



Item 5.6 of the provisional agenda

**PROPOSED ESTABLISHMENT OF THE
UNESCO-IHE INSTITUTE FOR WATER EDUCATION**

OUTLINE

Source: The Executive Board decided at its 161st session to adopt the decision contained in document 161 EX/10, item 3.3.2, which recommends to the General Conference to approve at its 31st session the establishment of the UNESCO-IHE Institute for Water Education and to further examine, amend as appropriate, and approve its Statutes.

Background: The proposed establishment follows a long process of consultation initiated during the preparations for the World Conference on Science (Budapest, June 1999) and which culminated at the Second World Water Forum (The Hague, May 2000) when the Director-General, four Ministers of the Netherlands Government and the Chairperson of the IHE Board signed an aide-mémoire with the aim of exploring various options for an innovative partnership. Subsequently, the Intergovernmental Council of IHP recommended, at its fourteenth session, the creation of the UNESCO Institute for Water Education as an integral part of the Organization.

Purpose: The present document contains the report of the Director-General, supplemented by the Statutes of the proposed UNESCO-IHE Institute for Water Education. It is submitted to the General Conference for approval.

Decision required: paragraph 21.

**REPORT BY THE DIRECTOR-GENERAL
ON THE PROPOSED ESTABLISHMENT OF THE
UNESCO-IHE INSTITUTE FOR WATER EDUCATION**

I. INTRODUCTION

1. This document outlines the long-term opportunities and potential benefits the creation of a UNESCO-IHE Institute for Water Education would provide for Member States, especially those of the developing world and those which, due to environmental or societal circumstances, face water-related challenges.

2. The Executive Board, at its 160th session, decided that the Programme and Budget for 2002-2003 and the Medium-Term Strategy for 2002-2007, will be pursued along three strategic axes. One axis is particularly pertinent, namely the promotion of participation in “knowledge societies” through capacity-building and the sharing of knowledge. Furthermore, the Board welcomed as one of the cross-cutting themes: the fight against poverty through education, science and culture during the period of the next Medium-Term Strategy.

3. The Executive Board at its 160th session also decided that the principal priority of the Sector for Natural Sciences (2002-2003) will be to address freshwater issues. The reason for focusing on water resources and supporting ecosystems in draft document 31 C/5 is straightforward: providing water security in the twenty-first century is a goal we all share. For many, water scarcity or unequal access to water is at the core of under-development and poverty. Increasing populations continue to reduce the per capita availability of freshwater. Deterioration of water quality and potential disputes among users of shared water resources aggravate the situation.

4. UNESCO’s involvement at the forefront of freshwater science, education and training for the benefit of the Member States represents a long-term commitment. Partner and Secretariat of the inter-agency International Hydrological Decade (IHD) 1965-1974, UNESCO has provided since 1975 the Secretariat of its successor, the International Hydrological Programme (IHP).

5. In recent years, freshwater issues have gained increased attention on the international political agenda. Following a decision of the United Nations General Assembly the World Water Day has been celebrated annually since 1994 on 22 March. Through its recent resolution 55/196 declaring 2003 the “Year of Freshwater”, the United Nations General Assembly underlined once again the growing importance of water.

6. Parallel to the United Nations and other intergovernmental meetings, the World Water Fora (WWF) of the World Water Council (triennial events organized since 1997) constitute an innovative approach. The second such gathering, in March 2000 in The Hague, Netherlands, combined the open forum with an intergovernmental meeting. The Declaration of the latter represents the most recent summary of the challenges ahead. It includes the identification of strategic lines to be followed, among them the generation and dissemination of knowledge and information.

7. In his keynote speech on the closing day of this Forum (World Water Day, 22 March 2000) the Director-General referred to the nineteenth special session of the United Nations General Assembly which had recognized the “urgent need to strengthen the capability of

governments and international institutions to facilitate the integrated assessment of water resources". The United Nations system as a whole had agreed on the need for a project on integrated freshwater resources assessment leading to a biennial World Water Development Report. He announced that steps had been taken to ensure that the United Nations World Water Assessment Programme (WWAP) would soon be launched with its secretariat housed at UNESCO, following intensive consultations with United Nations system partners.

8. In the intervening months this initiative, led by UNESCO, has received official endorsement by the 23 agencies comprising the ACC Subcommittee on Water Resources. Thus, there is now in place a United Nations system-wide programme of which education, knowledge dissemination and capacity-building form a substantial component.

9. While two dozen United Nations specialized agencies and programmes are associated with water or have some form of water-related engagement, UNESCO's IHP is the only water-related science and scientific educational programme within the United Nations system. UNESCO's leadership in these areas is acknowledged by the ACC Subcommittee on Water Resources. The importance of education in environmental-related areas was also stressed in the *Science Agenda – Framework for Action*, paragraph 33, adopted by the World Science Conference in Budapest in 1999.

II. THE PROPOSED ESTABLISHMENT OF THE UNESCO-IHE INSTITUTE FOR WATER EDUCATION

10. During preparations for the World Conference on Science, letters were exchanged between UNESCO and the Minister of Foreign Affairs of the Netherlands on forging closer ties between UNESCO and IHE, based on a unity of purpose. The objective of the exchange of letters was to capitalize on the potential of IHE for achieving the objectives of UNESCO whilst providing IHE with a fitting environment in which to render its services to the international community.

11. Following the proposal of the Government of the Netherlands at the Second World Water Forum, an aide-memoire was signed between the Director-General of UNESCO, four ministers of the Netherlands Government and the Chairperson of the IHE Board. Through it, the parties agreed to explore various options for a new innovative partnership with a view to creating an International Institute for Water Education and subsequently submit proposals to UNESCO's governing bodies.

