

ENVIRONMENT DIRECTORATE  
ENVIRONMENT POLICY COMMITTEE  
TASK FORCE FOR THE IMPLEMENTATION OF THE ENVIRONMENTAL ACTION  
PROGRAMME FOR CENTRAL AND EASTERN EUROPE, CAUCASUS AND CENTRAL ASIA

**PROGRESS IN IMPLEMENTING THE EAP TASK FORCE PROGRAMME OF WORK IN 2005**

16-17 November 2005, Yerevan, Armenia

**Agenda Item 5 (ii)**

*ACTION REQUIRED:*

*Delegates may wish to discuss progress in implementation of the EAP Task Force Programme of Work in 2005 to:*

- a) support specific objectives of the EECCA Environment Strategy; and*
- b) support and facilitate the achievement of the objectives of the EECCA Environment Strategy overall.*

For more information, please contact Aziza Nasirova, Environment Directorate, Non-Member Countries Division, Tel:+33 (0) 1 45 24 79 04 - Email: aziza.nasirova@oecd.org

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## **PROGRESS IN IMPLEMENTING THE EAP TASK FORCE PROGRAMME OF WORK OCTOBER 2004 - SEPTEMBER 2005**

### **PART 1: AN OVERVIEW**

The first part of this Progress Report provides an overview of some of the main activities of the EAP Task Force since its last meeting in October 2004, and describes how they relate to the overall objectives of the EAP Task Force established following the Kiev Ministerial meeting. It has been prepared following a request made at the last EAP Task Force Bureau meeting for such a report. It complements the project-by-project report on progress in the second part of this report.

2005 marked the mid point between the 2003 Kiev and 2007 Belgrade “Environment for Europe” ministerial meetings. Overall the programme is “up and running”, and the first results from the new programme of work adopted after Kiev began to appear. All the major programme goals were achieved. This progress was linked to the momentum generated in 2003-4, and to the relatively stable staffing and financing compared to previous years. Thanks to the strong support from a small group of donors, the resources received broadly matched those required to implement the agreed programme<sup>1</sup>.

There were some delays in implementing some activities due to the changing political situation and/or administrative reforms in some countries during 2005.

The major event during 2005 was the Yerevan ministerial meeting (which had not taken place at the time of writing). This event was the major focus of the Water team, and required a strong involvement of the Finance and the EAP Task Force management and support teams.

Guidance for work was provided by EECCA Environment Ministers and their partners, and by the EAP Task Force at meetings in October 2004 in Tbilisi. Two meetings of the EAP Task Force Bureau in February and June also provided important guidance and initiated a discussion on the future of the EAP Task Force and PPC after the 2007 Belgrade ministerial meeting.

A summary of activities is provided below under the following headings:

1. Water supply and sanitation
2. Public environmental finance
3. Effective and efficient environmental policies
4. EECCA Environment Strategy support

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1. In the period 2002-5, the financial support for the EAP Task Force has gradually stabilised with seven donors accounting for more than 90 per cent of its budget: EC, Germany, the Netherlands, Norway, Sweden, Switzerland and the UK. The EC has emerged as the largest contributor, accounting for about one-quarter of the budget in this period. The budget for 2005 was approximately €3 million.

## *1. Water supply and sanitation*

Work on water aims at reversing the deterioration of water supply and sanitation infrastructure and supporting the achievement of the water-related MDGs. The guiding principles adopted at the Almaty Ministerial meeting in 2000 provide the framework for developing specific activities of highest priority to EECCA countries. Work is overseen by the Group of Senior Officials for Reform of the Water Supply and Sanitation Sector in EECCA. In view of the increased convergence of interest with the Environmental Finance Network, the two bodies met back-to-back, and with a joint session, for the first time in 2005. These meetings were also organised in conjunction with a meeting of the EECCA component of the EU Water Initiative, allowing synergies between the various activities to be more fully exploited and meeting costs substantially reduced.

