

February 28, 2006

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*Subject: The Tisza River Development Program: Working Group Meeting,
Brussels, March 10, 2006*

Dear Ms./Mr.,

As you might remember this is a cross-border initiative, embracing five countries (Hungary, Romania, Serbia and Montenegro, Slovakia, Ukraine) along the Tisza River with a population of approximately 15.7 million, with the objective of helping improve the life of the communities living along the Tisza River. This is the only geographical region currently in Europe that embraces 2 EU members (Slovakia and Hungary), 2 EU candidates (Romania, and Serbia and Montenegro), and 1 European Neighborhood Policy partner country (Ukraine). This is a unique and intensively complex space/region which condenses important legal, environmental, economic and social issues Europe will eventually have to face and resolve. These include, for instance, water poisoning and flood problems, originating from outside of the EU, though affecting the EU's territory, as well.

Two of the five affected countries are new European Union members that pledged to fulfill their commitments as emerging donors. Both Slovakia and Hungary along with the rest of the EU members adopted the European Union Statement on Aid Effectiveness (March 2, 2005) and the European Consensus on Development (November 23, 2005). In these statements, it was stated, "national ownership, donor coordination and harmonization, starting at field level, alignment to recipient country systems and results orientation are core principles." Also, the Consensus sets out that the "EU will advance coordination, harmonization and alignment".

In sum, this Program could very well demonstrate and/or pilot how two new donors coordinate their development activities not only among each other, but also with the next waves of potential EU members and a European Neighbourhood Policy partner country, to achieve higher scale and sustainable results at a coordinated and harmonized fashion. In addition, a true ownership demonstrated by the five countries largely contributes to the expected final positive outcomes. The Tisza Development Program can thus, represent an interesting development cooperation program among EU members, potential candidate countries and a European Neighbourhood Policy partner country.

Technical international development agencies, such as the Tisza Committee, The United Nations Development Program (UNDP), and the Food and Agriculture Organization (UN/FAO) are aware of this initiative and endorse its importance.

During the past years, various bilateral meetings had been held with the affected five countries' representatives (Hungary, Romania, Serbia and Montenegro, Slovakia, Ukraine) both at government and civil society levels.

We think that the time is by now mature enough to bring all these actors together in the framework of a short Working Group meeting and discuss concrete next steps to make the initiative ready for its official launch envisaged for late September 2006. The official launch will result in the signing of an International Charta by representatives of the five countries and the international development agencies.

We plan to start the working group meeting at 2:00 PM on March 10 (Friday) and end with a dinner. The detailed program of the meeting, as well as the list of participants is attached to this letter.

Further information about the Tisza River Development Program is attached to this letter, including the draft text of the Charta.

Sincerely:

Bela Jarolics, Director
IHLET Research Center of Social, Environmental and Economic Matters

Attachment: Background of the Tisza Development Program.

The Tisza River Development Program -- Background

The Tisza Development Program is initiated by IHLET, a non-profit Research Center of Social, Environmental and Economic Matters, established vis-à-vis the Regional Environmental Technology Center (RETC) in 1998. IHLET's Tisza Development Program is a cross-border initiative, embracing five countries (Hungary, Romania, Serbia, Slovakia, Ukraine – see chart 1 below) along the Tisza River. The target area of this regional cooperation is 154.039 km², with a population of approximately 15.7 million.



The Program's primary goal is to develop the Tisza Watershed from three perspectives:

1. Environmental protection;
2. Economic development;
3. Social development.

This holistic development policy approach reflects the essence of the Johannesburg Declaration whereas only considering these pillars as inseparable can sustainable development be achieved.

A regional cross-border cooperation along the Tisza Watershed is especially important in light of the more frequent and severe floods, and recent cyanide poisonings and other water quality incidents. The Tisza Watershed area is also the place with several communities living in extreme poverty, the majority of them of Roma origin. Also, in general, this area is economically declining or stagnating, not attracting significant investment and trade opportunities.

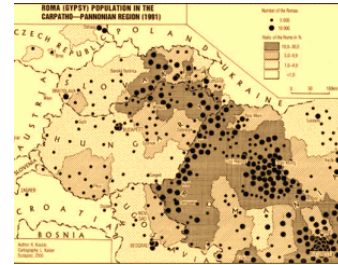
The Tisza Development Program (TDP) builds on a network of local governments and civil society organizations, including business enterprises and research institutes, attempts to address these issues by creating a cross-border spatial data infrastructure for the Tisza Basin. 80% of data used in public administration is directly or indirectly spatial in nature, e. g. addresses, real property ownership registration numbers, regulatory zones, neighbourhood, use of public areas, etc. A harmonised and co-operative utilisation and exchange of such data, using the network of IHLET, could increase the efficiency and, thus the impact of managing environmental, social and economic problems.

The Program, thus, aims at establishing an environmental and flood protection system, building on a unified and harmonized watershed management. This will include the development of a cohesive environmental monitoring system, able to respond to special local requirements and needs, and to take on an essential prevention role, providing timely warnings and action plans.

The Program will also set up the social cadastre of the affected cross-border area, identifying the most impoverished settlements, those that offer unhealthy living conditions. The Roma is the most affected social group (see chart 2 below) in the area, requiring supportive social policies and employment generation. It is essential

for the respective local governments, as well as national and international development agencies to get access to an unbiased and reliable source of information or a database, defining the settlements and geographical areas that need attention.

