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Can COP29 Help Foster Transboundary River Cooperation in the South Caucasus?

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Azerbaijan is a water-scarce country with 70 percent of its freshwater resources originating outside its borders. Although Azerbaijan encompasses 46.5 percent of the overall area and 60 percent of the overall population of the South Caucasus, its water resources comprise only about 15 percent of the region's total.

Declining river flows exacerbate the problem for Azerbaijan and the rest of the South Caucasus. Earlier this week, <u>UNEP released a report on the region indicating</u> that in 2020 Armenia and Azerbaijan both experienced significant declines in river flows—plummeting 26 percent and 20 percent, respectively. Between 2000 and 2020, the annual flow of the Kura river—a key transboundary water source shared by Türkiye, Georgia, and Azerbaijan that will be discussed in greater detail below—dropped by 20 percent. Furthermore, groundwater withdrawals doubled in Armenia and increased by 400 percent, which is alarming for Azerbaijan as this signals a growing reliance on non-renewable water sources as surface water becomes scarcer. As mountain snow and glaciers continue to recede, the region's freshwater supply is expected to go down further, underscoring the need for efficient water management strategies and cross-border data sharing.

Three key transboundary rivers—the Kura, the Araz, and the Samur—are critical to Azerbaijan's water supply, yet each originates beyond its borders, making the country vulnerable to the policies and actions of upstream nations. The source of the Kura lies in Türkiye, flows through Georgia, and enters Azerbaijan. The source of the Araz (the largest tributary of the Kura) also lies in Türkiye and then flows along the border

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between it and Armenia, then the border between it and Azerbaijan's Nakhchivan exclave, then the border between Iran and first Armenia and then Azerbaijan, where it ends up flowing into the Kura not far from the Caspian coast. The source of the Samur lies on the Russian side of the Greater Caucasus Mountains in Dagestan before going on to serve as part of the border between Russia and Azerbaijan, and then entering the Caspian via Azerbaijani territory.

Azerbaijan's access to water is fraught with risk and uncertainty. As a downstream country, its water supply is dependent on upstream countries that, with one or two exceptions, are not particularly amenable to Baku's arguments that it needs to have adequate means to ensure that the amount and quality of water entering the country correspond to the needs and standards of the country.

Concerning the Samur, Azerbaijan and Russia have an agreement regulating waterflow. Unfortunately, the situation concerning the Kura and Araz rivers is unregulated: neither regional nor bilateral agreements exist. The situation is rendered even more complicated by the fact that, unlike Azerbaijan, none of the upstream countries are parties to international conventions on water resources management, like the landmark Convention on the Protection and Use of Transboundary Watercourses and International Lakes (1992).

The COP29 Dimension to Regional Cooperation on Water Issues

The issue of water is among Azerbaijan's top public policy priorities, which has been reflected also in its COP29 Presidency Action Agenda: the Water for Climate Action initiative. As the COP29 Presidency's announcement put it,

The outcome Declaration will call upon stakeholders to take integrated approaches when combating the causes and impacts of climate change on water basins and water-related ecosystems, strengthen regional and international cooperation, integrated water-related mitigation and adaptation measures in national climate policies. The Declaration will launch the Baku Dialogue on Water for Climate Action to enhance COP-to-COP continuity and coherence in the field.

Through this global initiative, Azerbaijan aims to elevate water as a priority in climate adaptation and mitigation endeavors in the context of the COP process. This is critical since water scarcity, worsened by climate change, now poses urgent challenges to global food security, health, and ecosystem stability.

One of the main calls of the Water and Climate Action initiative is Regional Collaboration and Shared Water Resources. This call endeavors to strengthen cross-border cooperation for shared water resources, especially in regions prone to water shortages or conflicts over water. This would support another key component

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of the Integrated Water Management agenda in national climate policies, namely water-related mitigation and adaptation strategies that address the impacts of floods, droughts, and sea level changes, as well as advance the building of climate-resilient water systems.

This is the broader context in which achieving effective regional water cooperation between Armenia, Azerbaijan, Georgia, Iran, and Türkiye needs to be put. The current state of play on this issue is characterized by significant challenges, which are rooted in a series of complex political, environmental, and economic factors. Efforts to collaborate on joint projects are often met with reluctance, as countries grapple with the fear that sharing information could undermine their negotiating positions.