In 2005, the Yerevan Ministerial meeting provided the main focus for work. Activities were geared to producing and agreeing on the main reports and issues for discussion to be submitted to ministers. Two preparatory meetings were organised for this purpose; one in Moldova in March and the other in Paris in June.

One essential element of work was to analyse trends in the water sector so as to provide a better basis for policy-making. This involved several activities:

- Performance indicators for water utilities in 9 EECCA countries were collected; training was also provided with a view to institutionalising the collection of such data
- An assessment was made of EECCA countries progress in achieving the water-related MDGs
- The legal and administrative reforms implemented in 6 EECCA countries were reviewed with respect to the recommendations contained in the Almaty guiding principles
- In response to a request during the preparatory process for the Yerevan ministerial conference, the situation and challenges of the rural water sector were analysed.

These reports laid the basis for preparing an overall assessment of progress in reforming the water sector in EECCA countries for the Yerevan conference. The report showed that while there had been some progress in introducing new legislation, raising tariffs, improving billing and reducing water consumption, the overall trend showed a continued decline in the quality of water infrastructure, with important implications for human health and economic activity.

One outcome of the analysis of the water-related MDGs was that the official monitoring organised by WHO and UNICEF was shown to be deficient and presented an overly-optimistic view of progress in the EECCA region. As a result, the OECD/EAP Task Force secretariat has held discussions with WHO and UNICEF with a view to improving the methodology and data collection for assessing progress in achieving the water-related MDGs.

A second strand of work concerned legal and institutional reform. Guidelines for performance-based contracts were finalised based on case studies in Russia and Ukraine. The Guidelines are intended to address one of the most important bottlenecks to improved performance in the water sector; namely to clarify the relative roles of municipalities and water utilities in providing water services to the local populations, including how they are financed.

Opportunities and obstacles to private sector participation in the water sector were also examined. A roundtable on this issue will be organised back-to-back with the Yerevan ministerial conference together with the World Bank. This is the fourth in a series of such events. Two papers were commissioned for the 2005 roundtable. The first paper was prepared by international private operators. It concluded that this group of operators had some incentives to sell their managerial and technical know-how to improve the operation

of water utilities in some EECCA countries, but they were averse to investing their capital. The second paper reviewed experience with the domestic private sector. It showed that in Russia, water is provided to as much as 11% of the urban population by domestic private suppliers. However, there are questions about the sustainability of the current arrangements.

The third strand of work concerned financial reform and its social impacts. It was carried out in close cooperation with work on public environmental finance (see below). In particular, the social implications of different financing scenarios were examined as part of work on financing strategies for the water sector in Armenia and Georgia. This has provided valuable guidance for designing tariff policies in ways that allow continued access to water services by poorer consumers. In Armenia, this has allowed tariffs to be increased and the financial position of water utilities improved.

The other element of work in this area concerned the development of a financial planning tool for water utilities. Application of this type of tool is urgently needed to help establish water utilities on a sounder financial footing. The tool has been developed through a demonstration project at the water utility in Bishkek. It complements related work on financial planning in municipalities that was conducted in earlier work.

## ***2. Public Environmental Finance***

Work in this area aims to support EECCA countries to make the most cost-effective use of scarce public financial resources available for environmental expenditures and to identify mechanisms for mobilising additional finance for environmental purposes. Work in this area is overseen by the Environmental Finance Network which brings together representatives from Finance/Economics and Environment Ministries, from Environmental Funds, from the local level and from donors and IFIs. As mentioned above, it met with the equivalent group for the water sector for the first time in 2005.

In 2005, work on a finance strategy for wastewater in Armenia was concluded and published in English, Russian and Armenian. Work also began on a project to implement the results of this strategy into the medium-term expenditure framework in Armenia. This activity, which is being carried out in conjunction with a UK project to support the establishment of a medium-term expenditure framework in Armenia, could serve as a useful model for how public or donor funds could be used to channel finance to the water sector in a stable and predictable manner in order to achieve policy goals, including the water-related MDGs.