Chart 2: Spatial Distribution of Roma in the Tisza Watershed



Finally, in order to achieve long term and thus, sustainable development, the region's ability to attract investment and promote trade is of primary importance. The Program will assemble, synchronize and collate spatial data that could become useful and valuable for investors, even foreign ones. A systemic database offers possibilities for different types of analysis, necessary to launch economic activities. This component of the Program will also have a positive impact on labor market analysis and actual employment generation.

As you can see, this is a truly cross-border cooperation project, with 48 offices in five countries (see chart 3 below). It builds on the network of local governments and other local players, creating synergies and launching common actions among the five affected countries. TDP uses local government funds and those gained through the economic development component. These funds will then get re-channeled into the social and environmental components.

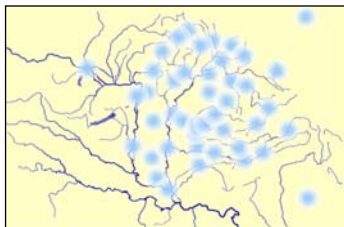


Chart 3: The Distribution of the 48 Offices/End Points of IHLET/TDP

An international Charta (see table 1 below), laying down the principles of the program and the involvement of the different players, is expected to be signed by the respective Ministers or Prime Ministers of the five affected countries, representatives of the involved international financial institutions, the 48 local offices, and other founding partners. The Charta will be signed during a high-level ceremony potentially in Hungary, around end of September 2006.

Draft Text of the CHARTA

"The Tisza River Development Program is supported by local authorities, business enterprises and research institutes who create, maintain or utilise geo-databases. By signing the Charta, these organizations and individuals declare their intention to actively participate in the establishment of the conditions necessary for the creation of a cross-border spatial database infrastructure for the Tisza Basin. They undertake tasks regarding the optimization of services and the creation of user-friendly electronic access to these geo-databases.

The database to be established will have a positive impact on the sustainable development of the Tisza Basin. It supports the management of environmental, economic and social issues.

We commonly define what is considered as „settlements not meeting the basic social requirements“ and the criteria for their cadastre-based application. Such work contributes to the social inclusion of, principally Roma, communities of the affected regions, in addition to the gradual and planned elimination of these settlements.

Our objective is to further develop the electronic cooperation of the region, improve the international quality of the service, and facilitate access to the services provided by the respective countries.

We use the EU standards recognized in data processing and the modeling of geo-databases. We also strive for system-neutral data transfer. We support the integrated electronic cooperation among different public administration agencies, as well as the business sphere and the civil society.

The Tisza Development Program is an opportunity to start from a focus on river basin environmental management to build human, technical, and organizational capacity and eventually, move towards a comprehensive spatial strategy for the Tisza Basin."

The Tisza River Development Program – First Working Group Meeting

Brussels, March 10, 2006

PROVISIONAL AGENDA

March 10, 2006: 4 Rue du Trone; 1000 Brussels, Belgium

Time	Activity
2:00 – 2:10 PM	Opening by Bela Jarolics, Director, IHLET
2:10 – 2:20 PM	Opening by Franz Kaps, Special Representative of the World Bank Group for South East Europe
2:20 – 2:30 PM	Opening by Jose Javier Paniagua, Principal Administrator, Relations with the UN System, Member States and other OECD Donor, The European Commission
2:30 – 3:30 PM	Project introduction and working groups discussions moderated by Bela Jarolics: <ul style="list-style-type: none">- Project summary.- Relevance to the country representatives.- Relevance to the international development agencies.- The signing of the Charta in September 2006. Actions to be taken until the signing of the Charta by the individual country representatives.
3:30 – 5:30 PM	Common Initiative for an SDI Driven Development of the Tisza Basin by Adam Podolcsak
5:00 – 5:30 PM	Conclusions and next steps by Bela Jarolics and Franz Kaps
5:30 – 6:00 PM	Walk to the Restaurant
6:00 PM	Dinner

The Tisza River Development Program – First Working Group Meeting

Brussels, March 10, 2006

List of Participants

	Name	Country	Title
	Ms. Judit Csoka	Hungary	Head of Department, Hungarian Office for Territorial and Regional Development
	Dr. Peter Gelleri	Hungary	Director, Research Institute for Policy Support, Budapest Technical University
	Mr. Adam Podolcsak	Hungary	Hungarian Association of Geographic Information (HUNAGI)
	Mark Pinter	Hungary	Consultant, International Lawyer
	Ms. Vivien Gyuris	Hungary	Consultant – International Development
	Ms. Anemarie CIUREA	Romania	Dep. Director Directorate for Water Management, Ministry of Environment and Water Management
	Jovan Miljkovic	Serbia and Montenegro	FDI Advisor SIEPA Serbia Investment and Export Promotion Agency
	Zuzana Ruzicka	Slovak Republic	Permanent Representation of the Slovak Republic to the European Union
	Oleg Melanchuk	Ukraine	Senior Counsellor, Ministry for Catastrophe Management
	Olegsandr Bondar	Ukraine	Representative of Ukraine Ecological League
	Rudolf Schneeberger	Switzerland	Dipl. Ing. ETH - ITV geomatik AG. Company
	Jose Javier Paniagua Garcia	The European Commission	Principal Administrator – Relations with UN System, Member States and other OECD Donor, EC
	Franz Kaps	The World Bank	Senior Partnership Advisor and Special Representative
	Dr. Krisztina Kiss	UNDP	Country Liaison Officer
	Joergen Maersk Pedersen	UN/FAO	Sub-Regional Representative
	Bela Jarolics	Hungary -- IHLET	Project Director
	Miklos Mariafoldy	Hungary -- IHLET	Project Manager

* To be confirmed.