Regional geopolitics and tensions between China and the USA affect cooperation in the Mekong basin and between its riparian countries, making it very difficult for other parties to pursue diplomacy.



**Finding 13. There are potential opportunities for Finland**

The MRC is at a turning point in terms of its organisational effectiveness, balancing equity and development considerations between countries and providing services that are in demand by its member countries. Finland's technical strengths in water management and previous experience with the MRC make it well placed to contribute to the next phase of MRC, especially given the combined effects of hydropower development and climate change.

One opportunity is to focus long-range studies on likely human reactions to environmental collapse and/or change. Mekong countries regularly indicate their interest in social stability, and it seems probable that predictions of instability related to aquatic ecosystem decline/collapse can be persuasive.

**Finland needs to make strategic choices around with whom it wishes to engage.** It has not engaged much with the regional NGO and CSO sectors. One possibility for Finland is to join forces with other initiatives in the region and collaborate with, for example, Switzerland, Australia or Sweden. Finland also needs to make strategic choices as to whether to pursue a more technically oriented medium- to long-term strategy in the region that seeks to address identified future risks well in advance of their occurrence or only respond once the situation becomes acute.



# **ANNEX 6. CASE STUDY 4 NILE BASIN**

**IMERU TAMRAT YIGEZU**

**HANNU VIKMAN**

**RENS DE MAN**



# 1. Context

## 1.1. Background

### 1.1.1. Nile basin

The Nile River Basin covers the territory of 12 countries: Egypt, Sudan, South Sudan, Eritrea, Ethiopia, Central African Republic, Kenya, Uganda, Rwanda, Burundi, Congo, and Tanzania, or a land area of 3,200,000 km<sup>2</sup> (Figure 4 Nile River Basin). In 2016, the basin was home to more than 257 million people or 20% of the African continent's population. With its 6,695 km, the Nile is the longest river on earth.

Figure 4 Nile River Basin





The basin includes 10 sub-basins, with two main branches: the White Nile and the Blue Nile. The Blue Nile, descending from the Ethiopian and Eritrean highlands, represents about 85% of the total annual discharge of the Nile Basin, whereas the remaining 15% flows from the White Nile Branch, emerging from the African Great Lakes region. At Khartoum in Sudan, the White Nile and the Blue Nile merge into the mighty Nile River, flowing north towards the Mediterranean Sea (Deconinck, 2021).

The Table 5 below presents key figures on Nile basin countries (excluding the Central African Republic, whose figures are missing.)

**Table 5 Nile Basin countries**

	Area in the Basin (km <sup>2</sup> )	% of country area in Basin	% of Basin	Internal renewable water supply (km <sup>3</sup> ) (*)	Withdrawal (km <sup>3</sup> )
Burundi	13,860	49.8	0.4	10.0	0.3
DR Congo	21,796	0.9	0.7	900.0	0.6
Egypt	302,452	30.3	9.5	1.8	68.4
Eritrea	25,697	21.1	0.8	2.8	0.4
Ethiopia	365,318	31.9	11.5	122.0	5.6
Kenya	51,363	8.7	1.6	20.7	3.2
Rwanda	20,625	78.3	0.7	9.5	0.2
South Sudan	620,626	96.3	19.5	26.0	0.7
Sudan	1,396,230	74.9	44.0	4.0	26.9
Tanzania	11,507	12.5	3.7	84.0	5.2
Uganda	240,067	99.5	7.6	39.0	0.6

(\*) Internal renewable water supply: this is not only from the Nile, but can include other renewable freshwater resources.

Source: FAO - Aquastat - 11/2017.

Source: FAO – Aquastat – 11/2017

### 1.1.2. The legal and political context

A series of colonial-era agreements affect the use of the Nile River. Two commonly cited agreements in terms of water allocation and the purported rights of riparian counties include a 1929 *Exchange of Notes between His Majesty's Government in the United Kingdom and the Egyptian Government in Regard to the Use of the Waters of the River Nile for Irrigation Purposes*, and the 1959 *Agreement between the Republic of Sudan and the United Arab Republic (of Egypt) for the Full Utilization of the Nile Waters*.<sup>34</sup>

Under the 1929 agreement between Egypt and Anglo-Egyptian Sudan, Egypt was allocated an annual flow of 48 billion cubic meters while Sudan's allocation was 4 billion cubic meters out of

<sup>34</sup> International Waters Governance, available at <http://www.internationalwatersgovernance.com/nile-river-basin-initiative.html>.



an estimated annual flow of 84 billion cubic meters. In addition, the agreement granted Egypt the right to veto projects upstream on the Nile that would affect its water share under the agreement.<sup>35</sup> Following Sudan's independence from British and Egyptian rule in 1956, Sudan urged renegotiation of the terms of the 1929 Agreement. As a result, the 1959 Agreement governs the control of certain projects concerning the Nile and water allocation between Sudan and Egypt. The allocation was changed to 55.5 annually for Egypt and 18.5 annually for Sudan. Allocations were not made for other riparian countries. The 1959 Agreement also commits Egypt and Sudan to adopt a "united view" on the claims of upstream riparian states. The current status of these agreements is disputed among the Nile riparian states.<sup>36</sup>

Economic constraints, external pressures, and internal strife have precluded upstream countries of the Nile basin from developing their water resources, allowing Egypt to take full advantage of downstream water flow. However, upstream countries have experienced considerable population growth, economic development, and political consolidation over the last decades. They have also profited from geopolitical changes in the form of alternative sources of capital for significant infrastructure investments. As a result, these countries face improved opportunities to harness their water resources but also an increased demand for energy and arable land. That has resulted in the countries embarking on ambitious development projects along the Nile and its tributaries.

Ethiopia holds a significant position among these countries, as the Ethiopian highlands provide nearly 86% of the Nile's water. Being confronted with rising population numbers and a fast-growing economy, Ethiopia has the incentive and means to develop its largely untapped potential for hydro-energy and irrigation. While current water development plans in Ethiopia and other upstream countries require only a small portion of the Nile's water, the prospects for increased water utilization in the near future raise serious concerns among the downstream countries, Egypt and Sudan.

Owing to increasing population numbers, the water needs of the downstream countries are also rising. That pertains, especially to Egypt. As Egypt receives only minimal amounts of rain, it depends on irrigation by the Nile to sustain its agricultural production. It, therefore, opposes any upstream project that could reduce downstream river flow. While the construction of hydropower facilities on the Nile tributaries does not necessarily lead to lower downstream flows, the Government of Egypt is nevertheless worried that upstream damming projects might open avenues for irrigation projects and water diversion in the future.

Its loss of political influence further compounds Egypt's distrust of upstream development projects. For most of the last century, Egypt has occupied a hegemonic position within the Nile basin, using its economic, military, and political power to prevent upstream development projects. But this is changing. As other riparian countries are catching up economically and Egypt faces internal conflict, power in the Nile basin is gradually shifting southwards. That makes it harder for Egypt to counterbalance its vulnerability as a downstream country. Moreover, given the 2011 uprising, there are also fears that significant reductions in downstream flow and resulting reductions to agricultural production could compromise Egypt's political stability and lead to further insecurity in the region.

As the second major downstream country in the Nile basin, Sudan has traditionally sided with Egypt against upstream development projects. The 1959 bilateral Nile Waters Agreement binds both countries. Like its northern neighbour, Sudan is highly dependent on the Nile's flow for

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35 <https://www.reuters.com/article/us-egypt-nile-framework-idUSTRE56Q3LZ20090727>

36 International Waters Governance, available at <http://www.internationalwatersgovernance.com/nile-river-basin-initiative.html>.





sustaining its economic development and growing population. Yet, the country is likely to benefit from cooperating with Ethiopia and harnessing its water resources along the Blue Nile. Given the weakened position of Egypt, this could incite Sudan to realign with its upstream neighbours.

One additional complication has arisen since 2011 from the independence of South Sudan. Its territory, which includes an enormous wetland area called the Sudd, has long been seen by Egypt as a potential source of additional water. Some 20 BCM of White Nile water evaporates there, which could be drastically reduced by channelling the Nile. The gigantic Jonglei canal, begun in the 1980s and never completed, was an attempt to generate additional water, but its expected enormous environmental and social costs were among the grievances that led to the renewed outbreak of civil war in the 1980s. The position of the South Sudanese government on such efforts is currently reluctant, but Cairo is intensifying diplomatic relations with Juba in view of harnessing lost water resources on the White Nile.

High uncertainties regarding future water availability further complicate the situation in the Nile basin. Detailed climatic predictions vary across emission scenarios and employed models, but experts generally agree that the Nile region will experience further warming, with higher increases in the basin's north than in the south. Warmer temperatures are likely to increase irrigation needs. Moreover, sea-level rise put pressure on agriculture in the Nile delta, Egypt's breadbasket. Due to intensive irrigation, the Nile's environmental flows are already minimal, contributing to salinization and making the delta more vulnerable to seawater intrusion with detrimental effects on agricultural productivity.

On the other hand, changes in precipitation are harder to predict, and the results of existent studies remain inconclusive. As a result of higher temperatures and evaporation, total runoff in the Nile basin could decline by the end of the century. Yet, this effect could be compensated by growing precipitation and the cooling effect of increased humidity and expanded cloud cover. Thus, while the future effect of climate change on the Nile basin remains uncertain, the possibility of a further reduction in the Nile flows currently looms over the relations between riparian countries.<sup>37</sup>

## 1. Relevant action arenas

### 1.1.3. Nile Basin Initiative and Cooperative Framework Agreement

The riparians established the **Nile Basin Initiative** (NBI) in 1999 to find a mutually acceptable basis for cooperation in the Nile basin. The NBI is an intergovernmental partnership to develop 'the river cooperatively, sharing substantial socioeconomic benefits and promoting regional peace and security. External third parties, especially the World Bank, played a crucial role in bringing all riparian countries together, and all basin states except Eritrea (which has observer status) joined the NBI. Rather than focusing on the highly divisive issue of water allocation, the NBI was purposely set up with a complementary investment program based on benefit-sharing.<sup>38</sup> NBI also aims at efficient transboundary management and optimal use of and water-related resources. NBI has no specific provisions for dispute resolution.<sup>39</sup>

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37 <https://climate-diplomacy.org/case-studies/dispute-over-water-nile-basin>

38 <https://climate-diplomacy.org/case-studies/dispute-over-water-nile-basin>

39 International Waters Governance, available at <http://www.internationalwatersgovernance.com/nile-river-basin-initiative.html>.



In terms of the hydro-political landscape that triggered cooperation in the 1990s among the Nile basin countries, several factors have been mentioned:

- the end of the cold war and the resultant readiness of most of the Nile basin countries to usher in a new era of institutionalized cooperation in the basin;
- the expectation of most of the basin countries to accrue tangible benefits by way of joint development projects through multilateral and bilateral financial support;
- addressing the longstanding issue of entering into an agreement that establishes equitable entitlement to the use of the Nile's waters;
- the series of Nile 2002 Conferences in 1993-2002 provided a platform for different stakeholders to discuss how to move forward to basin-wide cooperation.