A finance strategy for the water sector in Georgia was also concluded and is being prepared for publication. One distinctive feature of this study was an assessment of the options for achieving the water-related MDGs. The study indicated that the Georgian government may face the politically difficult choice of providing a smaller number of urban dwellers with in-house access to water services or a larger number with access to out-house facilities. As with the Armenian study, there was a close involvement of all relevant ministries in order to create the necessary ownership and to facilitate implementation of the findings.

Some of the main policy conclusions and recommendations emerging from the EAP Task Force's work on finance strategies for the water sector were summarised in a brochure that was disseminated at the April 2005 meeting of the UN Commission for Sustainable Development. Some of these results had also been presented in a side-event at the 2004 meeting.

In related work, a module for rural water supply and sanitation was integrated into the FEASIBLE model used to develop finance strategies. This will enable the tool to be used to develop strategies for both urban and rural water supply and sanitation, rather than just for the urban sector as had previously been the case. Given the important challenges that exist in the rural sector, this will facilitate the development of strategies for achieving the water-related MDGs. The model is now ready to be tested in a demonstration project.

A demonstration project to develop a finance strategy for municipal waste in Rostov, Russia was concluded and published. Several training sessions in the use of the FEASIBLE model, as well as training in the use of the tool for financial planning for municipalities, were organised. They targeted both government representatives as well as experts in institutions that could help government officials in the future. The establishment of local capacity to support further work in these areas was a clear objective.

Work to align the systems for collecting environmental expenditure data in the Kyrgyz Republic and Ukraine with those of OECD/Eurostat has been concluded. A regional workshop will be held in Kiev in October 2005 to share this and other relevant experience with other EECCA countries. Better information on environmental expenditures establishes a better basis for managing them. From the EAP Task Force perspective it also facilitates a better comparative analysis of trends in environmental expenditures in EECCA countries.

Work began in 2005 to review the performance of the Ukrainian National Environmental Fund. The review methodology draws on earlier EAP Task Force work on good practices for environmental expenditure management and the approach for assessing creditworthiness of institutions applied by an international credit rating agency. The aim is to recommend how the existing resources of the fund could be used more cost-effectively and in this way increase the ability of the fund to attract additional resources from national, donor or IFI sources. A successful outcome could result in the fund serving as the financial intermediary for a substantial IFI loan.

A report on opportunities for, and obstacles to, harnessing local capital and financial markets to finance water and other environmentally related infrastructure was concluded. Case studies of Russia, Ukraine and Kazakhstan formed the basis for the review. Municipalities in most OECD countries finance water and other infrastructure, in part, through commercial bank loans or municipal bonds that are repaid through the lifetime of the assets. As EECCA countries establish more market-based societies, these options will become more accessible. At present though, the report concluded that current state of public finance systems in EECCA countries only allowed Russia and Ukraine to possibly move in this direction in the short-term.

A paper on intergovernmental transfers as a mechanism to finance environmentally related infrastructure was prepared based on case studies in Russia, Ukraine, and Armenia. These transfers are a major source of finance for the water sector in EECCA countries because the decentralisation of governance is not yet matched by sufficient financial autonomy of municipalities. The paper, which served as a background document for the Yerevan ministerial conference, analysed alternative ways of designing such transfers so that they best serve environmental objectives.

Work on pre-feasibility studies for debt for environment swaps in Georgia and the Kyrgyz Republic were concluded. In the case of Georgia, five potential project pipelines were also developed and evaluated. The two countries are now working with their creditors, with support from the World Bank and UNDP, to determine whether debt-for-environment swaps are, in fact, feasible. In absolute terms the amounts involved would not be large – of the order of several millions of euros – but, relative to existing environmental expenditures in the countries concerned, they could be significant. In light of the Monterrey conference on financing for development, donors may be more willing to consider this type of financing option than before.