12. It is in the light of the above that the Director-General considered the proposal of the Government of the Netherlands to transform the International Institute for Infrastructural, Hydraulic and Environmental Engineering (IHE), based in Delft (Netherlands) into a UNESCO Institute for Water Education, and thus an integral part of UNESCO. The pledge of the Government of the Netherlands to sustain its financial support to the Institute for five years and its intention to continue this support beyond this period are duly acknowledged. As set out under Article IX.1(f) of the proposed Statutes, there will be no financial allocation from the regular budget for the Institute unless the General Conference so decides. Thus the proposed UNESCO-IHE Institute for Water Education would be cost neutral as far as the regular budget of UNESCO is concerned. The opportunities of this proposal are manifest: UNESCO and IHE share the same goals in the field of water education; between UNESCO and IHE there exists a unity of purpose; and the two organizations would reinforce and complement one another. Accordingly, the Director-General informed the Executive Board at

its 160th session of the consultation process as a follow-up activity to the World Conference on Science (160 EX/11, para. 33).

13. The establishment of the UNESCO-IHE Institute for Water Education would enable UNESCO's International Hydrological Programme (IHP) to improve the implementation of its international policy on water science and education. It would be instrumental in providing the human capacity-building component of WWAP. It would provide high-quality education, training and research, and would also act as an international reference centre for water-related education. It would be instrumental in strengthening and developing other universities and research centres in their efforts to increase knowledge and skills of professionals working in the water sector. By making IHE an integral part of UNESCO the Organization's long-term capacity for disseminating and sharing water-related knowledge would be greatly enhanced. On a long-term basis, Member States would have the knowledge and services of IHE in human and institutional capacity-building at their disposal. The Director-General and IHE agree that water education needs to be provided in a number of different languages and will work towards ensuring a multilingual environment at the UNESCO-IHE Institute for Water Education.

14. During its twenty-ninth session held in April 2000, the Bureau of the Intergovernmental Council of the International Hydrological Programme welcomed and strongly endorsed the initiative, which was seen as a major follow-up activity of the World Conference on Science. The Bureau recommended to the IHP Intergovernmental Council that it endorse the initiative and encourage its realization. At its fourteenth session in June 2000 the Intergovernmental Council duly examined a report of the Secretariat (IHP/IC-XIV/Inf.23) and adopted resolution XIV-10.

(Reports of the twenty-ninth session of the IHP Bureau and the fourteenth session of the Intergovernmental Council are available in full from the UNESCODOC database).

Box 1 – Resolution XIV-10

RESOLUTION XIV-10

UNESCO Institute for Water Education

The Intergovernmental Council of the International Hydrological Programme of UNESCO

Noting

the report of the Secretariat of IHP (IHP/IC-XIV/23) over the intention of the Government of the Netherlands to suggest the transformation of the International Institute for Infrastructure, Hydraulic and Environmental Engineering (IHE), Delft, into a UNESCO Institute for Water Education and as a follow-up of the World Conference on Science,

Also noting

with satisfaction that the Netherlands Government intends to fund this Institute, which will remain located in Delft,

Considering

that the IHP Bureau has endorsed this initiative at its 29th session (IHP/Bur/XXIX/3 Agenda 6.5),

Acknowledging

the important contributions and achievements of IHE during its 43 years of existence in education and partnerships with developing countries,

Recommends

to the Executive Board and General Conference of UNESCO to create the UNESCO Institute for Water Education as an integral part of the Organization, on the understanding that this Institute will be instrumental to implement IHP's educational mandate,

Appeals

to the Member States, IGOs, NGOs, the donor community and the private sector to support the Institute through partnerships, projects and networking.

15. The resolution underlines what has been a fact for many years: that IHE is a long-term partner of UNESCO, and in particular of UNESCO's water expert bodies. The Institute has been instrumental in the training of thousands of water experts in close cooperation with UNESCO's International Hydrological Programme (IHP). UNESCO and IHE have developed a fruitful partnership over decades. In particular, both UNESCO's water education activities and IHE focus on countries of the developing world.

16. With regard to all legal, managerial and administrative aspects of the proposed UNESCO-IHE Institute for Water Education and how an existing private foundation will be transformed to support this Institute, the Government of the Netherlands has submitted, after a process of intensive consultation with the UNESCO Secretariat, to the 161st session of the Executive Board draft statutes that address these issues. These draft statutes of the proposed UNESCO-IHE Institute for Water Education are attached as Annex I. The proposed Statutes provide furthermore that the Institute's entry into operation depends on the signing of a Seat Agreement and an Operational Agreement (Article XIII – Transitional provisions). The Operational Agreement will define financial and other contributions of the Netherlands to the operation of the Institute.

17. Annex II provides an analysis of the intellectual, organizational and financial feasibility of the proposal as examined during the consultations between representatives of UNESCO, the Netherlands Government and IHE initiated by the aide-memoire. It includes an annotated checklist of the criteria stipulated by resolution 83 (Draft Guidelines for the Rational Implementation of Decentralization) of the 30th session of the General Conference of UNESCO.

18. The Director-General welcomes the proposed establishment of the UNESCO-IHE Institute for Water Education. He recognizes that the transfer of this reputed Institute to

become part of UNESCO could only be of benefit to the Member States, UNESCO and the Netherlands. He acknowledges that forging closer ties of this type could even set an example for the future. He fully recognizes the benefits this proposal entails to the Member States, as detailed in Annex II. At this juncture the Netherlands is pledging to guarantee funding of the Institute for an initial period of five years. Such an arrangement will therefore be evaluated after a four-year period prior to the renewal of the financial commitment of the Netherlands.