The NBI was conceived as a transitional institution until the negotiations around a permanent **Co-operative Framework Agreement** (CFA) could be finalized and a durable institution created. The CFA aimed to include all the Nile riparians, deciding on principles, structures, and institutions to govern the Nile's water resources jointly.<sup>40</sup> Two principles were implicit in the partnership:

- cooperative development was the best way to optimize the benefits from the shared Nile River; and
- the sharing of multiple benefits was the key to equitable utilization (The World Bank, 2010)

CFA negotiations started in 1997, immediately after the NBI was formally established (Salman, 2013). The CFA aims to provide a basin-wide legal framework for settling disputes over Nile water use and establish a legal basis for a permanent and joint management institution, the **Nile River Basin Commission** (NRBC). Developing the text of the CFA took over a decade of intensive work. Finally, the draft CFA text was submitted to the **Council of Ministers of Water Affairs of the Nile Basin States** (Nile-COM) in March 2006. The Nile-COM members completed their negotiations of the CFA in June 2007, with all but one reservation lifted (Article 14b).<sup>41</sup> In addition to riparian countries' representatives in the Panel of Experts, the Transitional Committee, and the Negotiations Committee, the World Bank was involved in preparing the CFA by, e.g., contributing to the framing of the enclosure on water security (Woldetsadik, 2017).

Article 14 requires the basin states to work together to ensure that all states achieve and sustain water security (Salman, 2013) Article 14b of the draft CFA obliged the riparians "not to significantly affect the water security of any other Nile Basin State" was rejected by Egypt and Sudan; while the other riparians rejected an Egyptian proposal for a reformulation, so the obligation would instead be "[n]ot to adversely affect the water security and current uses and rights of any other Nile Basin State." Seven riparian countries – Burundi, DR Congo, Ethiopia, Kenya, Rwanda, Tanzania, and Uganda – agreed to open the CFA for signature on 14 May 2010 and keep it open for a maximum of one year. Egypt and Sudan rejected this position and proposed, instead, that the River Nile Basin Commission is launched by the basin countries as negotiations proceed to finalize the agreement on the CFA (Mekonnen, 2011). In contrast, Egypt and Sudan froze their participation in all NBI activities and projects. Sudan reactivated its membership in 2013, while Egypt participates in

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40 <https://climate-diplomacy.org/case-studies/dispute-over-water-nile-basin>

41 Nile Basin Initiative, available at <https://nilebasin.org/nbi/cooperative-framework-agreement>



limited NBI events only (Knaepen & Byiers, 2017). The Treaty has no legal effect on States that do not sign or ratify the document. By 2021 CFA has been ratified by six countries: Burundi, Ethiopia, Kenya, Rwanda, Tanzania, and Uganda.

Two regional interviewees considered that the failure to enter into CFA by all parties has significantly weakened the institutionalized cooperation both basin-wide (NBI) and on the subsidiary action programs (ENSAP and NELSAP), particularly related to ENTRO.

Even at the inception of the establishment of the NBI, there were different interests and expectations on the outcomes of cooperation: the upstream countries wanting a change in the status quo by asserting their equitable rights over the Nile through the CFA. Sudan's and, particularly, Egypt's interest was to see that the upstream Nile basin countries accept the status quo by legally recognizing the colonial and post-colonial agreements. These divergent interests subsequently led to the withdrawal of both Egypt and Sudan from the NBI and ENSAP in 2010 and the subsequent weakening of the institutionalized form of cooperation that was nurtured under the auspices of the NBI and its subsidiary action programs.

#### 1.1.4. Subsidiary Action Programs

To convert the NBI shared vision into action, the NBI developed the Strategic Action Program comprising two complementary programs: the **Shared Vision Program** (SVP) of basin-wide projects and Subsidiary Action Programs, geared towards physical investments: **Nile Equatorial Lakes Subsidiary Action Program** (NELSAP) and the **Eastern Nile Subsidiary Action Program** (ENSAP). SVP focuses on building institutions, sharing data and information, providing training, and creating avenues for dialogue and region-wide networks to develop water resources sustainably. The development objectives of the SVP were to:

- build trust among the Nile riparian countries;
- build capacity in member countries, and
- create an enabling environment for transboundary investments (The World Bank, 2010).

ENSAP seeks to develop the water resources of the Eastern Nile Basin sustainably and equitably. It is managed by the **Eastern Nile Technical Regional Office** (ENTRO), based in Addis Ababa. ENTRO was established by Ethiopia, Sudan, and Egypt in 1999 and started in 2002. South Sudan joined in January 2014. ENSAP investment programs include nationally implemented programs, e.g., the **Tana-Beles Integrated Water Resources Development Programme** (TBIWRDP) and **Integrated Development of Eastern Nile (IDEN)-Sudan** that received financing from the World Bank, the Government of Finland, and the Global Environment Facility (GEF) (Borchgrevink et al., 2010).

ENTRO supports the **Eastern Nile Council of Ministers** (ENCOM) and the **Eastern Nile Subsidiary Action Program Team** (ENSAPT) to prepare cooperative water resources investment programs and projects, capacitating and strengthening institutions and providing secretariat support to its governance. Since its establishment, ENTRO has been playing a significant role in



advancing and enhancing cooperation among the Eastern Nile Countries on water resource development and management.<sup>42</sup>

### 1.1.5. The World Bank and other partners

By 1997, the Nile-COM partnered with the Canadian International Development Agency (CIDA), the United Nations Development Program (UNDP), and the World Bank –the latter was further-entrusted with *leading and coordinating* donor activities to support the establishment of a basin-wide consultative mechanism.

Nile-COM requested the World Bank's assistance to coordinate donor involvement and, in partnership with the United Nations Development Programme (UNDP) and the Canadian International Development Agency (CIDA), established the **International Consortium for Cooperation on the Nile** (ICCON). ICCON held a Consultative Group meeting in 2001 where development partners committed approximately US \$130 million to the NBI.<sup>43</sup>

From the World Bank's viewpoint, there were three main reasons to be involved in Eastern Nile Watershed Management Project:

- The Bank had been associated with the NBI since its inception in 1999, and the project presented another opportunity for the Bank to build on its experience with the NBI to assist the riparian countries to mobilize additional technical and financial resources;
- The Bank gave priority to the sound management of transboundary basins, supporting accelerated economic growth and poverty alleviation; and
- The Bank has extensive global knowledge and experience in watershed management in transboundary water bodies (The World Bank, 2008).

Ten development partners came together to establish the **Nile Basin Trust Fund** (NBTF) in 2003 to support the pursuit of this shared vision in a coordinated manner. Canada, Denmark, the European Union, France, Finland, Netherlands, Norway, Sweden, the United Kingdom, and the World Bank contributed \$203 million to the fund, with many additional donors providing coordinated support to the Nile countries in parallel. The NBTF was administered by the World Bank and closed in 2015 (The World Bank, 2016). According to some regional interviewees, the withdrawal of Egypt and Sudan from the cooperative process in 2010 led to the World Bank and other partners withdrawing their support.

Many international NGOs have had an interest in the NBI, particularly the International Rivers Network who works to halt destructive river development projects and promote sustainable, environmentally sound alternatives to damming and channelling rivers (Talvela et al., 2002).

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42 Nile Basin Initiative, available at <http://entro.nilebasin.org/entro/who-we-are>

43 International Waters Governance, available at <http://www.internationalwatersgovernance.com/nile-river-basin-initiative.html>.



## 2. Finland's water diplomacy-related activities

### 1.1.6. Finland' conventional development activities in the region

Ethiopia is one of Finland's long-term partners in development cooperation. Bilateral development cooperation was initiated as early as 1967 (Ministry for Foreign Affairs, 2021). MFA started to prepare a rural water supply and sanitation project in Amhara Region in the mid-1980s but, due to the civil war, the redesigned *Rural Water Supply and Environmental Programme* [RWSEP] was only mobilized in September 1994. RWSEP was implemented in four phases until the end of 2011 (Rural Water Supply and Environmental Programme in Amhara Region, 2012).

*FinnWASH BG* was another cooperation program between governments of Ethiopia and Finland for promoting WASH in the Benishangul-Gumuz Region between April 2008 and October 2015. The project replicated the Community Development Fund concept developed in RWSEP (FinnWASH-BG, 2015).

Finland's support to the WASH sector has further been extended through the *Community-Led Accelerated WASH* (COWASH) Project aiming to serve as a transition program towards Finland's One WASH National Program (OWNP) and with the overall objective to achieve universal access to WASH in the rural areas of Ethiopia. COWASH was started in July 2011 and continues to be implemented until 2024 (at least).

In OWNP, all WASH stakeholders' programming and financial input aim to be harmonized and ultimately channelled through a single *Consolidated WASH Account* (CWA). Finland joined OWNP/CWA in 2017 and is committed to contributing to CWA until 2025 (Woods (2019)).

Finland launched the *Responsible and Innovative Land Administration* (REILA) in Amhara and Benishangul-Gumuz regional states in 2011. It aims to improve the land administration system and provide tenure security to the people who have claimed and registered plots of land. The project runs until 2021.<sup>44</sup>

*AgroBIG* is a development initiative with a mission to help create value addition along agricultural value chains. The program is implemented in the Amhara National Regional State in 2013-2021, cooperating with other development initiatives, e.g., REILA.<sup>45</sup>

Egypt was the sixth-largest recipient of Finnish assistance between 1980 and 2000. However, in 2001, the Finnish Government decided to discontinue Egypt's long-term partner country status and phase out the program within three to seven years. Finland's bilateral water supply development cooperation with Egypt began in 1993 and lasted until 2005. Initially launched mainly as a rural water supply project, the *Regional Water Supply Project* (RWSP) was implemented in the Beni Suef Governorate (Katko, 2013).

Finnish development cooperation with Sudan was discontinued in 1991. Until then, the key sectors of cooperation were energy, agriculture, and forestry (Talvela et al., 2002).

44 NIRAS. 2018. Project. Land registration: the foundation of sustainable development in Ethiopia, available at <https://www.niras.com/projects/land-registration-in-ethiopia/>

45 AgroBIG. Tapping the potential of agriculture value chains in Amhara, Ethiopia. available at [www.agrobigo.org](http://www.agrobigo.org)



### 1.1.7. Finland's activities in the region under the Nile Basin Initiative

In October 1998, the World Bank's Lead Specialist (Water Resources Management) met with MFA's Department for International Development Cooperation. After his briefing about the status and future actions of the NBI, Finland's participation in preparation for the implementation of the Nile River Basin Action Plan to be presented at the meeting of the ICCON in late 1999 was discussed and tentatively agreed upon (Suvanto, 1998a). As a response to WB's letter, MFA allocated USD 350,000 to WB's consultancy trust fund to be used in the fields where Finnish expertise is available: environmental and energy sector studies (Suvanto, 1998b). A Finnish Consultant told in the interview that he was assigned by the World Bank to participate in project preparation in the Eastern Nile (including the establishment of ENTRO).

Following Finland's pledge of support to NBI in Geneva in June 2001, the Government of Finland commissioned a consultancy study to identify the forms this support could take. The identification was carried out as a desk study in July-September 2001, analyzing a large amount of documentation. The identification recommended the following:

- Technical Assistance project to support ENTRO;
- contribution to ENSAP through the NBTF mechanism;
- explore the possibilities to involve Finnish NGOs in NBI activities; and
- promote Finnish businesses to obtain NBTF funded contracts (Talvela et al., 2002).

An evaluation of the Bilateral Development Co-operation between Ethiopia and Finland carried out in 2002 recommended, among other things, that Finland will:

- design a clear and detailed strategy for gradual phasing out of Finnish bilateral support.