### ***3. Efficient and effective environmental policies***

Work in this area aims to assist EECCA countries to redesign environmental policy instruments and institutions to make them more environmentally effective and economically efficient. Work is overseen by

the Regulatory Environmental Programme Implementation Network (REPIN) which will meet in Moscow in October 2005.

A major focus of work in 2005 was on reform of environmental permitting which is a fundamental tool of environmental management. EECCA countries have fragmented permitting systems which are neither effective nor efficient in achieving environmental objectives. They have expressed the desire to use the principles embodied in the EU's IPPC Directive as a benchmark against which they could reform their current systems. In response to this demand, detailed Guidelines for Integrated Environmental Permitting were developed in cooperation with EECCA representatives and published in May 2005. An accompanying report targeting policy makers was also prepared setting out guiding principles for effective environmental permitting systems.

Building on the analyses in these documents, recommendations were developed for how the transition to integrated permitting could be made in Ukraine and the Kyrgyz Republic. Close cooperation was established with the World Bank and Sweden who plan to use the EAP Task Force guidelines to assist the Ukraine in reforming its permitting system. Similarly, the EAP Task Force secretariat is working closely with Finland and the EBRD to support the introduction of integrated permitting in Kyrgyzstan. Training sessions on integrated permitting were also organised for Central Asia and western EECCA countries based on the guidelines.

Discussions were held with Moldova and the UNDP on the development of a project to reform water quality standards. Currently such standards are more stringent than those in most OECD countries and undermine the credibility of environmental ministries in EECCA countries. Reform of these standards is also a crucial complement to reform of the permitting system.

A report on the reform of pollution and product charges in Armenia was finalised and has been adopted by the Armenian Environment Ministry.

A second area of work related to the reform of environmental policies and institutions concerned environmental enforcement and compliance. Work focused on reforming the instruments used by environmental inspectorates to ensure environmental compliance as well as on strengthening enforcement and compliance institutions.

The aim of work on instruments is to support the introduction of a broader mix of instruments for achieving compliance with environmental requirements. Many of the instruments used previously were exclusively punitive, failed to provide any incentives for compliance, and created opportunities for corrupt practices by some inspectorates.

One alternative approach to existing practices involved the introduction of a performance rating and information disclosure (PRIDE) scheme in Ukraine, drawing on experience from other regions of the world. Work was launched with the World Bank on a common methodology for developing such schemes more widely in EECCA countries with the aim of mobilising public opinion to promote compliance with environmental requirements. Recently, similar schemes were also launched in Kazakhstan and the Russian Federation.

Another innovative instrument is self-monitoring of environmental performance by industry. A pilot project was implemented in Kazakhstan aiming to reform the self-monitoring by enterprises. Policy recommendations to amend the relevant primary and secondary legislation and a technical guidance document were prepared in cooperation with the Kazakh authorities. Self-monitoring, which is widely used in OECD countries, aims to shift some of the costs and assign more responsibility for monitoring compliance to enterprises.

Methods for financing enforcement and compliance activities were examined, initially through an assessment of administrative charges (for permitting and inspection) used in OECD and CEE countries. Such charges can generate revenues to finance the running costs of inspectorates. Revenues generated in this way could help reduce pressure to use pollution charges to cover administrative costs, as is often the case at present in EECCA countries, rather than as incentives for better environmental performance or as a source of finance for environmental investments.

Work on institutional strengthening of enforcement institutions was focused on supporting the implementation of the “Guiding Principles for Reform of Environmental Enforcement Authorities in Transition Economies of EECCA” that were endorsed at the Kiev ministerial meeting.