19. During its 161st session, the Executive Board of UNESCO examined document 161 EX/10 and debated the respective agenda item 3.3.2. The Executive Board took the following decision:

The Executive Board,

1. Recalling paragraph 33 of the Science Agenda – Framework for Action adopted by the World Conference on Science in Budapest in July 1999,
2. Taking note of resolution XIV–10 adopted by the Intergovernmental Council of the International Hydrological Programme (IHP) in June 2000,
3. Having examined document 161 EX/10, which contains the draft Statutes of the proposed UNESCO-IHE Institute for Water Education and relevant background material,
4. Welcoming the proposal of the Government of the Netherlands which represents an innovative partnership,
5. Appreciating the results of the discussions held so far between the Director-General, the Government of the Netherlands and the International Institute for Infrastructural, Hydraulic and Environmental Engineering (IHE);
6. Recommends to the General Conference that it approve at its 31st session the establishment of the UNESCO-IHE Institute for Water Education and that it further examine, amend as appropriate and approve its Statutes.

20. The Director-General invites the General Conference to examine the proposal, the draft Statutes, and attached documents, with a view to establishing the UNESCO-IHE Institute for Water Education as an innovative partnership in the field of water education for the benefit of the Member States.

21. In the light of the above report and decision of the Executive Board at its 161st session, the General Conference at its 31st session may wish to consider to adopt the following Resolution:

The General Conference

Taking note of the Director-General's report on the establishment of the UNESCO-IHE Institute for Water Education (30 C/47):

1. Approves the creation of the UNESCO-IHE Institute for Water Education;
2. Invites the Government of the Netherlands and the Director-General to finalize the Seat Agreement and the Operational Agreement so that the Institute may enter into operation;

3. Further invites the Director-General to report to the Executive Board at its 164th session on the progress made concerning the entry into operation of the Institute;
4. Further invites Member States, international organizations, development and donor agencies, foundations and the private sector to contribute financially or by other appropriate means to the implementation and expansion of the UNESCO-IHE Institute for Water Education.

ANNEX I.a

DRAFT STATUTES OF THE UNESCO-IHE INSTITUTE FOR WATER EDUCATION AND EXPLANATORY NOTE BY THE NETHERLANDS GOVERNMENT

Submitted by the Netherlands

Article I – Definitions

Unless otherwise stated in the text:

Board means the Governing Board of the Institute;

Chairperson means the Chairperson of the Board;

Constitution means the Constitution of UNESCO;

Director means the Director of the Institute;

Director-General means the Director-General of UNESCO;

Executive Board means the Executive Board of UNESCO;

Executive Committee means the Executive Committee as provided for in these Statutes;

General Conference means the General Conference of UNESCO;

Institute means the UNESCO-IHE Institute for Water Education;

IHE Foundation means International Institute for Infrastructural, Hydraulic and Environmental Engineering Foundation in Delft, the Netherlands;

Operational Agreement means the Agreement between UNESCO and the Government of the Netherlands, concerning financial and other contributions of the Netherlands to the operation of the Institute;

Personnel means personnel of the Institute, which includes UNESCO staff members and non-UNESCO staff;

Statutes means the Statutes of the UNESCO-IHE Institute for Water Education;

UNESCO means the United Nations Educational, Scientific and Cultural Organization.

Article II – Legal status of the Institute

1. A UNESCO Institute for Water Education is hereby established within the framework of UNESCO, of which it shall be an integral part. Within that framework the Institute shall enjoy functional autonomy necessary to achieve its objectives. The name of the Institute shall be UNESCO-IHE Institute for Water Education.

2. All the activities carried out in exercise of the autonomy enjoyed by the Institute shall be in conformity with the Statutes as well as the relevant decisions of the General Conference and the Executive Board.
3. The Institute shall have its seat in Delft, the Netherlands.

Article III – Mission, objectives and functions

1. Within UNESCO's educational and scientific mandate the mission of the Institute shall:
 - (a) strengthen and mobilize the global educational and knowledge base for integrated water management;
 - (b) contribute to meeting the water-related capacity-building needs of the developing countries and countries in transition.
2. To that end the Institute shall focus on the following objectives:
 - (a) to serve as a standard-setting body for postgraduate water education programmes and continuing professional training, building on the experience of the IHE and UNESCO's International Hydrological Programme and any other relevant experience;
 - (b) to develop and deliver state-of-the-art education and research programmes, including postgraduate programmes and continuing professional training, making use of split-site programmes and distance learning, in all aspects of integrated water management to young, mid-career and senior professionals and decision-makers working with or within developing countries and countries in transition;
 - (c) to create and reinforce networks of water sector educational institutions, and to act as an international forum for experts and professionals to exchange scientific, educational and technical information and knowledge in all aspects of integrated water management by strengthening the capacities of its partners, such as regional educational and water sector institutions and organizations, with equal and complementary skills that can add to the overall knowledge base of the network and forums;
 - (d) to contribute through research and education to the regular assessment of water availability and use worldwide and to facilitate the exchange of information and knowledge on water availability and use;
 - (e) to assist in studying educational problems in the field of integrated water management which emerge from programmes of assistance to developing countries;
 - (f) to assist international organizations, and global initiatives in the coordination and execution of the respective water-related programmes;
 - (g) to initiate and facilitate international policy dialogues on scientific and technical grounds on issues concerning water management.

3. The Institute shall perform the following functions:
 - (a) an international standard-setting function for postgraduate water education programmes and continuing professional training;
 - (b) a capacity-building function;
 - (c) an education, training and research function;
 - (d) a function to set up and manage networks of educational and water sector institutions and organizations worldwide;
 - (e) a “policy forum” function for UNESCO Member States and other stakeholders;
 - (f) an advisory function on water education.