Secure Finnish funding for the NBI and thereby support regional security building and fund the ENTRO unit in Ethiopia for which the Nile Secretariat is preparing a request (JP Development Oy, 2002). Following a desk study carried out in 2001, MFA assigned a team to further develop Finnish support to ENTRO in 2002. The mission concluded, among other things, that:

- ENTRO can be regarded as the spearhead of the ENSAP, and it is the most concrete achievement so far, and **its performance affects the whole NBI**;
- Finland has a history of development cooperation with all the Eastern Nile countries, and experience and competence relevant to ENSAP exist in Finland; and
- there is good compatibility between the main goals of the Finnish development cooperation and the objectives of ENSAP, particularly regarding **poverty reduction, prevention of global environmental problems, and increasing economic interactions between developing countries**.

The mission's recommendations included:

- Finland should contribute to the ENSAP process through support to ENTRO activities.
- The best form of support to ENTRO activities is a **technical assistance project**, including **financial support for ENTRO's operational budget**.



- The project's strategy should be based on the understanding that ENTRO is not an end but a means to help IDEN to produce expected benefits; and
- the donor agencies should consider establishing a Consultative Committee at the ENSAP level, bearing in mind not to weaken the ownership and the leadership of the Eastern Nile governments in the ENSAP process.

The mission noted that one of the critical aims of the NBI process is to **reduce tensions in the region**. Constructive win-win cooperation is a positive factor in this respect. In addition, reinforcement of economic inter-relations brings countries closer together. Particularly interesting is the perspective of Eritrea becoming one of the ENSAP countries.

**The mission's risk analysis raised some political concerns.** Changes in governments and their policies may occur, and consequently, attitudes towards regional cooperation could vary. Such changes, however, were not foreseeable in the short term. The speed of the ENSAP process may be slowed down but not reversed. Much depends on ENTRO's performance in the coming months and the capacity to deliver benefits to people in the Eastern Nile Basin.

Political difficulties should not be underestimated, however. **From a historical perspective, the relations between countries of the region have gone through many conflicts. Many of them have stemmed, at least indirectly, from disputes over water use rights.** The capacity of the Eastern Nile governments to collaborate in the true sense of the term is maybe the most important single condition for ENSAP's success. In this respect, the international community observes them with great interest (Talvela et al., 2002).

The project *Support to the Eastern Nile Technical Regional Office* was implemented in two phases: Finnish Technical Assistance (TA), including Finnish advisers, from 2003 until 2006 (Stenbäck et al., 2014), and Finnish funding channelled through NBTf from 2006-2009 (Rautavaara, 2007). The project aimed to **assist ENTRO in preparing and managing the ENSAP and meeting the ENSAP objectives to promote opportunities for regional cooperation**. The project had two components:

- capacity and institution building; and
- IDEN project preparation and management.

According to a mid-term review (MTR) carried out from late 2004 to early 2005, almost all stakeholders stated that **the regional cooperation between the Eastern Nile countries had significantly advanced, and ENTRO was seen as instrumental in this process**. According to many, the operational capacity of ENTRO and the National Focal Points would have been severely curtailed without the Finnish Government's support. This appreciation was also clearly stated by the three ministers. The reservations that some of those consulted had concerning the role of the technical assistance were not meant to undervalue their general appreciation of the project. Notably, the MTR concluded that the Embassy of Finland in Cairo is interested in being informed about relevant aspects of the Finnish support to ENTRO. The MTR recommended that:

- Finland should continue its support to ENSAP/ENTRO after the expiry of the grant agreement in 2006.
- The contents of the support can be defined as a result of ENTRO's strategy definition process; and



- **Finland should also consider support to IDEN projects, such as the Eastern Nile Power Trade Investment Project and Watershed Management Project** (Talvela et al., 2002).

The TA's initiative to reorganize ENTRO's management was critical in making ENTRO truly operational and improving its performance (Tervo, 2004a, 2004b). The support allocated to ENTRO for capacity building and operations was a concrete action to implement Finland's regional cooperation policy related to stabilizing the tensions in the Horn of Africa between the Eastern Nile countries Egypt, Ethiopia, and Sudan, as per Finland's development policy.

Taking notice of the critical role that ENTRO plays in concretizing the NBI objectives in the countries of Eastern Nile, Finland continued supporting ENTRO and its activities through the NBTF after the end of the agreed bilateral support to ENTRO for a period of three years (2006-2009) (Leino-Nzau, 2005). Experts from all three ENB countries who earlier had narrow national perspectives and interest in developing the Nile water resources began to understand that a regional perspective that can accommodate the interest of all three ENB countries was important in diffusing tensions in the sub-basin.

The Finnish TA was also criticized for being over intrusive in work carried out by the professional staff of ENTRO in regard to financial management and disbursement. Sometimes this delayed activities and eroded trust.

Finland's collaboration with the World Bank continued in the Tana-Beles Integrated Water Resources Development Project (TBIWRDP) in Ethiopia and the Eastern Nile Watershed Management Project (ENWMP) in Sudan. At the second ENTRO Consultative Committee meeting in late 2004, Finland expressed its interest in financing IDEN-WM projects. CIDA undertook to finance the preparation and preparation of the implementation phase of the projects. Project preparation was substantially delayed (Rautavaara, 2007). ENTRO developed projects for two of the countries (Ethiopia and Sudan), and the Finnish Government contributed €9.25 Million to project implementation in Sudan (Community Watershed Management Programme) and €5 million to Watershed Monitoring and Evaluation (WME) project under TBIWRDP in Ethiopia. These watershed projects **promoted regional cooperation by way of exchange visits and sharing of experience** (Stenbäck et al., 2014).

The WME project under TBIWRDP was implemented in the Lake Tana Sub-basin area in the Amhara region, which is an economic growth zone and a development corridor of national importance. The WME was one of seven sub-components of TBIWRDP and specifically designed to support sustainable watershed development and management through community-based planning and participation in the Ribb, Gumera, and Jema sub-watersheds in the Lake Tana sub-basin. It was implemented from mid-2009 until the end of 2013. The WME Project was to provide specific Technical Assistance to support TBIWRDP with regards to monitoring and evaluation. TA played a crucial role in the implementation of the WME project. In reality, the project could not have been implemented without TA (Niras Finland 2013). An evaluation of the World Bank recommended that best practices and learning from the CWMP should be used by other projects and initiatives related to Community Watershed Management CWM in Sudan (The World Bank 2016b).





## 2. Findings

### 2.1. Logic and strategy to create impact

**Finding 1. Finland was reactive rather than proactive, adopted by the World Bank to participate in water diplomacy in the Nile Basin**

The World Bank took Finland abroad to support the NBI. As a result, Finland agreed to support ENTRO, understanding that such support contributes to regional security building. Why the World Bank approached Finland is not known.

**Finding 2. Finland's long-term cooperation in the Eastern Nile, especially in Ethiopia, focused on Finnish support to ENSAP/ENTRO**

Finland's decision to focus support to the Eastern Nile was a result of the recommendation of the 2002 evaluation of the development cooperation between Ethiopia and Finland to expand support from a bilateral WASH project to (regional) water resources management and recruitment of a Water Advisor at the Embassy in Addis Ababa in 2005.

**Finding 3. Finland aimed to contribute to trust-building between the Eastern Nile riparian countries through development projects**

The most relevant Finnish interventions to water diplomacy in the Nile basin were ENTRO, TBI-WRDP, and ENWMP, all collaborating with the World Bank, a prominent actor attempting to have the CFA approved. Little has been documented about the diplomacy-related motives of Finland for this collaboration. According to some MFA interviewees and some of MFA's internal memos, Finland wanted to build trust between the three member countries of ENTRO and thus, indirectly contribute to CFA.

ENTRO acted as a platform to develop mutual trust by developing projects that would benefit at least two of the three members and doing no harm. Moreover, the Finnish Management Adviser had an influential position, attended ENCOM meetings, and had a significant role in capacitating ENTRO.

TBIWRDP and ENWMP had a more technical nature, although MFA's participation in ENWMP in Sudan was also based on the Oslo donor conference in February 2005, where Finland pledged development funds for projects in Sudan. Finnish participation in ENWMP was seen as a possibility to channel the pledged funds to the social, economic, and environmental recovery process in the civil war-stricken areas.



## 2.2. The organization of water diplomacy-related activities

**Finding 4. Finland's water diplomacy was implemented through development projects, which resulted in an emphasis on development objectives and diluted the diplomatic dimension**

Finland's support was mainly financed from the development budget. Consequently, the activities were formulated in compliance with the cross-cutting objectives of the development policy, and project documentation was fairly silent about diplomatic dimensions. Through interviews of a couple of Finnish consultants, it appears that the projects did not have close coordination with diplomats and were not aware of political discussions and negotiations.

The political departments were unaware of and not involved in the projects; 20 years ago, development cooperation focused on technical projects. The communication between development and political staff is still limited, although they are in the same units, as viewed by an MFA interviewee.

The use of the development budget made it possible to promptly respond to the World Bank on cooperation in the region. On the other hand, the dependence on development budgets caused uncertainty on continuity. Several interviewees from MFA mentioned development budget cuts as the main reason for phasing out of the NBI support.

**Finding 5. Finland's support, as seen in the region, was short-term with no clear exit strategy and abruptly withdrawn, thereby affecting the sustainability and visibility of the activities undertaken**

TBIWRDP and ENWMP were follow-on projects of the support to ENTRO and resulted in redirection of the Finnish funding from ENTRO to these projects. In 2007, MFA anticipated committing to TBIWRDP and ENWMP beyond the initial five years. However, it was foreseen in 2010 in MFA's internal memos that Finland would not continue to finance NBI and Nile cooperation after those initial commitments due to a lack of financial and human resources. This policy revision coincides with the failure of having the CFA signed by Egypt and Sudan in May 2010. It has not been possible, however, to trace down any connection between these.

## 2.3. Results and impacts

**Finding 6. Finland's support to ENTRO, to a certain extent, contributed to strengthening cooperation in the Eastern Nile Basin**

Finland's support instilled a culture of regional thinking among the participating countries and staff of ENTRO and encouraged efforts to find common ground. Finland's support left its mark in sustaining the culture of implementing development work cooperatively. However, other factors beyond the technical aspects of regional cooperation led to a reversal of most of the regional cooperative activities that were bearing fruit due to the lack of establishment of a permanent framework under the CFA. The leading institutional foundation built by Finland's support is still in place, although there is a need to reinvigorate it going forwards.



#### **Finding 7. Positive results were achieved with development projects supported by Finland**

TBIWRDP and ENWMP laid a foundation for transparent data exchange between Ethiopia and Sudan, and both projects introduced a community watershed management CWM approach that was successful and recommended to be replicated by the World Bank. Under TBIWRDP, Finland contributed to the establishment of a monitoring and evaluation system, but the monitoring component of the project is no longer functional because the installed monitoring infrastructure has not been maintained.

## **2.4. Success/failure factors**

#### **Finding 8. Technical focus implemented by competent and impartial TA staff resulted in the achievement of the development objectives and substantially improved ENTRO's performance**

The operational capacity of ENTRO was actually established as a result of the active role taken by the Finnish TA.

The follow-on projects TBIWRDP and ENWMP were designed as development projects and were successful in this category.

#### **Finding 9. Finland was overly eager to collaborate with the World Bank**

The project design was light; Finland (and the World Bank) should have invested more in background analysis and longer inception phase and have built the basis for cooperation instead of giving in to the urge to provide technical assistance. For instance, the ENTRO architecture was not workable at the start of Finnish TA, and the Planning Advisor's post was filled too early: ENTRO was not functional during his assignment (Talvela 2005).