Two peer reviews, involving reviewers from OECD, EECCA and new EU members, were conducted in the Kyrgyz Republic and Armenia. The recommendations and findings of the Kyrgyz Peer Review, published in three languages, were presented in Kyrgyzstan and accepted by the Kyrgyz authorities. The review of environmental enforcement in Armenia will be presented at the October 2005 meeting of REPIN. A member of the OECD/EAP Task Force secretariat also participated in the UNECE Environmental Performance Review of Moldova and wrote a chapter on compliance assurance.

Work on the development of environmental enforcement and compliance indicators has been carried out in close cooperation with several EECCA countries: Armenia, Kazakhstan and Russia. Experience in other EECCA countries, and beyond, has been reviewed. Results will be presented to the October 2005 meeting of REPIN.

Major demonstration projects to provide broad support for reform of inspectorates in Georgia and Kazakhstan were launched; the latter involving active participation of Norwegian experts. These projects follow the creation of autonomous environmental inspectorates, and the enactment of enabling legislation, in both countries in 2005, based on the recommendations in the Guiding Principles.

Support has also been provided for training inspectors in Kyrgyzstan (in cooperation with Finland) and Armenia. An inventory of training centres in EECCA countries was compiled, in co-operation with the EECCA RECs.

#### ***4. Facilitating the Achievement of the EECCA Environment Strategy Objectives***

The EAP Task Force was asked by Ministers at the 2003 Kiev Ministerial meeting to “lead efforts to facilitate and support the achievement of the EECCA Environment Strategy” that they adopted at that time. The EAP Task Force organised a meeting of EECCA Environment Ministers and their partners in Tbilisi in October 2004 to take stock of progress and to provide further guidance on how to support the process. Based on this, the EAP Task Force and its Bureau have identified several specific activities. These activities are limited: they do not detract from the ultimate responsibility of EECCA countries for achieving the objectives of the Strategy, nor do they substitute for the support that donors, IFIs, international organisations and other partners should provide EECCA countries in this regard.

A comprehensive data base was established to monitor, describe and facilitate partnerships to achieve the Strategy’s objectives. Work continued on the monitoring of partnerships and the development of a methodology to monitor their effectiveness. Various other activities were undertaken to facilitate communication among partners, including the production of a “snap-shot” document summarising the main activities of international organisations, and maintaining a web-page for the EECCA Environment Strategy up-to-date.

Following the Tbilisi ministerial meeting, a policy dialogue for institutional strengthening was organised for Georgia with partner countries and institutions. The objective of this policy dialogue was to identify and address some of the systemic obstacles in environment ministries to achieving environmental objectives. In discussions with Georgia, the better use of human and financial resources, communication with stakeholders and establishing an environmental information system adapted to the needs of policy makers were identified as the highest priority issues.

Work was also launched on the preparation of a report to assess EECCA countries progress in achieving the objectives of the EECCA Environment Strategy. Three sub-regional workshops were organised to solicit the views and involvement of EECCA countries. Discussions were held with the EECCA RECs on their contribution. Various contacts were made and a meeting organised with Facilitating Organisations to discuss their role. It was agreed that the ambition should be to produce an inter-agency report that focuses on policy actions taken by EECCA countries. This would distinguish it from the Europe-wide state of the environment assessment that will be prepared by the EEA for the Belgrade conference.

A major effort was undertaken to support the development of the capacities of the EECCA Regional Environment Centres. This was done by jointly organising four workshops and training sessions, and by inviting a total of nine staff from the various RECs to spend time at the OECD/EAP Task Force secretariat. A meeting for the information managers of RECs was also organised to present the partnerships data base.