Article IV – Governing Board

1. The Governing Board shall be composed of 13 persons chosen for their eminence in the fields relevant to the aims of the Institute and sitting in a personal capacity. The persons shall be elected or designated the following way:
2. Six (6) persons shall be elected by the Intergovernmental Council of the International Hydrology Programme, one for each electoral group of UNESCO; and
3. Seven (7) persons shall be designated by the Director-General, out of which:
 - (a) two (2) persons from agencies, institutions and the private sector. The Director-General shall consult with these entities prior to the designation;
 - (b) two (2) persons, one (1) from professional international associations in the water sector, and one (1) from the IHE alumni representing the IHE alumni associations worldwide after due consultation with these bodies;
 - (c) three (3) persons shall be designated upon recommendation by the Government of the Netherlands.
4. The Board shall elect the Chairperson from among its members for a term of four (4) years.
5. The term of office of all members shall be four (4) years and all members shall be eligible for further terms.
6. The Director-General or his/her representative shall have the right to attend all sessions of the Board without the right to vote.
7. The Board may invite observers, as it considers appropriate.
8. The Director of the Institute shall be the Secretary of the Board.

Article V – Functions of the Governing Board

1. The functions of the Board shall be:
 - (a) to determine, within the framework decided by the General Conference, the general policy and the nature of the Institute's activities through a set of guidelines for the development of the Institute's programme, including a balance of priorities within the programme;
 - (b) to adopt the programme of work and its budget estimates;
 - (c) to examine the biennial and other reports on the activities and expenditures of the Institute prepared by the Director and to advise the latter on the execution, evaluation and follow-up of the Institute's programme and other matters he/she may bring to its attention;
 - (d) to submit the biennial report on the Institute's activities to the Executive Board and to the General Conference;
 - (e) to submit through the Director-General proposals to the Executive Board and the Intergovernmental Council of the International Hydrology Programme for appropriate action by the General Conference with regard to the programme of work of the Institute.

Article VI – Operation of the Governing Board

1. The Board shall meet in ordinary session once a year. It may be convened in extraordinary session by the Chairperson, either on his/her own initiative or at the request of seven of its members, of the Director or of the Director-General.
2. The Chairperson and the members of the Board shall receive no compensation for their services. The Institute shall cover the costs of their travel and daily subsistence allowance, when they are on official travel on the Institute's business.
3. The Board shall adopt its own Rules of Procedure by a simple majority of all members present and voting.
4. The quorum of the Board to take decisions shall be seven (7).
5. The Board will set up an Executive Committee in the following way:
 - (a) the Executive Committee shall consist of the Chairperson and of two (2) other members, chosen by the Board from among its members, i.e. one (1) from the Intergovernmental Council of the International Hydrology Programme and one (1) from the remaining members of the Board;
 - (b) the Executive Committee shall perform those tasks as decided by the Board, either through its Rules of Procedure or through decisions taken at an ordinary session;
 - (c) the Executive Committee shall meet as often as required by the needs of the programme and shall be convened by the Chairperson, who shall also chair its meetings;

- (d) the Chairperson may designate another member of the Board to represent him during sessions of the Executive Committee of the Board;
 - (e) the Director shall be the Secretary to the Executive Committee, and shall have no right to vote.
6. The working languages of the Board shall be English and French.

Article VII – Administration of the Institute

1. The Director-General shall appoint the Director of the Institute, who shall be a staff member of UNESCO, upon recommendation of the Governing Board and in consultation with the Netherlands Government, following an open recruitment procedure.
2. The Director shall be the chief executive officer and the academic head of the Institute. In these capacities, the Director shall, by due delegation of authority by the Director-General, administer the Institute and:
 - (a) prepare on the basis of the principle of results-based programming and budgeting its draft programme of work, the academic programme and budget estimates and submit them to the Board for approval;
 - (b) subject to the Board's approval, draw up detailed plans for the implementation of the approved programme, and direct their execution;
 - (c) appoint and manage, in accordance with UNESCO's Staff Regulations and Staff Rules, the UNESCO staff members of the Institute;
 - (d) appoint and manage, in conformity with the applicable UNESCO administrative and legal provisions, other members of the Institute's personnel such as consultants and persons on secondment or under other contractual arrangements;
 - (e) receive funds and make payments in accordance with the financial regulations of the special account for the Institute as provided in Article IX;
 - (f) establish, without prejudice to the financial regulations of the special account for the Institute, financial rules and procedures in order to ensure effective financial administration and economy.

Article VIII – Technical advisory panels

1. The Governing Board may establish technical advisory panels.
2. The Chairperson and the members of the panels shall be appointed by the Chairperson of the Governing Board, on the basis of proposals prepared by the Director. The panels shall adopt their own rules of procedure.
3. The members of the technical advisory panels shall receive no compensation for their membership in the panel; the Institute shall cover the costs of their travel and daily subsistence allowance, when they are on official travel on the Institute's business.

Article IX – Finance

1. The income of the Institute shall consist of:
 - (a) financial contributions allocated to the Institute by the Government of the Netherlands as defined in the Operational Agreement for an initial five-year period renewable thereafter for further fixed-term periods.
 - (b) voluntary contributions from States, international agencies and organizations, as well as other entities allocated to it for purposes consistent with the policies, programmes and activities of UNESCO and the Institute;
 - (c) such subventions, endowments, gifts and bequests as are allocated to it for purposes consistent with the policies, programmes and activities of UNESCO and the Institute;
 - (d) tuition fees collected for educational programmes;
 - (e) fees collected in respect of the execution of projects, from the sale of publications, or from other particular activities, including any overhead costs recovered;
 - (f) a financial allocation by the General Conference, on the understanding that there shall be no appropriation line provided for in UNESCO's Programme and Budget, unless the General Conference so decides for purposes it would define;
 - (g) miscellaneous income.
2. The income of the Institute shall be paid into a special account to be set up by the Director-General, in accordance with these Statutes and the Financial Regulations of the special account. This special account shall be operated and the Institute's budget administered in accordance with these Statutes and Financial Regulations of the special account.
3. Contributions in kind for an initial five-year period renewable thereafter for further fixed-term periods, will be allocated to the Institute, as defined in the Operational Agreement, including the exclusive provision to the Institute of all physical facilities necessary for the operation of the Institute, as well as the secondment to the Institute of all staff of the IHE Foundation.