Finland should have taken a more robust position in relation to the Bank and continue the mediation processes. The Bank was given the freedom to act.

## **2.5. Demand for Finland's water diplomacy**

#### **Finding 10. There is a true need for water diplomacy in the Nile Basin, but there is a lack of trust in the involvement of third parties at this point**

The issue in the Nile basin is highly politicized at present, and the riparian countries' expectations regarding mediation mainly rely on the African Union. In July 2021, the UN Security Council pledged full support for African Union efforts to mediate the dispute over water rights along the Blue Nile. Involvement in the Nile crisis carries a high risk for any third parties outside the African Union. According to one international interviewee, cooperative initiatives in the Nile are bound to fail unless there is a deeper understanding of the region's hydro-politics and the political situation in the respective Nile basin countries.



Discrete behind-the-scenes diplomacy would set many requirements for any potential third party: neutrality received by all parties since recent experience has shown that third parties lean towards the interests of one or the other basin country.

One regional interviewee believes that the tensions could be resolved by providing technical solutions to the looming water scarcity in the sub-basin instead of focusing solely on equitable water allocation through legal means. Technical solutions are always attractive, as it is easier to achieve concrete results in the short term than through diplomacy. Another regional interviewee believes that unless all Nile basin states agree upon the CFA and the negotiations on the Grand Renaissance Dam (GERD) are not resolved amicably, the technical side of the cooperation under the NBI would not proceed as in the past.

Any (additional) third-party involvement would need to be based on a thorough assessment of the current situation in the basin to have a clear picture and understanding of what went wrong in the cooperative process under the NBI/ENTRO.

**Finding 11. Trust-building may be reinvigorated with non-controversial or “no regrets” (investment) projects**

Reinvigorating the trust and confidence would require studies and research on the interdependencies of the countries that share the river and the net benefits to be accrued to each country (“cooperation expands the cake”).

Based on a diagnostic study/assessment of the situation and what went wrong in the cooperative process under NBI/ENTRO, engagement in projects that can create positive transboundary environmental impacts could contribute to water diplomacy through trust-building and diffusing tensions among the countries concerned. Examples are Dinder-Alitash and Goma-Gambela biodiversity areas that could help to protect wetlands and have substantial environmental benefits. Different media could be used to move the current focus away from potential conflicts towards mutual benefits.



## ANNEX 7. SUMMARY OF FINDINGS FROM THE CASE STUDIES

	UNECE	FINLAND- USSR/RUSSIA	MEKONG BASIN	NILE BASIN
Logic and strategy to create impact	<p><u>Finding 1:</u> Continued support to UNECE allows Finland to play a key role in international water diplomacy</p>	<p><u>Finding 1:</u> There was a true need to agree upon the transboundary waters between Finland and Soviet Union after World War II as Finland lost part of its Eastern land areas</p> <p><u>Finding 2:</u> There is a clear logical chain of actions in the collaboration</p>	<p><u>Finding 1:</u> Since the establishment of MRC in 1995 and a new Minister of the Environment and Development Cooperation, Finland began to consider more active support to MRC and ADB, focusing on environmental aspects</p> <p><u>Finding 2:</u> Finland wanted to expand bilateral cooperation with Vietnam to the Mekong Region</p> <p><u>Finding 3:</u> Finland aimed to improve decision making to be based on knowledge and transparency</p> <p><u>Finding 4:</u> Coherence across the various Finnish programmes and initiatives in the Mekong region was not strong</p>	<p><u>Finding 1:</u> Finland was reactive rather than proactive, adopted by the World Bank to participate in water diplomacy in the Nile Basin</p> <p><u>Finding 2:</u> Finland's long-term cooperation in the Eastern Nile, especially in Ethiopia, focussed Finnish support to ENSAP/ENTRO</p> <p><u>Finding 3:</u> Finland aimed to contribute to trust building between the Eastern Nile riparian countries through development projects</p>



	UNECE	FINLAND- USSR/RUSSIA	MEKONG BASIN	NILE BASIN
Organisation of water diplomacy-related activities	<p><u>Finding 2:</u> Finland is taking a leading role in the Water Convention by chairing key activities</p> <p><u>Finding 3:</u> The strong inter-ministerial cooperation furthers a cross-sectoral approach but support of MFA to UNECE is subject to fluctuation</p>	<p><u>Finding 3:</u> Successful transboundary water management is largely explained by the strong regulatory mandate and professional (rather than political) cooperation</p> <p><u>Finding 4:</u> Good cooperation has been maintained by well-functioning personal relationships</p> <p><u>Finding 5:</u> A holistic approach and integrated water resources management facilitate optimisation of benefits</p>	<p><u>Finding 5:</u> Finland's water diplomacy was implemented through development projects, emphasising development objectives and diluting diplomatic dimensions</p>	<p><u>Finding 4:</u> Finland's water diplomacy was implemented through development projects, which resulted in an emphasis on development objectives and diluted the diplomatic dimension</p> <p><u>Finding 5:</u> Finland's support, as seen in the region, was short-term with no clear exit strategy and abruptly withdrawn, thereby affecting the sustainability and visibility of the activities undertaken</p>
Impact of the Finnish water diplomacy (and related) activities	<p><u>Finding 4:</u> Finland has had a strong influence on the development of international transboundary water rules</p> <p><u>Finding 5:</u> The work first done through both the UNECE and later, the Water Convention is work of water diplomacy in itself</p> <p><u>Finding 6:</u> The activities in the various bodies deal directly or indirectly with water-related tensions and the technical and diplomatic avenues to mitigate these</p>	<p><u>Finding 6:</u> The cooperation between Finland and Russia is well established and resilient to external tensions</p> <p><u>Finding 7:</u> The cooperation has brought concrete benefits to both countries</p> <p><u>Finding 8:</u> The cooperation between Finland and Russia is well recognized in international forums</p>	<p><u>Finding 6:</u> Projects funded by Finland contributed to a process to clarify and refine MRC's role in brokering the balance of conservation and development, especially in hydropower development</p> <p><u>Finding 7:</u> Concrete results were achieved with development projects supported by Finland</p> <p><u>Finding 9:</u> Finland's activities were not perceived as diplomatic initiatives in the region</p>	<p><u>Finding 6:</u> Finland's support to ENTRO, to a certain extent, contributed to strengthening cooperation in the Eastern Nile Basin</p> <p><u>Finding 7:</u> Positive results were achieved with development projects supported by Finland</p>



	UNECE	FINLAND- USSR/RUSSIA	MEKONG BASIN	NILE BASIN
Success/failure factors		<p><u>Finding 9:</u> There are important elements that need to be in place to ensure successful transboundary cooperation</p> <p><u>Finding 10:</u> Action was taken when there was a momentum and there were visionary and committed persons in the right place</p>	<p><u>Finding 10:</u> Implementation of diplomacy through the development cooperation mechanism affected resource allocation and continuity</p> <p><u>Finding 11:</u> Finnish expertise was recognised and highly appreciated in the region</p>	<p><u>Finding 8:</u> Technical focus implemented by competent and impartial TA staff resulted in achievement of the development objectives and substantially improved ENTRO's performance</p> <p><u>Finding 9:</u> Finland was overly eager to collaborate with the World Bank</p>
Demand and reasons for the types of activities envisaged by the MFA and partners	<p><u>Finding 7:</u> Finland has a strong reputation within the UNECE</p> <p><u>Finding 8:</u> Finland could lead the international water community in furthering cross-sectoral action</p>	<p><u>Finding 11:</u> While there is always room for improvement, there is no need for revisions, not to speak of third party involvement</p> <p><u>Finding 12:</u> Experiences from the cooperation between Finland and Russia have not been utilised as a reference to full extent</p>	<p><u>Finding 12:</u> Regional countries see current diplomatic mechanisms as being sufficient for addressing water-related tensions</p> <p><u>Finding 13:</u> Mekong Region is a geopolitical hotspot</p> <p><u>Finding 14:</u> There are potential opportunities for Finland</p>	<p><u>Finding 10:</u> There is a true need for water diplomacy in the Nile Basin but there is a lack of trust on the involvement of third parties at this point in time</p> <p><u>Finding 11:</u> Trust building may be reinvigorated with non-controversial or "no regrets" (investment) projects</p>



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# **ANNEX 9. METHOD USED IN THE EVALUATION**

# 1. Approach, methodology, and limitations

## 1.1. Approach

From the outset, the team has adopted a two-track approach. One track looks backwards, focusing on the strengths and weaknesses of Finnish activities in the Nile and Mekong basins, the Finnish-Russian cooperation, and under the UNECE Water Convention. The second track looks forward focusing on the opportunities and identifying the ambitions and future interests (Figure 5 The coherence of the objectives in the evaluation.). The findings on past strengths and weaknesses and the opportunities and future ambition are then reflected against the current situation (in terms of organisation, capacity, resources). Figure 5 The coherence of the objectives in the evaluation. below presents a graphical overview of the different objectives. It displays Objective 1 (the past activities of the MFA in the domain of water cooperation, peace and diplomacy) in relation to Objective 2 (the opportunities and the needs of MFA staff) and Objective 4 (the envisaged future role of MFA in the domain of water cooperation, peace and diplomacy). Finally, the entire evaluation is supported by a collaborative learning process (Objective 3) in which participants reflected on the past, current and possible future activities. Next, the appraisal of the 4P-project (Objective 5) has been a self-standing activity informing the evaluation.

Figure 5 The coherence of the objectives in the evaluation.



Source: developed by the evaluation team.

Below, a short description is given of each of the five objectives.



## **Evaluation Track**

Objective 1: To identify the strengths and weaknesses of past Finnish water diplomacy-related activities, including the linkages to peace mediation (Evaluation-track)

New water diplomacy-related initiatives are currently unfolding worldwide within and through (new) institutions and networks with different qualifications in relation to water diplomacy. Finland may contribute to peace mediation in complex environment-related conflicts, considering its expertise in conflict mediation and water resources management.

### **Evaluation questions:**

- Q1: How is the context influencing the options for cooperation/ water diplomacy?
- Q2: What has been the logic and strategy for the water diplomacy activities? It is essential to get an understanding whether Finland has purposefully coordinated these activities in order to achieve some higher-level goal, i.e. the prevention or mitigation of water-related conflict.
- Q3: How were the water diplomacy-related activities organised?
- Q4: What is the impact of Finnish activities?

Objective 2: To assess the opportunities and risks for the engagement of Finland in water diplomacy. (Evaluation-track)

In the forward-looking track, a) MFA's ambition is explored (Objective 4); b) the opportunities and risks of future activities; c) the needs of the staff and partners are identified. This approach is essential because staff and partners should be served in their future needs and provide a way to help them identify objectives and reach an agreement on future water issues.

### **Evaluation questions:**

- Q5: What can be learned from existing activities?
- Q6: Is there a demand for the types of activities envisaged by the MFA and partners?
- Q7: Why do parties desire assistance from the MFA and partners?

### **Activities for objective 1 and 2**

Based on the evaluation matrix and the desktop review of Finland's activities, case studies are carried out in the specified regions. The goal of the case studies was to:

- To identify the strengths and weaknesses of past water diplomacy-related activities of Finland.
- To assess the opportunities and risks for an engagement of Finland in water diplomacy.