## PROGRESS IN IMPLEMENTING THE EAP TASK FORCE PROGRAMME OF WORK, OCTOBER 2004 - SEPTEMBER 2005

## Part II: Progress project-by-project

Work Programme Area 1: URBAN WATER SECTOR REFORM				
Project 1.1: Monitoring water sector reforms in EECCA				
Task	Status of Implementation	Planned Outputs/ Planned Meetings	Financial Status	Links to Overall Objectives
<p><b>1.1.1 Secretariat function for the Group of Senior Officials for Urban Water Reforms in EECCA</b></p> <p><i>Peter Börkey</i></p>	<ul style="list-style-type: none"> <li>– Fourth meeting of the Group, held in Chisinau on 29 March to 1 April. Meeting held jointly with the EU Water Initiative EECCA Working Group and the EAP Task Force Environmental Finance Network. The EU Water Initiative and Group of Senior Officials segments were co-chaired by Patrick Murphy, EC and Hryhory Semchuk, Ukraine.</li> <li>– The fourth meeting of the Group served as the first preparatory meeting for the Yerevan Ministerial conference. It discussed the agenda and key inputs that will be prepared for the conference.</li> <li>– A Second Preparatory Meeting for the Yerevan Ministerial Conference, 5-6 June, Paris</li> </ul>	<ul style="list-style-type: none"> <li>• Yerevan Ministerial conference on financing the water supply and sanitation sector in EECCA countries, to be held on 17 and 18 November 2005 in Yerevan.</li> </ul>	Germany, Norway, EC/TACIS, UK	<p>The Group of Senior Officials brings together officials responsible for the urban water sector, which includes but is not limited to Environmental Ministries. Participation is at a high-level, and currently is chaired by Mr. Semchuk (Ukraine), 1<sup>st</sup> Deputy Chairman of the State Committee for Housing Policy and Communal Services; Mr. Patrick Murphy, Head of Unit, European Commission, has been nominated as the second Co-Chair. Donors, IFIs, the private sector and NGOs also participate.</p> <p>The group has been instrumental in helping to prepare the Ministerial conference in Yerevan, as well as generating significant exchange of experience between the countries in the region..</p>

<p><b>1.1.2 Monitoring institutional and regulatory reform</b> <i>Peter Börkey</i></p>	<ul style="list-style-type: none"> <li>- Data collection is under way. First drafts of country reports (for 6 EECCA countries) are now available. Country reports examine progress in implementing the Almaty Guiding Principles.</li> <li>- A report assessing progress in implementing the Almaty Guiding Principles on Reform of the Urban Water Supply and Sanitation Sector in EECCA has been presented and discussed at the second Yerevan Ministerial preparatory meeting in Paris on 5 and 6 June 2005.</li> </ul>	<ul style="list-style-type: none"> <li>• Report assessing progress since the Almaty Conference, published on 16<sup>th</sup> of September 2005 as Yerevan conference background document</li> </ul>	<p>Netherlands, Germany, Norway</p>	<p>The objective of this project is to assess legal and institutional reforms in the EECCA urban water supply and sanitation sector in at least 6 out of 12 EECCA countries. The project would use information from other parts of the water and of the finance programme. The project has been instrumental in assessing progress achieved since the Almaty Conference and preparing Yerevan documentation.</p>
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<p><b>1.1.3 Rural water supply and sanitation in EECCA</b></p> <p><i>Peter Börkey</i></p>	<ul style="list-style-type: none"> <li>- An overview of the current situation in the rural WSS sector in EECCA is being prepared for presentation to the Yerevan Ministerial Conference, November 2005. Further work will depend on the outcome of discussions at the Conference.</li> <li>- An expert workshop on rural water supply and sanitation in EECCA took place on 19 and 20 April in Tbilisi. The workshop was co-organised with the Caucasus REC. A summary record containing recommendations for future possible EAP Task Force work in the rural water sector has been prepared.</li> </ul>	<ul style="list-style-type: none"> <li>• Report providing a diagnosis of the rural water sector in EECCA including case studies of Moldova and Kyrgyzstan has been published on 16<sup>th</sup> September 2005 as Yerevan conference background document.</li> <li>• Current work ends December 2005</li> </ul>	<p>UK, Germany, Norway, EC/TACIS</p>	<p>The objectives of this project are threefold:</p> <ul style="list-style-type: none"> <li>○ To analyse the status of the rural water supply and sanitation sector in the EECCA region.</li> <li>○ To assess the challenge of achieving the Millennium Development Goals for water and sanitation in these areas.</li> <li>○ To propose policy recommendations.</li> </ul> <p>The work would be carried out in close co-operation with the World Bank, UK DFID and other donors active in the rural water sector in EECCA.</p>
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<p><b>1.1.4 Utility performance indicators and benchmarking</b></p> <p><i>Peter Börkey</i></p>	<ul style="list-style-type: none"> <li>- Utility performance indicators have or are being collected in 9 EECCA countries. Country reports for Armenia, Azerbaijan, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Russia, Tajikistan and Ukraine have been finalized, including training workshops on performance indicator methodology in each of these countries. An update of Russia has also been finalized.</li> <li>- The work in 2005 will consist in updating data sets and producing a synthesis report for the Almaty+5 Ministerial Conference in 2005.</li> <li>- Expert workshop discussing future work on benchmarking held on 9-10 December 2004 in Chisinau, Moldova</li> </ul>	<ul style="list-style-type: none"> <li>• Country reports</li> <li>• In-country training workshops on benchmarking methodology</li> <li>• Consolidated report for all surveyed countries, August 2005</li> <li>• New report with 2003 data for Moldovan utility indicators prepared in cooperation with Moldova Apacanal</li> </ul>	<p>Norway, Germany.</p>	<p>The objective of this project is to establish capacity for the collection and analysis of benchmarking and performance data; constitute a data base with utility performance information; help institutionalise the regular collection of these data. To date about 400 utility staff from 9 EECCA countries have been trained in the usage of the methodology. In Moldova, the water utilities association is now collecting performance data from its members on an annual basis, using the Methodology introduced by the EAP TF. In Russia utility associations are considering to follow the same approach.</p>
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**Project 1.2: Promoting legal and institutional reforms**