Article X – Relations with the IHE Foundation

1. The IHE Foundation shall continue to employ all staff employed by the IHE Foundation prior to the adoption of the present Statutes, except for those employees whose professional posts shall be transferred to the Institute according to Article XIII, paragraph 2.
2. The IHE Foundation shall continue to own all premises, furniture, equipment and any other physical facilities and be responsible for its maintenance.
3. After the adoption of the present Statutes and the appointment of the Director, the Director shall enter into an agreement with the IHE Foundation for the purposes specified in paragraphs 1 and 2 above.

4. The agreement shall be concluded for an initial period of five (5) years and shall be renewable thereafter for further fixed-term periods, unless the Institute is dissolved according to Article XI below.

Article XI – Dissolution of the Institute

1. The Government of the Netherlands shall guarantee an initial financial contribution for a period of five (5) years. After four (4) years, the Government of the Netherlands, in consultation with the Director-General, shall request an external evaluation by an independent evaluation body, in order to determine whether its contribution should continue to be granted for a further fixed-term period. This procedure will be repeated for every fixed-term period.

2. In the event of discontinuation of the contribution, based upon the results of the external evaluation – and hence the closing down of the Institute, if so requested by the Government of the Netherlands and/or decided by the General Conference – the Director-General shall proceed with closing down the Institute in consultation with the Government of the Netherlands and in accordance with the Operational Agreement, on the understanding that there will be no costs at all to UNESCO related to the closure of the Institute.

Article XII – Amendments

These Statutes may be amended, upon recommendation of the Board, by a decision of the Executive Board taken by a simple majority of its members present and voting.

Article XIII – Transitional provisions

1. The Director-General shall make all necessary arrangements for the Institute's entry into operation once a Seat Agreement and the Operational Agreement are signed.

2. Up to five (5) professional posts of the present IHE Foundation shall be transferred to the Institute along with their incumbents who shall receive the status of UNESCO staff members.

3. Pending the first ordinary meeting of the Governing Board of the Institute the Director-General, in consultation with the present Board of the IHE Foundation, shall carry out all duties and functions of the Board.

4. At the next meeting of the Intergovernmental Council of the International Hydrology Programme six (6) persons will be elected for a seat on the Institute's Board. By draw of lot three (3) of these persons will be appointed for a period of two (2) years. Three (3) of the persons of the Board designated by the Director-General shall also serve a term of two (2) years.

ANNEX I.b

EXPLANATORY NOTE CONCERNING THE DRAFT STATUTES OF THE UNESCO-IHE INSTITUTE FOR WATER EDUCATION

Prepared by the Netherlands

1. The Netherlands envisages the UNESCO-IHE Institute for Water Education to be an integral part of UNESCO. It is hoped that its Statutes will be adopted during the General Conference in October-November 2001 and that the Institute can be operational as soon as possible after the forthcoming General Conference.
2. It is the aim of the Netherlands and the IHE that, since the Institute becomes part of UNESCO, and hence of the United Nations common system, the knowledge base of the Institute becomes available to the international community and the Institute gains greater access to the relevant international fora. Furthermore, it is believed that the Institute's demand responsiveness on education, capacity-building and institutional development in water-related issues will increase.
3. The aim is not to divert funds from UNESCO's regular budget to IHE and thus diminish the amount of funds available to the governing bodies to spend on other activities and programmes of UNESCO.
4. The Institute will rely entirely on extrabudgetary funds. There will be no mandatory contribution from the regular programme and budget of UNESCO. Consequently, the Statutes foresee that, in the event of lack of funds, the Institute would rather be closed down than become dependent on contributions from UNESCO's regular programme and budget. The details of these financial arrangements – particularly, which part would be covered by contributions in cash and which part by contributions in kind – are currently being discussed in the Netherlands and will be included in the Operational Agreement between UNESCO and the Government of the Netherlands.
5. The Statutes provide for a “sunset clause” to assess the sustained added value of the partnership, and hence the continued desirability and viability of the Institute. Since the Netherlands Government will guarantee its financial contributions for an initial period of five years, renewable thereafter for further fixed-term periods, an evaluation would take place four years after the establishment of the UNESCO-IHE Institute for Water Education. This way one year would, in any event, be left either to close down the Institute or to settle future financial arrangements. Of course, the Netherlands believes the establishment of the Institute will be beneficial to all stakeholders involved, and is confident this will remain so for a longer period of time.
6. In order to ensure a smooth start for the Institute, the Netherlands Government has requested the Director-General to appoint the present Rector of IHE as its first director. Directors thereafter will be appointed by the Director-General, upon the recommendation of the Governing Board and in consultation with the Netherlands Government, following an open recruitment procedure.
7. Up to five (5) professional posts of the IHE would be transferred to the Institute along with their incumbents, who shall receive the status of UNESCO staff members. This is included in the transitional provisions of the Statutes. It is envisaged to acquire extrabudgetary

funds from the international community for additional posts with a limited duration, which will be connected to specific projects. These posts will be filled by way of open and competitive recruitment.

8. The Institute would have alongside it a foundation, governed by Dutch law, the function of which will be to continue to employ the present staff of IHE and, subsequently, to second this staff to the Institute. The IHE Foundation will also place at the disposal of the Institute the building and all necessary physical and technical equipment, including its maintenance. In this way, the great majority of the present staff of IHE – 160 staff at present – would remain employed under Dutch law and the foundation would assume all responsibilities of an employer, including but not limited to all costs and responsibilities with regard to salaries, health insurance, pensions, etc. The only legally binding relation the Institute would enter into with the present staff of IHE would be secondment contracts. Therefore, the risk of the Institute of being financially liable for the present staff would be extremely reduced. Moreover, since there will be no transfer of assets and liabilities to the Institute, UNESCO does not run any financial risk in this regard. This will all be legally framed in a bilateral agreement between UNESCO-IHE Institute and the private IHE Foundation.