### **The following activities were identified:**

- Identification of interviewees from (but not limited to) the following contact groups: MFA, embassy staff, reference group, key actors in case study countries, and international water diplomacy peers.
- Targeted case studies were prepared with the support of country specialists in the Mekong and Nile basin to obtain the information needed in line with the evaluation objectives.



- Exchange the initial lesson learned with the Ministry and the Reference Group.

### **Joint learning:**

- Initial results were discussed with the Reference Group in an early stage. This allowed for identifying knowledge gaps and provide some guidance on whether the expectations about future ambitions are in line with the initial findings.

### **Joint learning track**

Objective 3: To include the ambition of MFA and other Finnish key actors in the design of the evaluation process. (Joint learning-track)

By designing the evaluation and the future ambition together with both the MFA and partners, forthcoming cooperation on joint water diplomacy activities will gain support and strength for the evaluation itself and beyond. The approach for a new strategy for Finnish involvement in international water diplomacy will need to be translated into concrete actions.

The findings of the backward- and forward-looking tracks allow the team and the Reference Group to reflect on the organisation of the current Finnish water diplomacy arena, including the resources that are available.

### **Evaluation questions:**

- Q10: What are the goals and interests of the different partners regarding the evaluation and its outcome?
- Q11: What should be the ambition of Finland with regard to water diplomacy?
- Q12: How can the interests of the partners (other ministries, research community, NGOs, water diplomacy network) be included in the evaluation process?
- Q13: Which past activities serve to inform the design of future activities and fit within the ambition of the MFA and its partners?

### **Activities**

#### **Joint learning:**

- Since this evaluation process is looking backwards to look forward, learning about and from the past for the future is essential. For this purpose, dedicated learning and reflection meetings were built into this evaluation process. These meetings provided essential feedback to the MFA in terms of required human capacity, roles and commitments needed for the continuing role of Finnish actors in water diplomacy.
- As a first step, the desired ambition and future activities was explored during the inception phase with the MFA and partners through an (online) participatory meeting. In this meeting, participatory tools were used to help the partners identify what they want to achieve and which steps are needed to realise the goals. These activity were informed by the outcomes of the water diplomacy network meetings.



Objective 4: To establish the current and longer-term ambition of the MFA and other key Finnish actors in the area of water diplomacy in concrete terms. (Joint learning-track)

With the outcome of the two previous studies commissioned by the MFA, the desk study, the evaluation and the reflection meetings with the MFA and partners, an initial Theory of Change (ToC) have been developed. This ToC helps to identify steps to be taken to materialise MFA's ambition in concrete terms.

Prior to any interference in water-related tensions is a thorough understanding of the physical/technical characteristics and historical, legal and socio-political dimensions of the water system. This requires a continued effort to bring in knowledge from the embassy network, local civil society, the research community (dedicated expertise), the water diplomacy network and the international actors active in the field. This information will then allow evidence-based action to be carried out by the MFA. Therefore, it is essential to have the required human capacity readily available. In more detail, this capacity is required to:

- organise and facilitate dialogues between stakeholders (based on a thorough understanding of the technical, historical, legal and socio-political dimensions); and
- technically understand, analyse and communicate integrated water resources management related problems (process to be based on a solid analytical framework).
- equip water experts with the basics of mediation

#### **Evaluation questions:**

- Q14: Which (combination) of activities are envisaged or needed by the party requesting assistance?
- Q15: Which (combination) of activities are envisaged by the MFA and partners?<sup>46</sup>/ What role can the partners play in the constructive development of a Finnish water diplomacy sector after the evaluation?
- Q16: What kind of potential collaboration could Finland have with other regional and international actors promoting water diplomacy?
- Q17: Where (what regions or countries) can these activities be provided, and do they have extra added value on top of what is already done by others?
- Q18: What does the assumed ambition imply for the required capacity and expertise (gap analysis)?/ Which capacity needs to be developed (young experts)?

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46 Different approaches to advancing water diplomacy ambitions can be taken, with varying roles for the professional diplomats and the network. Such as:

1. Forum and outreach function (convening power through, e.g., the Finnish Water Forum and outreach channelling expertise from the network to specific target groups in Finland and abroad).
2. Capacity development (with respect to water diplomacy and governance through targeted training, action learning and professional guidance and consultancy)
3. Research and research coordination
4. Mediation and advisory services (the Centre for Peace Mediation and the Water Diplomacy Network)
5. Norm entrepreneur (the role of 'norm entrepreneur', meaning to adapt an active approach in the further development and implementation of the Finnish approach. This role is close to the existing track-record of Finland and is, therefore, a function, which can be taken up by the Center for Peace Mediation and the Network.)
6. Collaboration and networking through another actor or forum, such as the EU, Blue Peace Initiative or UNECE Water Convention





- Q19: Fit with the Finnish water diplomacy actors: Which activities of the Ministry of Foreign Affairs and partners have had and will have added value to the Finnish water diplomacy community?
- Q20: Which funds need to be secured?
- Q21: What strategy can be developed to increase the sustainability of the tools and services used?
- Q22: How to ensure continued learning with the diverse range of actors (Mediation Centre, Water Diplomacy Network, the Ministries, etc.)

### **Activities**

Key to strengthening the water diplomacy engagement is establishing a sound theory of change informed by the previous studies, the interviews, and the learning meetings.

### **Joint learning:**

- Joint write-up of a theory of change through two participation meetings with the Ministry and partners. The workshops focused on outlining the joint ambition and SMART goals. The second workshop returned to the ambition in the light of the findings and connect the SMART goals with the possible activities identified through the 4P-project.
- Having defined the theory of change, it can be beneficial, using both the retrieved knowledge and momentum, to explore activities that may well advance the future water diplomacy strategy. This may include:
  - informing the international community of the report findings through an international webinar;
  - preparation of data collection and analysis that support future water-diplomacy actions;
  - and exploring the options to make adjustments in current development projects.
- The ongoing research (water system analysis, stakeholder analysis, etc.) required to inform the diplomatic process provides an additional opportunity for the water diplomacy network and the academic sector in Finland in particular and may well be developed into a Community of Practice that supports both the national stakeholders as well as the international community.

### **4P project track**

Objective 5: To carry out an appraisal on how the 4P-project contributes to the refinement and the materialisation of the ambition. (4P-project-track)
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In parallel to this evaluation, the MFA requested SYKE prepare a project proposal (titled '4P': Pro-active Water Diplomacy for Peace, Prosperity and Partnership). The intervention aims to put water diplomacy into practice through the Finnish Water Diplomacy Network. The evaluation undertook an appraisal of the project documentation with the purpose of strengthening those joint activities.



## 1.2. Methodology

In line with the requirements of the backward (*Evaluation*) and forward-looking (*Joint learning*) parts of this evaluation, different methods for data collection were used.

The evaluation objectives are linked with relevant indicators, data sources, data collection methods and analysis procedures (resulting in the evaluation matrix). Methods of data collection and analysis reflect the complex nature of the water diplomacy and map against the evaluation matrix. Multiple methods are used to validate the findings as there is a need for both quantitative and qualitative information: Primary and secondary sources of information are used for this evaluation.

Methods to obtain the primary sources include stakeholder consultations through: 1) Interviews with the client and partners in the reference group and external experts. The team organised confidential one-to-one semi-structured interviews with the previously identified list of contacts through phone and digital platforms. 2) Focus group discussions: The team organised joint learning sessions with reference group members. It is imperative that representatives of the wide range of relevant stakeholders were engaged to achieve balanced and representative coverage of the broad set of perspectives relating to the initiative and its interventions. As one track focuses on joint learning, the reference group was actively involved.

Secondary data sources are the internal project documents, publications and presentations and available internet sources. These documents are used to verify (triangulate) other data sources, such as the interviews. Methods include documentary analysis (including content analysis of policy and programmatic documentation, intervention-level documents; analysis of financial data relating to interventions; analysis of relevant reports of the MFA, implementing partners, governmental and non-governmental reports from the target countries).

## 1.3. Stakeholders

In line with the backward (*Evaluation*) and forward-looking (*Joint learning*) parts of this evaluation, different stakeholder groups within and outside the MFA are identified for interviewing or reference. This classification serves as a basis for the methodological approach in the evaluation (see Table 6).

### Backward-looking evaluation track

Within each case study, both Finnish and foreign (local) experts and diplomats have been interviewed. Further, MFA archives have been consulted to obtain a complete understanding of Finnish motives. Non-Finnish diplomats and experts were also interviewed for triangulation purposes.

### Forward-looking and Joint-learning track

To identify future opportunities, interviews were held with local experts familiar with the past Finnish activities and international experts currently active in the water diplomacy domain. The joint-learning track started with identifying the goals and interests of the key stakeholders (through interviews and the Reference Group workshops). Following these meetings, the team organised two focused meetings for the members of the Reference Group, which resulted in an initial Theory of Change for Finnish water diplomacy.



**Table 6 Stakeholder groups pertinent to this evaluation**

	Backward-looking	Forward-looking
Internal MFA stakeholders	<p>Group A: Case study Russia</p> <ul style="list-style-type: none"> <li>• Finnish diplomats and experts involved in the Fin-Rus commission</li> <li>• Representatives from the MFA thematic/geographic departments</li> </ul> <p>Group B: Case study Nile Basin Initiative</p> <ul style="list-style-type: none"> <li>• Representatives from local ministries</li> <li>• Representatives from the MFA thematic/geographic departments</li> <li>• Embassy staff</li> </ul> <p>Group C: Case study Mekong River Commission</p> <ul style="list-style-type: none"> <li>• Representatives from relevant ministries</li> <li>• Representatives from the MFA thematic/geographic departments</li> <li>• Embassy staff</li> </ul> <p>Group D: UNECE case study</p> <ul style="list-style-type: none"> <li>• Finnish diplomats and experts involved in the UNECE</li> </ul>	<p>Group I: MFA internal interviewees</p> <ul style="list-style-type: none"> <li>• Reference Group-members</li> <li>• Representatives from the MFA thematic/geographic departments</li> <li>• Embassy staff</li> </ul>
External stakeholders	<p>Group E: Case study Russia</p> <ul style="list-style-type: none"> <li>• Others</li> </ul> <p>Group F: Case study Nile Basin Initiative</p> <ul style="list-style-type: none"> <li>• Local experts from the region</li> <li>• International experts</li> </ul> <p>Group G: Case study Mekong River Commission</p> <ul style="list-style-type: none"> <li>• Local experts from the region</li> <li>• International experts</li> </ul> <p>Group H: UNECE case study</p> <ul style="list-style-type: none"> <li>• International experts and UNECE staff</li> </ul>	<p>Group J: interviewees external to Finland</p> <ul style="list-style-type: none"> <li>• International peers</li> <li>• Critical friends</li> </ul>

Source: Developed by the Evaluation Team



## 1.4. Limitations

The conclusions and recommendations are based on the information that was available to the evaluation team. As a consequence, only a selection of Finnish activities has been reviewed. Some of the current and more sensitive activities were left outside the scope of this strategic evaluation; the focus was primarily on water-related activities. Other types of interventions, such as conflict prevention projects, were not part of the evaluation and could arguably have been included. Because Finnish development cooperation interventions related to water diplomacy ended in 2015, details about the past diplomatic strategies, activities and impact were sometimes difficult to retrieve and required careful triangulation.