Additionally, Türkiye and Iran, as influential regional powers, exert considerable influence in the South Caucasus. Their interests may not align with those of Armenia, Azerbaijan, or Georgia, complicating negotiations on various issues rooted in divergent political alliances and regional ambitions. Differences in water management policies and priorities between these states add additional layers of complexity. At present, each country operates under its own set of policies and national strategies regarding water usage, primarily driven by domestic demand for agriculture, industry, and energy.

In other words, the South Caucasus lacks any sort of framework for cross-border water management—unlike, say, four Mekong riparian states in Southeast Asia that have since 1995 operated under the framework of the Mekong River Commission; or the European Union, which has since 2000 operated under the compulsory authority of the Water Framework Directive (WFD); or the Economic Community of Central African States, which adopted in 2020 the Convention for the Prevention of Conflicts Related to the Management of Shared Water Resources in Central Africa.

The absence of some version of such and similar agreements (ideally, one that would be comprehensive and legally binding) in the broader South Caucasus hinders structured cooperation, leaving each country to navigate water issues in isolation. Previous attempts to establish such an agreement have faltered due to differing objectives and the political reluctance of the involved parties, further complicating the landscape of cooperation.

Bilateral Agreements as a Pathway to the Regional Water Cooperation

There is a growing body of scholarly literature on regional cooperation in transboundary river management that supports bilateral agreements as a pragmatic, first-step approach—especially when political or economic conditions prevent multilateral agreements. The broader South Caucasus, with its high level of complex regional challenges, would seem to fit into this alternative approach.



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Azerbaijan should thus consider pursuing this option—that is, to reach bilateral agreements with upstream partners and gradually integrate these into a wider regional framework, rather than starting directly with regional cooperation.

The most promising partner in this regard for Azerbaijan seems to be Georgia. Three reasons speak to this point. First, because of the depth and breadth of the strategic partnership the two countries enjoy. Second, because of the importance of Georgia as the Kura's primary upstream country. Third, because since December 2023 Georgia has been an official EU candidate country—this formally remains the case notwithstanding the choice made by the EU in the summer of 2024 to suspend the country's accession process.

To that end, Georgia has undertaken a series of reforms to its legislative framework designed to align with the EU's comprehensive set of laws, standards, and regulations—known collectively as the EU *acquis communautaire*. This *acquis* consists of over 35 policy areas, covering various sectors, including water resources management.

As mentioned above, since 2000 the EU has operated under the compulsory authority of the WFD, which is its main water protection law. It applies to inland, transitional, and coastal surface waters, as well as to groundwaters. Moreover, it ensures an integrated approach to water management, respecting the integrity of whole ecosystems, including by regulating individual pollutants and setting corresponding regulatory standards. The WFD is based on a river basin district approach to make sure that neighboring countries cooperate to manage the rivers and other bodies of water they share.

The WFD's key objectives are set out in its Article 4. It requires those countries to which the directive applies to use their national River Basin Management Plans (RBMPs) and Programs of Measures (PoMs) to protect and, where necessary, restore water bodies to reach good status and to prevent deterioration. Here, "good status" means both good chemical and good ecological status. This harmonized approach is understood by its proponents to be vital for achieving long-term water security and environmental sustainability across the European Union.

Now, this needs to be put together with Georgia having adopted, on 23 June 2023, its Law on Water Resource Management, which is aligned with the terms of the WFD. It establishes a cooperative framework upon which Georgia and Azerbaijan can build to bilaterally manage their transboundary waters, focusing on sustainable resource use, pollution control, flood prevention, and ecosystem protection.

Here it is necessary to get into some of the details of the Georgian law. According to Article 1, the country's water resources management is based on the principle of Integrated Water Resources Management (IWRM). Article 5 defines sustainable use and integrated protection of water resources through a river basin management approach





amongst the basic principles of IWRM, and Article 21 touches upon the protection of water resources at both national and—critically for Azerbaijan—river basin levels.

Moreover, Article 3, Section 5 specifies that transboundary waters within Georgian territory will be managed through coordinated cooperation with other states, following international treaties. Article 23 establishes RBMPs as the central tool for managing water resources, allowing for the integration of cross-border water management strategies and establishing early warning measures for flood prevention purposes. Article 24 outlines the requirements for developing these RBMPs, which can include cross-border waters, which would in turn foster shared management with neighboring countries. The foregoing provisions can serve as the backbone for cooperative management between the two countries.