9. Being an integral part of UNESCO, the Institute has to comply with all resolutions and decisions adopted by the General Conference and the Executive Board. These include UNESCO's Staff Regulations and Rules, the Financial Regulations and the rules relating to the special accounts. The Director-General will of course ensure that effective internal controls operate within the Institute based on the work of the UNESCO Internal Oversight Service and that a biennial external audit is conducted. Also UNESCO's External Auditor, whose authority to carry out audits derives from the Financial Regulations, would have the same rights with regard to the Institute as he has vis-à-vis UNESCO as a whole.

10. Within the framework of the proposed Statutes and the above-mentioned rules, the Government of the Netherlands, the present IHE Foundation and the Director-General will agree on the details of the financial and other support to be provided by the Netherlands and the IHE Foundation as well as on the details of the functional autonomy the UNESCO-IHE Institute will enjoy.

ANNEX II

THE PROPOSED UNESCO-IHE INSTITUTE FOR WATER EDUCATION

This Annex summarizes different aspects of the feasibility of the proposed establishment of the UNESCO-IHE Institute for Water Education. Reference is made to the draft Statutes of the proposed Institute (see Annex I.a).

The advantages of the proposal are summarized for:

- the Member States;
- UNESCO, the Organization as a whole;
- UNESCO, Sector of Natural Sciences (International Hydrological Programme);
- UNESCO, Sector of Education (UNESCO Chairs and UNITWIN Networks);
- UNESCO, Sector of Social and Human Sciences (COMEST);
- the emerging documents 31 C/4 and 31 C/5;
- the United Nations system (ACC Subcommittee on Water Resources);
- IHE.

1. Intellectual feasibility

- For the **Member States of UNESCO**, the following primary advantages are to be considered:
 - (a) Improved, sustained educational and training opportunities for water professionals from developing countries and countries in transition;
 - (b) Strengthening national water-related educational institutions through collaborative partnerships and networking;
 - (c) Enhanced capability to implement integrated water resources management through knowledge transfer, human and institutional capacity-building and consultancy services.
- For **UNESCO**, the following primary advantages are to be considered:
 - (a) To provide better service to Member States in water-related education:
 - The UNESCO-IHE Institute for Water Education will strengthen national educational institutions of the Member States, through collaborative partnerships;
 - By capitalizing on IHE's alumni network and operational partnerships throughout the world, UNESCO will further increase its own network of collaborators.

- (b) Increased efficiency to implement its mandate in capacity-building for water resources management:
 - Through the establishment of the proposed UNESCO Institute, based on the support of the Netherlands and other extrabudgetary sources, UNESCO's strategic decision to focus on water issues will be substantially strengthened.
- (c) Increased capacity to deal with international water issues:
 - The UNESCO-IHE Institute for Water Education is to be seen as a potential implementing agency of the operational phase of the World Water Assessment Programme (WWAP);
 - The synergies between WWAP and the educational involvement of UNESCO – and IHP in particular – will be optimally developed through the direct involvement and coordination role of the UNESCO Division of Water Sciences.
- (d) More visibility and stronger position within the United Nations system and other international fora:
 - UNESCO will be able to keep and further develop its leadership and catalytic role in water-related education and research within the entire United Nations system and beyond;
 - Water is expected to remain in the focus of international concern for the coming decades. UNESCO could secure its high degree of involvement in this process and its leadership in water science and education.
- For the **Natural Sciences Sector/International Hydrological Programme (IHP)**, the primary advantages are the following:
 - (a) The educational capacity and infrastructure of IHE complement and strengthen the educational component of IHP;
 - (b) IHP associated courses and other continuing education and training activities could profit from the networking experience and professional advice of the new UNESCO-IHE Institute for Water Education. They can ultimately be developed into collaborative centres;
 - (c) Through the human resources development capacity of the Institute, IHP would be able to develop and to offer special modules in teaching, training and awareness-raising. Educational and awareness-raising concepts could be tested through the Institute as IHP's "delivery instrument";
 - (d) IHP could offer international standard-setting services, improve quality assurance worldwide for water-related education at graduate and continuing professional education levels;
 - (e) **All** environmental programmes of the Sector can benefit from IHE's integrated thematic approach.

- The advantages for the **UNESCO Chair and UNITWIN programmes** of the Education Sector are summarized as follows:
 - (a) For UNESCO Chair-holders in the academic fields related to the Institute's profile, "in-house" opportunities for sabbatical placement can be offered;
 - (b) UNESCO's water-related UNITWIN Networks would benefit from the proposed Institute's networking schemes;
 - (c) Strengthening of UNESCO's cross-cutting (intersectoral) efforts.
- The possible advantages of UNESCO's involvement in the ethical aspects of water science and management COMEST Subcommission on Water Ethics of the Sector of Social and Human Sciences.

The Institute will support two networks:

- (a) RENEW of COMEST/SHS (Research and Educational Network for Ethical Water Use); and
 - (b) GOUTTE of Water of IHP (Global Organization of Universities for Teaching, Training, and Ethics of Water).
- As far as the emerging documents **31 C/4** and **31 C/5** are concerned, both cross-cutting priorities:
 - poverty eradication;
 - new information and communication technology (ICT);

could benefit from the establishment of the UNESCO-IHE Institute for Water Education.

- (a) IHE's present activities already contribute to the overall objective and several strategic objectives of document 31 C/4 as stipulated for water sciences.
- (b) The Institute will be instrumental in implementing the water programme of document 31 C/5 with an emphasis on the main line of action 2: Water Interactions and Security.
- (c) The services of the Institute will remain to be targeted towards developing countries and countries in transition. The human resources capacity development is recognized as a prerequisite for sustainable reduction of poverty.
- (d) In the area of ICT, IHE has a leading role. It was at IHE that the new "discipline", hydro-informatics, was conceived and developed to a M.Sc.-level education module.