In the backwards-looking track, the team has been *exploring* the strengths and weaknesses of past water diplomacy-related activities rather than *measuring* impact against intended or planned changes. This approach was adopted because diplomacy in itself does not follow the route of programmed activities. A methodological challenge has been the indiscernible and verbal nature of diplomatic activities. Whereas development cooperation activities are well documented in tenders, appraisals, project documents and evaluation reports, the diplomatic activities were reconstructed based on interviews and internal memos. As Finland had established long-term engagements in certain countries, this meant that informants with a rich knowledge were retired or could not be traced anymore. In turn, because most activities took place a long time ago, the team noticed that the accuracy of the gathered information varied. These challenges were circumvented by extensive triangulation with other experts and consultation of internal MFA memoranda.

In this context, it is relevant to mention that in this evaluation, ‘water’ is not regarded as a single, isolated domain but as an entry point for broader diplomacy. A broader definition of the concept facilitates dialogue on related environmental, social and political issues at different organisational levels. While water cooperation typically builds upon the assumption of shared objectives and mutual interests, water diplomacy concentrates on the political aspects of water and the trade-offs. Therefore, the concept of water diplomacy takes into account the differing interests among water users locally, regionally or across national borders. Tensions that may potentially arise are taken as given. Water diplomacy typically uses varying diplomatic tools and technical expertise to address complex challenges.

There are alternative definitions of the term water diplomacy. A methodological challenge has been the lack of reference in the past to water diplomacy [intentions] (the evaluation object), as the concept as such was not prevalent when these past activities were initiated. However, the activities which today are considered to be part and parcel of water diplomacy did exist. To overcome this difficulty, the evaluation focused on the strategic component of the water diplomacy concept<sup>47</sup>. In this evaluation, the following working definition of water diplomacy was used: *Water diplomacy is*

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47 Including the definition developed by Aalto University: "Water diplomacy provides a means to prevent and mitigate water-related political tensions by making simultaneous use of water know-how and diplomatic tools and mechanisms across multiple diplomacy tracks. [...] Water diplomacy, therefore, combines key aspects of foreign and security policy with development policy and peace mediation, with a focus on water and related resources under changing climate." (Salminen, Erik et al., 2019)



*the strategic coordination of resources and activities<sup>48</sup> that support the prevention or mitigation of water-related tensions.* Hence, the first step was to establish whether Finland has purposefully (and successfully) coordinated such resources and activities. Often, if the intention was not to prevent/ mitigate water-related tensions directly, the evaluation sought to establish whether Finland was able to build a successful track record in other essential less-political capacities.

The joint learning track started with identifying the goals and interests of the key stakeholders. However, as these goals were rather ambitious and not always in line with each other, the team took a step-by-step approach to identify the needs, desired ambition, goals and activities. For this purpose, the team organised two meetings for the members of the Reference Group, which resulted in an initial Theory of Change for Finnish water diplomacy.

As the team was forced to work from a distance (due to COVID-19) combined with the busy schedules of Reference Group members, the time for interaction and thorough discussion was limited. To overcome the lack of face-to-face interaction, several online workshops were organised as a means for interaction.

In addition, the triangulation gained strength through the continuing support from EVA-11 (who shared internal memoranda), the interaction with the 4P-project members, and the feedback from international community representatives.

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48 These resources and activities include:

- Mediation and diplomacy
- Creating trust among competing stakeholders
- Promoting a mutual understanding about the joint interests
- Dealing with uncertainties/ support fact-finding
- Organising multi-sector and multi-level interactions
- Developing conditions for sustainable financing
- Capacity development for good water governance



## 1.5. Evaluation Matrices (example)

**Objective 1: To identify the strengths and weaknesses of past water diplomacy-related activities of Finland, including the linkages to peace mediation (Evaluation-track)**

**Table 7 Q1: How is the context influencing the options for cooperation/ water diplomacy?**

Keywords	Sub-questions	Indicators	Data Sources	Questions guiding the data analysis
<b>Situation specific context</b>	How is the context influencing the options for cooperation/ water diplomacy	<ul style="list-style-type: none"> <li>- political context (general relation among riparian's, political system)</li> <li>- historical legacy, trust, culture/ shared values and perceptions</li> <li>- socio-economic (livelihoods, industrial activities)</li> <li>- biophysical (river morphology, flora/ fauna, climate)</li> <li>- alterations (hydropower, irrigation)</li> <li>- interdependencies among riparian states and residents</li> </ul>	Interviews with groups B/F	
Conflict/ issues		What is the issue about?	Interviews with groups B/F MFA evaluation reports, etc.	1. What were/ are the specific issues and interests about the transboundary water cooperation?
Structure/ institutions		Formal institutions which structure the practice of actors and which are adopted through a formalized process (constitution, law, policies)	Interviews with groups B/F	2. Is the ENTRO the most relevant case to focus on considering the future role of Finland in water diplomacy? 3. Are there other relevant activities/ action arena's regarding the Nile?
		Customary institutions which structure the practices of actors and which are embedded in organisations or groups without a formalised process (norms/ culture)	Interviews with groups B/F	



**Table 8 Q2: What has been the logic and strategy for the water diplomacy activities?**

Keywords	Sub-questions	Indicators	Data Sources	Questions guiding the data analysis
Logic	What has been the logic and strategy to create impact?		Interviews with groups B	4. What was the rationale for the support of Finland to the NBI/ ENTRO? Was the support from Finland requested? Why? 5. Has support ended? Why?

**Table 9 Q3: How were the water diplomacy-related activities organised?**

Keywords	Sub-questions	Indicators	Data Sources	Questions guiding the data analysis
	How were the water diplomacy-related activities organised?	Key stakeholders, organisations New actors Interests, resources, discourse Leadership, trust What are the action situation/ arena's Participation of Finland in arena Type of decision making process/ negotiation style Which issues were at the table? Which actors were invited?	Interviews with groups B/F	6. Which (new) actors were/ are involved? How is ENTRO organised? What is the role and influence of donor countries? 7. What kind of contentious issues surfaced in the activities supported by Finland? 8. How was dealt with the political/ contentious aspects in the cooperation? 9. How was coherence between activities (like research, capacity building, financing, diplomacy, mediation, etc.) organised in order to prevent and mitigate conflict?
	What are the strengths and weaknesses of the organizational set-up, in terms of organization structure, project management, decision-making, internal communication, internal collaboration among partners, monitoring and evaluation and budgeting/expenses?		Interviews with groups B/F	10. What are the strengths and weaknesses of the organizational set-up, in terms of: <ul style="list-style-type: none"> <li>• organization structure,</li> <li>• project management,</li> <li>• decision-making,</li> <li>• internal communication,</li> <li>• internal collaboration among partners,</li> <li>• monitoring and evaluation and</li> <li>• budgeting/expenses?</li> </ul>



Keywords	Sub-questions	Indicators	Data Sources	Questions guiding the data analysis
	Which activities were developed by Finland? Why? Contributions and strategies to create impact.		Interviews with groups B/F	11. Which activities were developed by Finland? Why? a. 2003-2006: Focus on capacity dev in planning, management, monitoring b. 2015: Nile Basin Trust Fund 1Me c. 9,3Me Sudan (Community watershed) + 5Me Ethiopia (TBIWRDP) d. ? 12. <b>Which resources were provided/ used?</b> Including leadership, incentives and power (coercion, incentives, expertise, legitimate authority) 13. How was support to the Finnish mission to ENTRO organised? 14. What has been the role of the MFA in dealing with the issues at hand?
<b>Learning</b>	How has learning been included in the organisation of activities?		Interviews with groups B/F	15. Has learning been included in the organisation of activities?

**Table 10 Q4: What is the impact of Finnish activities?**

Keywords	Sub-questions	Indicators	Data Sources	Questions guiding the data analysis
<b>Output and outcome</b>	What results have been produced until now of the water diplomacy-related activities, who and how many have benefitted from them?	Result of the negotiations Changes in trust levels Reframing of problems/ alternatives Development of M&E	Interviews with groups B/F	16. What results have been produced until now?
	What are the strengths and weaknesses of the activities as regarded by the partners?		Interviews with groups B/F	17. What are the strengths and weaknesses of the activities?
<b>Impact</b>	What have been the most significant and transformative impact(s) contributed by Finland and why?		Interviews with groups B/F	18. What has been the impact of this cooperation? Why? 19. Who have benefitted from them? 20. What is the current status of the issue and cooperation? (perception)
<b>Effectiveness</b>	What obstacles are identified that limit the impact? How were these addressed?		Interviews with groups B/F	21. What obstacles are identified that limit the impact? How were these addressed?





Keywords	Sub-questions	Indicators	Data Sources	Questions guiding the data analysis
<b>Impact</b>	Have the interventions been able to promote a <b>mutual understanding</b> about the joint interests among partners that differ in terms of socioeconomic development, capacity to manage water resources, infrastructure and political orientation and institutional and legal context?		Interviews with groups B/F	22. Have the interventions been able to promote a mutual understanding about the joint interests?
<b>Impact</b>	What negative and/or unintended impacts have taken place, if any? Why?	Unintended impacts	Interviews with groups B/F	23. What negative and/or unintended impacts have taken place, if any? Why?
<b>Effective-ness</b>	Have the chosen approaches and strategies been <b>effective</b> and efficient (at what level: global, national, local?) to contribute to water diplomacy and under what condition?		Interviews with groups B	24. Have the chosen approaches and strategies been effective and efficient?
<b>Effective-ness</b>	Are there any lost opportunities or potential for future engagement in water diplomacy?		Interviews with groups B/F	25. Are there any lost opportunities?
<b>Position</b>	How is the Finnish position regarded by the global community?		Interviews with groups F	26. Is there international recognition of the work of Finland?
<b>Position</b>	To what extent has Finland been able to participate in and guide the wider policy dialogue around water diplomacy issues?		Interviews with groups B/F	27.



**Objective 2: To assess the opportunities and threats for an engagement of Finland in water diplomacy. (Evaluation-track)**

**Table 11 Q5: What are the lessons learned from existing activities?**

Keywords	Sub-questions	Indicators	Data Sources	Questions guiding the data analysis
<b>Learning</b>	What can be learned from the progress made and which were constraints met?		Interviews with groups B/F	28. What can be learned from the progress made and which were constraints met? What are the lessons learned from existing activities?
<b>Sustainability</b>	Are conditions created to ensure a longer-term impact of the water diplomacy-related activities?		Interviews with groups B/F	29. Are conditions created to ensure a longer-term impact? <b>How durable is the cooperation?</b>
<b>Support</b>	What could the Ministry for Foreign Affairs have done/do to support the work at political level in helping resolve issues		Interviews with groups B/F	30. What could the Ministry for Foreign Affairs have done/do to support the work at political level in helping resolve issues?
<b>Support</b>	Were/are there other instances besides MFA that supported or whose support would have been useful during the project implementation (sector ministries, research institutions)? If yes, what type of capacity needs were encountered?		Interviews with groups B	31. Were/are there other organisations besides MFA whose support would have been useful during the project implementation? If yes, what type of capacity needs were encountered?

**Table 12 Q6-7: What is the demand?**

Keywords	Sub-questions	Indicators	Data Sources	Questions guiding the data analysis
<b>Demand for activities</b>	Is there a general demand for the types of activities envisaged by the MFA and partners?		Interviews with groups I/J	32. Is there a general (internal) demand for the types of activities envisaged by the MFA and partners? Why and when?
<b>Demand for activities</b>	Why do parties desire assistance from the MFA and partners? What are the unique selling points of Finland?		Interviews with groups I/J	33. Why do parties desire assistance from the MFA and partners? What are the unique selling points of Finland?