Task	Status of Implementation	Planned Outputs/ Planned Meetings	Financial Status	Links to Overall Objectives
<p><b>1.2.1 Opportunities and obstacles for private sector participation</b></p> <p><i>Peter Börkey</i></p>	<ul style="list-style-type: none"> <li>- Three meetings with private sector operators have been organised jointly with the World Bank: Paris (2002), Vienna (2003), and Moscow (2004)</li> <li>- Report prepared from Moscow 2004 Workshop on domestic private sector participation</li> <li>- A synthesis report is in preparation.</li> </ul>	<ul style="list-style-type: none"> <li>• A policy paper synthesising key findings on private sector participation in the EECCA water sector has been prepared and forms the basis of a private sector position paper for the Yerevan Ministerial.</li> </ul>	<p>Germany, EC/TACIS, Norway</p>	<p>The objective of this project is to continue the dialogue on opportunities and obstacles of private sector participation in the water sector with IFIs and donors. The dialogue focuses on issues such as trust and information asymmetry, the management of social aspects, and regulatory failures. This activity is helping IFIs and donors to assess</p>

				opportunities and means to facilitate private sector participation in water.
<b>1.2.2 Guidelines for performance based contracts</b>  <i>Peter Börkey</i>	<ul style="list-style-type: none"> <li>– Case studies from the Russian Federation and Ukraine involving contractual relations between the utility and the municipality have been elaborated.</li> <li>– Final guidelines report is now finalized and translated into Russian. Publication expected 3Q 2005.</li> <li>– Report will be sent for written endorsement to the Group of Senior Officials</li> </ul>	<ul style="list-style-type: none"> <li>• Guidelines published 3Q 2005</li> <li>• Project ends July 2005</li> </ul>	Germany, UK, EC/TACIS, Norway	The project aims to develop Guidelines for performance-based contracts between urban water utilities and municipalities in EECCA. The Guidelines will assist them to clarify their institutional relationship and to achieve service and management target levels cost-effectively. Discussions on these guidelines are already influencing negotiations between municipalities and utilities in Russia.
<b>1.2.3 Reforming water related standards in EECCA</b>  <i>Peter Börkey</i>	<ul style="list-style-type: none"> <li>– This is a new activity that will only be implemented if sufficient financing is provided to support a demonstration project.</li> </ul>	<ul style="list-style-type: none"> <li>• A report identifying the potential cost savings of standards reforms and identifying key steps of the reform process</li> <li>• Terms of reference for a technical assistance project to support these reforms</li> </ul>	Germany, Norway	The objectives of the project are threefold: <ul style="list-style-type: none"> <li>○ To identify the key categories of standards to be reformed, as well as the possible process of doing so.</li> <li>○ To identify the potential cost-savings that could be achieved by reform.</li> <li>○ To demonstrate how water standards could be reformed.</li> </ul>