The broad takeaway here is that the notion of river basin management, which focuses on a spatial unit (i.e., the river basin) and is enshrined in the Georgian law, goes beyond the usual sectoral management of water. The use of the river basin as a territorial management unit lies at the heart of the EU Water Framework Directive. Thus, even in the shadow of the EU's decision to suspend Georgia's accession process, the alignment of its Law on Water Resource Management with the terms of the EU's WFD suggests a solid path forward for Azerbaijan should it decide to pursue a bilateral approach to managing the Kura.

The Role of Integrated Water Management in Azerbaijan-Georgia Cooperation and Beyond

Very recently (on 10 October 2024), Azerbaijan confirmed its National Water Strategy (NWS). This is a significant step forward in Azerbaijan's water resources management perspective, as the NWS emphasizes IWRM and River Basin Management as crucial frameworks for addressing the country's water challenges, which include scarcity, transboundary water dependencies, and climate impacts. This seems to be compatible with the Georgian approach, which is, as noted above, in alignment with the EU's approach.

The NWS also provides a framework that supports and encourages bilateral cooperation with neighboring countries in several strategic ways. Firstly, by aligning with IWRM principles, the NWS sets a foundation for establishing or strengthening formal agreements that govern water usage, management, and protection across shared basins. This includes defining water rights, establishing joint management frameworks, and setting protocols for water allocation, which can help mitigate potential conflicts over shared resources. This aligns with global best practices for sustainable water management and promoting coordinated planning across sectors and administrative regions.

Additionally, the NWS's commitment to river basin management principles facilitates the development of joint basin management plans for transboundary rivers. These plans



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are essential for harmonizing water policies, setting common water quality standards, and ensuring mutual benefits from shared water resources. Azerbaijan can propose collaborative projects that align with its management plans, making it easier to negotiate shared goals with neighboring countries, starting with Georgia.

As noted above, Georgia's water law also puts forward the establishment of RBMPs. These plans are central to Azerbaijan's NWS, aiming to provide detailed frameworks for each basin's needs. RBMPs emphasize tailored management that considers regional characteristics, especially for basins shared with neighboring countries, ensuring sustainable water allocation and reducing pollution loads in shared water bodies.

Also, given Azerbaijan's reliance on transboundary rivers, the NWS prioritizes strengthening cooperation with neighboring countries on shared water resources. This involves joint monitoring, data sharing, and coordinated responses to shared water quality or quantity issues. Bilateral agreements on shared data and monitoring activities help build trust, provide reliable information for joint decisionmaking, and enable early warning systems for issues such as pollution or floods. Such types of cooperation frameworks have been established within non-water sector development projects implemented in Azerbaijan and Georgia, and the track record is characterized by success.

It is worth mentioning that through provisions for ecosystem health and pollution control, Azerbaijan's NWS supports cooperation in managing pollutants and maintaining biodiversity in transboundary rivers. Joint environmental initiatives, such as pollution reduction or habitat restoration programs, foster cooperative relationships while ensuring that water bodies remain viable for all users.

In addition, climate resilience measures are integral to Azerbaijan's NWS, which includes actions to address droughts, floods, and other climate-induced water stresses. By coordinating adaptation measures with neighboring countries, Azerbaijan can achieve more effective and sustainable results in combating climate change impacts, such as optimizing reservoir management and implementing regional drought response plans.

The NWS advocates for institutional channels for regular dialogue, negotiation, and dispute resolution concerning shared water resources. By formalizing these mechanisms, Azerbaijan can establish a stable platform for continuous collaboration, making it easier to address any emerging issues or adjust agreements in response to changing circumstances. Through such measures, the NWS thus positions Azerbaijan as a proactive and collaborative partner in regional water management, aligning its national goals with shared interests in regional stability, sustainable water use, and environmental protection.







What Comes Next?

The compatibility of Georgia's Law on Water Resource Management and Azerbaijan's National Water Strategy clearly demonstrates the potential to create a bilateral framework for the joint management of shared water resources.

Such a framework ought to prioritize sustainable use, ecosystem protection, pollution control, and flood prevention through coordinated planning between the two countries, serving as a foundation for broader regional cooperation.

The collaborative experience and trust developed between Azerbaijan and Georgia on the issue of transboundary river management—should it bear fruit, of course—surely would encourage other countries in the wider Kura basin to participate in what would effectually become, over time, a regional cooperative initiative.