## 1.6. Evaluation Matrices Joint learning track

**Objective 3: To include the ambition of the MFA and other Finnish key actors in the design of the evaluation process. (Joint learning-track)**

**Table 13** Detailing of evaluation questions in relation to objective 3

Keywords	Evaluation questions	Indicators	Data Sources	Questions guiding the joint learning track
<b>Interests in evaluation</b>	Q10: What are the goals and interests of the different partners regarding the evaluation and its outcome?	Type of activities; impact; geographical scope	Interviews with groups I First meetings with the client, key stakeholders and the RG	<ol style="list-style-type: none"> <li>1. Why is this forward-looking evaluation necessary?</li> <li>2. What are the information gaps? / Issues to be addressed in the evaluation/ What do you want to learn from it?</li> <li>3. What should be the scope of the evaluation? On which cases, activities and organisations should the evaluation focus? Why?</li> </ol>
<b>Ambition</b>	Q11: What should be the ambition of Finland with regard to water diplomacy?	Perceived future role of MFA and partners in Finnish water diplomacy	Interviews with groups I  Dedicated learning and reflection meetings with reference group members	<p>Interviews:</p> <ol style="list-style-type: none"> <li>4. What should be the ambition of Finland with regard to water diplomacy? / Who should be involved?/ What should Finland not do?</li> <li>5. How realistic is your aim? Can it be achieved in 5 years? What is the strategy to make it achievable? (breakdown of realistic objectives?)</li> <li>6. What is the demand for Finnish water diplomacy?</li> </ol> <p>Participatory meeting:</p> <ul style="list-style-type: none"> <li>• Participatory tools known as 'futuring' and 'back-casting' and other methods</li> </ul>
<b>Securing of interests in forward-looking evaluation</b>	Q12: How can the interests of the partners be included in the evaluation process?	Completeness of interests; balance; acceptance by MFA	Interviews with groups I Dedicated learning and reflection meetings with reference group members Joint development of ToC Joint preliminary activities	<ul style="list-style-type: none"> <li>• Through representation in RG</li> <li>• Through coordinating with 4P-project</li> <li>• Identification of interests through interviews with RG-group members</li> </ul>



Keywords	Evaluation questions	Indicators	Data Sources	Questions guiding the joint learning track
<b>Scope</b>	Q13: Which past activities (including the case studies and possible other activities) serve to inform the design of future activities and fit within the ambition of the MFA and its partners?	Geographical area of activity; success stories; lost opportunities what is yet unknown	Interviews with groups I Dedicated learning and reflection meetings with reference group members	<ul style="list-style-type: none"> <li>Decision on scope made in ToR</li> </ul> Verification through interviews: <ol style="list-style-type: none"> <li>Is the [case] the most relevant case to focus on considering the future role of Finland in water diplomacy?</li> <li>Are there other relevant activities/ action arena's regarding the [case]?</li> </ol>

**Objective 4: To establish the current and longer-term ambition of the MFA and other Finnish key actors in the area of water diplomacy in concrete terms. (Joint learning-track)**

**Table 14 Detailing of evaluation questions in relation to objective 4**

Key words	Evaluation questions	Indicators	Data Sources	Questions guiding the joint learning track
<b>Demand for activities</b>	Q14: Which (combination) of activities are envisaged or needed by the party requesting assistance?		Interviews with groups I/J	<ol style="list-style-type: none"> <li>Is there a general (internal) demand for the types of activities envisaged by the MFA and partners? Why and when?</li> <li>Why do parties desire assistance from the MFA and partners? What are the unique selling points of Finland?</li> </ol>
<b>Key activities</b>	Q15: Which (combination) of activities are envisaged by the MFA and partners?		Interviews with groups I/J	<ol style="list-style-type: none"> <li>What can Finland offer</li> <li>What kind of potential collaboration could Finland have with other regional and international actors promoting water diplomacy?</li> </ol>



Key words	Evaluation questions	Indicators	Data Sources	Questions guiding the joint learning track
<b>Role for Finnish actors</b>	Q16: What role can the partners play in the constructive development of a Finnish water diplomacy sector after the evaluation?		Interviews with groups I/J Dedicated learning and reflection meetings with reference group members Joint development of ToC Joint preliminary activities SWOT-analysis of water diplomacy-network	Questions to be posed during interviews and reflection meetings: 13. What can/ has been contributed by your organization in terms of resources (time, knowledge, money, network, policy space). Are these sufficient. 14. What support do you provide to the partnership? 15. What are your (/organization) interests in this project/ Are your interests served through this project? 16. Are there any conflicts of interest between the partners? 17. Are all relevant parties involved in the partnership/ Which parties are missing? 18. Do all the organisations involved in the partnership have the necessary knowledge and organisational capacity to contribute to the objectives of the initiative? 19. How is decision-making organized? In terms of formal roles, information, financial accountability 20. Is there a shared discourse with regard to problem perceptions, deliverables, strategies, etc? 21. How does one assure internal (amongst the partners) and external coherence?
<b>Focus areas</b>	Q17: Where (what regions or countries) can these activities be provided, and do they have extra added value on top of what is already done by others?		Interviews with groups I/J	22. Which countries to focus on?
<b>Capacity</b>	Q18: What does the assumed ambition imply for the required capacity and expertise (gap analysis)? / Which capacity need to be developed? (young experts)		Interviews with groups I/J	23. What does the assumed focus imply for the required expertise?



Key words	Evaluation questions	Indicators	Data Sources	Questions guiding the joint learning track
<b>Added value of activities</b>	Q19: Fit with the Finnish water diplomacy actors: Which activities of the Ministry of Foreign Affairs and partners have had and will have added value to the Finnish water diplomacy community?		Interviews with groups I	34. Which activities of the Ministry of Foreign Affairs and other ministries, the civil society and the academic and educational sector have had and will have added value to the Finnish water diplomacy community?
<b>Funding</b>	Q20: Which funds need to be secured and from which sources?		Interviews with groups I	35. Which funds need to be secured and from which sources?
<b>Sustainability</b>	Q21: What strategy can be developed to increase the sustainability of the tools and services used?		Interviews with groups I	36. What strategy can be developed to increase the sustainability of the tools and services used?
<b>Joint learning</b>	Q22: How to ensure continued learning with the diverse range of actors (Mediation Centre, Water Diplomacy Network, the Ministries, etc.)		Interviews with groups I	37. How to ensure continued learning with the diverse range of actors (Mediation Centre, Water Diplomacy Network, the Ministries, etc.)



## 1.7. Semi-structured interview questions list

Date	
Location	
Interviewee name	
Function	
Department	
Organisation	
Recording no	

### Introduction

1. The purpose of this semi-structured interview is
  - a. To learn from past water diplomacy-related activities of Finland
  - b. To provide recommendations for the future
  - c. Identify the actual needs of parties requesting foreign assistance
2. This is our understanding of water diplomacy:  
*Water diplomacy is the strategic coordination of resources<sup>49</sup> and activities in specific sectors and with particular actors in order to support the prevention or mitigation of water-related conflicts.*
3. This interview remains anonymous , but, may we record this interview for note taking purposes only?
4. Etc.

### Chapter 1: Past action arenas in the Eastern Nile Basin/ Mekong Basin

#### Interview questions pertaining to this chapter:

5. What were the most relevant action arena's where cooperation was established and decisions were made (hydro-political landscape)? (This includes also the informal tracks and meetings with other donors, civil society and academia and business sector.)
6. Were these arena's influencing the conditions for transboundary or regional cooperation in the water sector in the region?
7. How was Finland involved in those arena's?
8. What were the key regional drivers for water-related tensions in the region? Have they been addressed and by whom?

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<sup>49</sup> Resources include for example: Mediation, diplomatic relationships, trust building, financing, training and capacity building, research and fact-finding support, forum and outreach.



## **Chapter 2: An overview of the past Finnish activities in the Eastern Nile Basin**

### *Interview questions pertaining to this chapter:*

(Overview of activities from Finland in the Nile-basin: Tana Beles, Eastern-Nile, ENTRO, etc. ...)

(Overview of activities from Finland in the Mekong-basin: MRC, working groups, etc. ...)

## **Chapter 3: What was the logic and strategy for the water diplomacy activities?**

### *Interview questions pertaining to this chapter:*

9. Were these the most relevant activities considering the future role of Finland in water diplomacy (think of research, capacity building, financing, diplomacy, mediation)?
10. Why were these activities initiated and by whom?
11. What was the logic/ coherence between the activities, if any?
12. How were these activities intended to contribute to the prevention or mitigation of water-related conflicts?
13. Was learning been included in the organisation of activities?

## **Chapter 4: What was the impact of Finnish activities?**

### *Interview questions pertaining to this chapter:*

14. Why was the support ended?/ Were the intended objectives achieved?
15. Did Finland contribute to the prevention or mitigation of water-related tensions?
16. If the intention wasn't to prevent/ mitigate water-related tensions, was Finland able to:
  - a. create trust among competing stakeholders
  - b. promote a mutual understanding about the joint interests
  - c. deal with uncertainties
  - d. organize multi-sector and multi-level interactions
  - e. develop conditions for sustainable financing
  - f. develop conditions for capacity for good water governance among all stakeholders
  - g. support the mediation capacity?
17. What were the strengths and weaknesses of the activities/ chosen approaches and strategies?
18. Who benefitted from these activities?
19. What negative/ positive and/or unintended impacts took place, if any? Why?
20. Were there any lost opportunities?
21. Is the work of Finland recognised and by whom?





22. Were conditions created to ensure a longer-term impact?

### **Chapter 5: What are the lessons learned from the discussed activities?**

#### *Interview questions pertaining to this chapter:*

23. What are the lessons learned from the discussed activities?
24. What could the Finnish Ministry for Foreign Affairs have done better in the past to support the activities?
25. What other Finnish organisations could have been useful to address encountered needs?

### **Chapter 6: What is the demand for third party involvement in the prevention or mitigation of water-related conflicts?**

#### *Interview questions pertaining to this chapter:*

26. How do you see water conflicts in the region evolving over the next decade?
27. Is there a demand in general for third party involvement in the prevention or mitigation of water-related conflicts? (OPPORTUNITIES)
28. What kind of support is offered? (THREATS)
29. Why would parties desire assistance from the Finnish MFA and partners? What are the unique selling points of Finland? (STRENGTHS)
30. What should Finland do differently in the future in order to be considered as a partner in water conflict prevention and mitigation? (WEAKNESSES)
31. Who else should we speak with? Do you have any relevant documents?
32. What have we missed?
33. Do you have any questions to us?



# ANNEX 10. INITIAL THEORY OF CHANGE FOR FINNISH WATER DIPLOMACY

## Step 1. Ambition

Finland is **internationally recognised and requested** within 10 years as a leading partner in water diplomacy, able to broker dispute resolutions in longstanding multi-faceted water-related conflicts. In these resolutions, water is a positive **bridging factor** in peace, development and stability. Finnish capacity builds on its experience and expertise in **neutral facilitation, water cooperation and diplomacy**. Core to the Finnish centre of excellence is the **strong partnership** between political and thematic staff on the one hand and the Finnish water diplomacy network on the other hand. This intertwining allows the MFA to **quickly respond** to requests based on solid knowledge. A long-term programme assures that MFA-staff is sufficiently equipped in **facilitating water-related tensions**, while the research sector can provide **state-of-the-art knowledge** to the MFA on upcoming tensions.