- **ACC Subcommittee on Water Resources**

UNESCO has a clear mandate on leadership in science and education; thus the entire Subcommittee supports UNESCO in exerting this leadership for the benefit of all agencies and their common owners, the Member States.

- For **IHE** the advantages are summarized as follows:

- (a) IHE has an international mandate but a national organization form. As a UNESCO Institute – on sustained extrabudgetary funding – its international growth dimension is strengthened, giving Member States more flexible access to IHE's services;
- (b) IHE can “service” more directly from within the water-related educational efforts of other United Nations agencies as well;
- (c) It can create collaborative partnerships with a truly international mandate and setting;
- (d) These advantages are also such as are sought by the Government of the Netherlands.

2. Organizational and budgetary feasibility

By way of transforming an existing (national) institution (IHE) into a UNESCO-IHE Institute for Water Education, a new innovative partnership will be established. The proven operation and track record of IHE should be enhanced rather than changed, in order to create the “win-win” situation, first of all for the benefit of Member States. The envisaged establishment and functioning of the Institute will remain cost-neutral as far as the regular budget of the Organization is concerned.

It is envisaged that the future UNESCO Institute will have only a nucleus of UNESCO staff members. It is foreseen that only the Director and the most senior administrative personnel will become staff members of the Organization funded by extrabudgetary resources.

The present IHE Foundation will continue to exist as the owner of the physical facilities and employer of the remaining staff. The Foundation's objective will be to support the future UNESCO Institute by providing free of charge the facilities and the secondment of academic and General Service staff to the UNESCO Institute. The seconded staff will work under the authority of the Director of the UNESCO-IHE Institute for Water Education.

UNESCO, the present IHE Foundation and the Government of the Netherlands will enter into an Agreement specifying the rights and obligations of the respective parties, in particular the financial support to be provided by the government and/or the IHE Foundation to the UNESCO-IHE Institute.

While the proposed UNESCO-IHE Institute for Water Education will be an innovative new partnership rather than a newly created decentralized unit of the Organization, its concept and envisaged functional autonomy have been reviewed in light of 30 C/Resolution 83 (*Draft Guidelines for the Rational Implementation of Decentralization*) of the 30th session of the General Conference of UNESCO.

The basic criteria, as summarized by Resolution 30 C/83, were observed throughout the conceptualization and consultative process leading to the submission of the proposal to establish the UNESCO-IHE Institute for Water Education. The numbering of the paragraphs reflects that of Resolution 30 C/83.

1. (a) *The creation of the decentralized body shall be demonstrated to be the most effective way of delivering the objectives approved by the General Conference;*

Comments: As outlined in paragraphs 10, 12, 13 and 15 of the document and in Section 1 of this Annex, the achievement of programme objectives of both IHP and also other main lines of action of documents 30 C/5 and draft document 31 C/5 will be enhanced through the proposed Institute.

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- (b) *Any decision to establish a new decentralized body should be subject to consultation and coordination with the concerned National Commission;*

Comments: The National Commission for UNESCO of the Netherlands has been fully informed and involved in the consultation process. Its President is a member of the Drafting Committee which prepared Annex I. The present Rector of IHE is a member of this Commission.

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- (c) *The mandate of the decentralized body shall be strictly confined to the programmes and activities of UNESCO;*

Comments: The process to explore the options of a close UNESCO-IHE partnership has been based on the perceived unity of purpose in the relevant field of water education. The Statutes will ensure that the mandate of the Institute is in line with programmes and activities decided on by the General Conference.

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- (d) *Resources for the financing of the decentralized body – including programme, personnel and functioning costs – shall be identified and clearly set out in the Programme and Budget;*

Comments: The proposed Institute will be entirely funded through extrabudgetary sources: by the basic subsidy provided by the Government of the Netherlands, by its scholarship programmes and by other extrabudgetary sources. The existing IHE has proven its ability to attract these funds. The necessary autonomy enabling the UNESCO-IHE Institute for Water Education to continue to do so will be specified in the Operational Agreement. Building on the educational infrastructure of the Institute, IHP's educational activities could be implemented directly by the Institute using IHP's respective regular budget components. Towards this end, close collaborative mechanisms between IHP and the Institute will be established. No increase of regular programme budget, functioning or personnel costs is envisaged; thus the establishment of the Institute is cost-neutral as far as the regular budget of UNESCO is concerned.

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- (e) *The activities carried out by the decentralized body shall clearly complement those of existing Headquarters sectors or programmes or other decentralized bodies within UNESCO, so that duplication of activities is avoided;*

Comments: The educational activities of the UNESCO-IHE Institute and of IHP's will be synchronized, thus duplication is not only avoided but activities will rather be

enhanced. The IHP Secretariat of UNESCO Headquarters can concentrate more on water education policy issues and coordination. Through the regional networks of the IHE, UNESCO regional and cluster offices and related UNESCO regional initiatives will gain competent new partners.

- (f) *The decentralized body shall coordinate activities, and whenever possible share facilities, with the local representations of the other specialized agencies, funds and programmes of the United Nations system;*

Comments: IHE already has active cooperation with several specialized agencies and programmes of the United Nations system (UNDP, World Bank). It is expected that as part of UNESCO, these contacts can be even intensified. The proposed UNESCO Institute can be seen as the centre for higher education on freshwater issues of the entire United Nations system.

- (g) *The decentralized body shall be subject to a periodic review by the Executive Board that will make a recommendation in order to decide on its future. In the case of institutes, such reviews should be conducted at four-yearly intervals. For other decentralized bodies, such reviews should be conducted at two-yearly intervals;*

Comments: The needed regular control by the Executive Board is foreseen in the draft Statutes of the proposed Institute. Furthermore, see also Section 3 “Analysis of possible risks” of this Annex.