## Step 2. Breakdown of ambition

- To be better **recognised and requested** by the international community as a leading partner in water diplomacy.
- Partner in **international projects** which have added value to Finnish activities
- To **strengthen the capacity of the MFA** in (ad-hoc) facilitation in water-related conflicts in order to increase the sustainability of the water diplomacy activities.
- To employ a **multi-disciplinary approach** in multi-faceted water-related disputes in order to advance **integrated sustainable resolutions**.
- To ascertain the **long-term sustainability** of the water diplomacy activities based on a jointly beneficial partnership between MFA and the Water Diplomacy Network.

## Step 3. SMART-goals

**AMBITION 1.** To be better recognised and requested by the international community as a leading partner in water diplomacy.

- SMART-goal: To develop a strong narrative of Finnish expertise based on (international and domestic) successful experiences and share this narrative through the embassies and points of contact in IGOs.
- SMART-goal: To identify key areas of engagement for Finnish water diplomacy in order to make efficient use of available human and funding resources
- SMART-goal: To focus resources and activities on the key areas in which Finland wants to build track-record (e.g. conflict prevention, promoting UN-agreement-based solutions, etc.) and based on the demands of requesting parties.



#### AMBITION 2: Partner in international projects which have added value to Finnish activities

- SMART-goal: Carefully consider which partnerships and projects of other (non)governmental organisations contribute to the Finnish ambition. Explore the different modalities of such partnerships. Examples include: Water, Peace and Security Partnership, WaPoR, Blue Peace, Berghof Foundation, SIWI/ SIDA, etc.

#### AMBITION 3: To strengthen the capacity of the MFA in (ad-hoc) facilitation in water-related conflicts in order to increase the sustainability of the water diplomacy activities.

- SMART-goal: To allow the seasoned Finnish experts to share their knowledge and experience in negotiation and facilitation with the younger generation of diplomats through training and mentoring.
- SMART-goal: To embed water diplomacy in policy as a strategic entry point for supporting regional peace processes.
- SMART-goal: To centralise the coordination and information-sharing and analysis and learning on all water diplomacy activities in one place.
- SMART-goal: To establish a roadmap for rapid response, including arrangements for quick funds (travel, ad-hoc hiring of experts) and the internal selection and temporary replacement of staff.
- SMART-goal: To carry out a joint inventory with the embassies, regional departments and the Water Diplomacy Network by the coordinator who is on the ground and can provide accurate information (including triangulation) on water-related tensions.

#### AMBITION 4: To employ a multi-disciplinary approach in multi-faceted water-related disputes in order to advance integrated sustainable resolutions.

- SMART-goal: To identify the knowledge gaps (following the earlier inventory of available knowledge) needed to organise and facilitate dialogues between stakeholders (based on a thorough understanding of the technical, historical, legal and socio-political dimensions); and to technically understand, analyse and communicate integrated water resources management related problems.
- SMART-goal: To garner and share in-depth knowledge and understandings of (local) conflict perspectives to support the mediation process, based on identified gaps.

#### AMBITION 5: To ascertain the long-term sustainability of the water diplomacy activities based on a jointly beneficial partnership between MFA and the Water Diplomacy Network.

- SMART-goal: Invest in partner organisations (like NGOs and research organisations) to assure continuity in their support for the water diplomacy activities of MFA.
- SMART-goal: Make arrangements with the partner organisations about the on-demand delivery of knowledge through long-term studies and on-the-ground knowledge.



#### **Step 4: Resources and activities needed as identified in the sessions**

- Resources needed to carry out the activities, in general terms and depending on the level of the ambition:
- Finance: Funding for activities in non-ODA countries. Resources can be used more effectively within Finland if there is close internal cooperation.
- Organisation: Agile and well coordinated based on clear responsibilities and sufficient resources.
- Time/ phasing: Ability to respond to short-term requests as well as able to make long-term commitments with support of (Finnish) partners.
- Information needed: Constant and up-to-date knowledge and expertise to organise and facilitate dialogues (based on a thorough understanding of the technical, historical, legal and socio-political dimensions); and to technically understand, analyse and communicate complex conflicts.
- Quality assurances needed for success: Structured way of joint learning to assure long-term build up of in-house capacity.

#### **Step 5: Assumptions about the internal MFA organisation as identified during the sessions**

- MFA is aware where potential water-related conflicts may occur.
- MFA is aware of the differing interests and expectations of the relevant (Finnish) partners and supports a jointly beneficial partnership.
- Centre for Peace Mediation is sufficiently informed about other activities, to avoid overlap and loss of impartiality.
- MFA is committed to long-term engagement in certain geographical areas.
- There is sufficient capacity within the MFA to develop the Ambition and to respond to the requests made.
- Sufficient funding is available to support activities in non-ODA countries.
- The concept of water diplomacy and related methods and approaches are institutionalised within the political and regional departments of the MFA and the embassies.
- MFA can swiftly obtain the technical and socio-political knowledge and expertise required to facilitate in conflicts.
- MFA is able to support the long-term continuity of water diplomacy.



# ANNEX 11. INTERNATIONAL FIELD OF WATER DIPLOMACY ACTORS AND INITIATIVES

## Key actors in Finland

Due to the cross-cutting nature of water diplomacy, numerous stakeholders have an interest in the subject. Some key actors dealing with water resources nexus issues and related peacebuilding and conflict prevention are listed below, but the list is not exhaustive.

Relevant government entities and public agencies:

- MFA, Political department, Centre for Peace Mediation (from 1 October 2020 onwards) as well as relevant regional departments (Department for Russia, Eastern Europe and Central Asia; Department for the Americas and Asia; Department for Africa and the Middle East)
- Finnish embassies in the relevant regions and countries
- Ministry of Agriculture and Forestry of Finland
- Ministry of the Environment
- Ministry of Economic Affairs and Employment and
- Ministry of Social Affairs and Health

Academia and educational institutions:

- Universities: Aalto University, University of Helsinki, University of Oulu, University of Eastern Finland and Tampere University
- Universities of Applied Sciences (Hämeenlinna, Turku, South-Eastern Finland)

Research institutions:

- Finnish Environment Institute ([www.syke.fi](http://www.syke.fi))
- Finnish Meteorological Institute (<https://en.ilmatieteenlaitos.fi>)
- Geological Survey of Finland ([www.gtk.fi](http://www.gtk.fi))
- The Finnish Institute of International Affairs ([www.fiaa.fi](http://www.fiaa.fi))
- The Finnish Institute for Health and Welfare (<https://thl.fi>)



#### Professional networks:

- Water Diplomacy Network (established in May 2019).
- Finnish Water Forum (FWF) (established in April 2009) (<http://www.finnishwaterforum.fi/wp/en/>)

#### Civil Society Organisations:

- CMI – Martti Ahtisaari Peace Foundation (formerly Crisis Management Initiative) (<https://cmi.fi/>)
- Nordic Women Mediators – Finland (<https://nordicwomenmediators.org/finland/>)
- Finn Church Aid (FCA) (<https://www.kirkonulkomaanapu.fi/en/>)
- Finnish Evangelical Lutheran Mission (FELM, formerly The Finnish Missionary Society) (<https://felm.org/>)

#### **International actors**

Several of the previously mentioned organisations are also globally active. Based on earlier inventories and mappings carried out by our team, an outline is presented below of the dominant stakeholders active in water (nexus) systems analysis, water governance, conflict prevention and conflict resolution. It is beyond the scope of this report to detail the role and activities of all the key actors engaged, but the following may serve as an introduction:

#### Multilateral organizations:

- United Nations (UN)
  - UN-Water
  - United Nations Development Programme (UNDP)
  - United Nations Economic Commission for Europe (UNECE)
  - United Nations Economic and Social Commission for Western Asia (UN-ESCWA)
  - United Nations Economic Commission for Africa (ENECA)
  - UNESCO has developed a water diplomacy toolbox that includes the UNESCO International Hydrological Programme, the United Nations World Water Assessment Programme led and hosted by UNESCO and the IHE Institute for Water Education.
- European Union (EU)
  - For EU the key objective of water diplomacy is to engage for the long term in fostering cooperative approaches to address the transboundary challenges of water. Examples of such cooperation already exist in the Mediterranean basin and Latin America.
  - The EU encourages all relevant parties and stakeholders to develop and maintain transboundary arrangements, including dedicated institutions and commissions, to maximise their effectiveness at all levels in order to avoid political and economic tensions between and within states.



- Organization for Security and Co-operation in Europe (OSCE)
  - In the OSCE area alone, there are more than 150 river and lake basins that are shared by two or more States. The OSCE has worked with its participating States in supporting cooperation and has the expertise and tools to help States effectively manage water resources. Finland is currently co-funding an OSCE project entitled “Women, Water Management and Conflict Prevention – Phase II”.
- World Bank (WB)
- Global Environment Facility (GEF)
- International Atomic Energy Agency (IAEA)
- Food and Agricultural Organisation (FAO)
  - Development Law Service

Global and regional partnerships:

- Global Water Partnership (GWP)
- International Water Management Institute (IWMI)
- European Water Association (EWA)
- Middle East Desalination Research Center (MEDRC)
- International Union for Conservation of Nature (IUCN)
  - Building River Dialogues and Governance (BRIDGE)
  - IUCN Environmental Law Centre (ELC)

Countries supporting water diplomacy related activities via development and/or their respective MFA's:

- Australia, Belgium, Canada, Denmark, Finland, France, Germany, Italy, Japan, the Netherlands, Norway, Sweden, Switzerland, United Kingdom, United States, and the European Commission.

National water diplomacy research, capacity initiatives and think tanks:

- Germany
  - Adelphi
  - BMU/GIZ
- Netherlands
  - Water, Peace and Security Partnership (WPSP)
  - Clingendael Netherlands Institute of International Relations
  - IHE Delft Institute for Water Education (IHE)
  - Wageningen University



- New Zealand
  - University of Otago
- Sweden
  - Stockholm International Water Institute (SIWI), including training on e.g. Eufraat-Tigris and the Women in the Water Diplomacy Network.
  - UNESCO Category II Centre for International Water Cooperation (ICWC),
  - Uppsala University
- Switzerland
  - Geneva Water Hub
  - Blue Peace Initiative
  - University of Geneva and ETH Zürich
- Turkey
  - Hidropolitik akademi
- United States
  - Oregon State University (OSU)
  - Tufts University, MIT and Harvard
- Strategic Foresight Group
- Universities Partnership for Water Cooperation and Diplomacy (UPWCD)

Transboundary river and aquifer basin organizations and collaborations:

- Mekong River Commission (MRC)
- Nile Basin Initiative (NBI), including the Eastern Nile Technical Regional Office (ENTRO)
- Interstate Commission for Water Coordination in Central Asia
- International Commission for Protection of the Danube
- Rhine Commission
- Central Asia Regional Economic Cooperation Program (CAREC)
- Southern African Development Community (SADC)
- South Asian Association for Regional Cooperation (SAARC)
- EcoPeace Middle East





Relevant issue-related networks:

- Water-business networks like the:
  - CEO Water Mandate
  - World Business Council for Sustainable Development (WBCSD)
  - Alliance for Water Stewardship (AWS)
  - Water Action Hub
- City networks; Professional networks etc.

Cities in support of International oriented initiatives:

- Singapore, Stockholm, Amsterdam with their international water weeks.

# VOLUME 2 • CASE STUDY REPORTS AND ANNEXES



Ministry for Foreign  
Affairs of Finland