- (h) *The decentralized body should be reviewed by the Executive Board, taking into account the evaluation performed by the National Commission concerned;*

Comments: Ditto.

2. *Decentralized bodies shall be regulated by a common set of administrative and financial rules and procedures. Reasons for an exceptional departure from such standard rules and procedures shall be transmitted to the Executive Board, for its consideration and approval.*

Comments: The attached draft Statutes (see Annex I) and any eventual modifications thereof, will be complemented by additional internal rules and regulations which would be approved in accordance with the required procedures.

3. *Joint United Nations field representation or the dispatch of time-bound missions with a specific task shall be preferred to the establishment of decentralized bodies. Priority shall be given, in this regard, to least developed countries.*

Comments: The objective of the Institute is to provide educational and related advisory services and develop institutions in the developing countries. Education is a long-term commitment. The solution of water problems on a world scale would also take several decades. Thus, the establishment of an international Institute of Water Education as a decentralized body of UNESCO is warranted.

4. *Decentralized bodies shall normally be all-purpose regional and subregional offices. The establishment of UNESCO offices at the national level shall be considered only in exceptional circumstances and for a limited period.*

Comments: This point is not directly applicable to the proposed Institute.

5. *The Executive Board shall receive, every two years, at its autumn session, a comprehensive evaluation report on the activities and results of all decentralized bodies during the previous year, for its consideration, approval and transmission to the External Auditor. At the request of the Executive Board a progress report on actions taken may also be provided on a yearly basis.*

Comments: This requirement is addressed by Article V.1(d) of the draft Statutes (see Annex I).

3. Analysis of possible risks

The following table lists potential risks and envisaged mechanisms to deal with them during the establishment and operation of the Institute.

Potential risks	Precautionary action	Remedial action
The Netherlands Government does not extend its financial support beyond the committed period.	<p>The Netherlands Government provides UNESCO with extrabudgetary support for UNESCO staff.</p> <p>Part of the Netherlands subsidy is reserved for severance allowances administered by the Institute.</p>	The UNESCO-IHE Institute for Water Education is closed down. UNESCO staff is compensated in accordance with UNESCO's Staff Rules and Regulations, using the reserved part of the Netherlands' subsidy, at no cost to UNESCO, as defined in the Operational Agreement between UNESCO and the Government of the Netherlands.

Potential risks	Precautionary action	Remedial action
<p>The Institute's operation/development not fully in conformity with objectives set by the UNESCO General Conference.</p>	<p>The educational policy of the Institute will be decided upon by its Governing Board where UNESCO's IHP is represented.</p> <p>Annual reports of the Director to the Director-General of UNESCO.</p> <p>Biannual reports to be reviewed through IHP Intergovernmental Council.</p> <p>One year before Netherlands support extension: an external evaluation by an independent body upon request by the Netherlands and UNESCO.</p>	<p>Implementation of recommended rectifications, as instructed by the Director-General, and/or as advised by the IHP Council/auditors.</p>

ANNEX III

THE INTERNATIONAL INSTITUTE FOR INFRASTRUCTURAL, HYDRAULIC AND ENVIRONMENTAL ENGINEERING (IHE) AT PRESENT

At present, IHE is a private non-profit foundation under Dutch law. It is governed by a Board of Trustees on which several ministries of the Government of the Netherlands are represented. The Institute has 160 permanent staff, 90 of which are in teaching/research functions. Over 450 regularly invited lecturers from other academic and professional institutions ensure a very broad knowledge base and practical relevance. The annual budget is approximately US \$21 million, of which 30% is guaranteed by the budget of the Ministry of Science and Education, and an additional 50% is provided through funds of the Netherlands Development Agency (a directorate-general of the Ministry of Foreign Affairs). The rest stems from other ministries (Public Works, Public Health, Environment, Agriculture, etc.), United Nations agencies, the World Bank, the European Union, donor agencies and private companies. IHE hosts several international networks such as CAPNET (UNDP/Global Water Partnership initiative) and IRC (International Water and Sanitation Centre of the Water Supply and Sanitation Collaborative Council).

IHE is a reference for human capacity-building and for water and environmental resources management. IHE and UNESCO have a long history of fruitful cooperation, ever since the beginning of the International Hydrological Decade.

IHE's diploma and master courses are associated with IHP. Cooperation with IHE is budget neutral as far as the regular IHP programme budget is concerned.

Examples of present activities:

- Cooperation with Sana'a University, Yemen: IHE developed a programme financed by the Government of the Netherlands which included postgraduate training courses in hydrology, water resources management.
- The riparian States of the Nile river agreed to join a dialogue with a view to share and jointly manage the water resources of the Nile. IHE is delivering lead consultative services with regard to related training needs.
- In a project jointly financed by the Government of the Netherlands and the Government of China, IHE is developing an integrated master plan with a view to gradually restoring the ecosystem of Lake Taiku which has been critically polluted due to rapid economic growth.

ANNEX IV

LIST OF ABBREVIATIONS

(This list contains only those abbreviations which are used in the text without having been spelled out at the first use. Abbreviations in common use, like UN and UNESCO, are not listed either.)

ACC	Administrative Coordinating Committee (of the United Nations system)
CAPNET	Capacity-Building Network for Integrated Water Resources Management (a UNDP project hosted by IHE Delft)
COMEST	World Commission on the Ethics of Science and Technology of UNESCO
ICT	Information and Communication Technology
IHD	International Hydrological Decade (1965-1974)
IHE	International Institute for Infrastructural, Hydraulic and Environmental Engineering
IHP	International Hydrological Programme (since 1975)
NL	The Netherlands
SHS	Social and Human Sciences Sector of UNESCO
UNDP	United Nations Development Programme
UNITWIN	University Networking Programme of UNESCO's Education Sector
WWAP	World Water Assessment Programme (at UNESCO)