<b>Project 1.3: Promoting financial reforms and managing their social impacts</b>				
<b>Task</b>	<b>Status of Implementation</b>	<b>Planned Outputs/ Planned Meetings</b>	<b>Financial Status</b>	<b>Links to Overall Objectives</b>
<p><b>1.3.1 Promoting financial reforms in utilities</b></p> <p><i>Alexander Martoussevitch</i></p>	<ul style="list-style-type: none"> <li>– In consultation with the PPC and IFIs, Bishkek was identified as the pilot city for the project.</li> <li>– Kick-off meeting took place on 19 January 2005 in Bishkek. The final dissemination workshop is tentatively scheduled to take place in July 2005 in Bishkek.</li> <li>– Dissemination workshop took place in Bishkek on 23<sup>rd</sup> of September 2005.</li> </ul>	<ul style="list-style-type: none"> <li>• User guide for the financial planning tool for water and sanitation utilities in the EECCA region and its corresponding software – to be finalised by July 2005</li> <li>• Training manual – to be finalised by July 2005</li> <li>• Dissemination workshop targeted at EECCA water utility managers</li> <li>• Project ends October 2005</li> </ul>	<p>EC/TACIS, Germany, Norway UK</p>	<p>The objective of this project is to help water and sanitation utilities reach financial sustainability by providing them with a financial planning tool and associated training. It complements earlier work on a related financial planning tool for municipalities (see project 2.5).</p>

<p><b>1.3.2 Assessing the social impacts of water sector reforms</b></p> <p><i>Peter Börkey</i></p> <p><i>Alexander Martoussevitch</i></p>	<ul style="list-style-type: none"> <li>– A demonstration project in the Republic of Armenia is currently being finalized. A distinctive feature of this project was the active involvement of the key ministries responsible for water, finance and social protection.</li> <li>– An additional demonstration project has been implemented in Georgia. Several important Ministries participated in the steering committee (i.e., MoEnv, MoFin, MoEco). Expert workshop to discuss the interim results of the affordability analysis and the baseline scenario analysis for the Financing strategy was held on 15-16 March 2005. A first draft of the final report has been presented at the final workshop on 9 and 10 June 2005 in Tbilisi. Final report under preparation.</li> <li>– Under a new project on Implementing FS for WSS in Armenia, advice will be provided to the Armenian Government on tariff policy, including integrating the affordability assessment into tariff review and approval procedure – ongoing</li> </ul>	<ul style="list-style-type: none"> <li>• 3-4 country workshops with the project steering group (1-2 for each demonstration project)</li> <li>• Final report comprising policy recommendations</li> <li>• Project ends October 2005</li> </ul>	<p>EC/TACIS, Germany, Norway, UK DFID</p>	<p>The objective of this project is to complement Environmental Financing Strategies (EFS) with a more in-depth analysis of the social implications of different reform scenarios, including the financial implications of consumer protection schemes.</p> <p>Work on finance strategies and affordability has guided the reform of water tariffs in Armenia and some regions of Russia. It is expected that this will help underpin greater financial viability in water utilities. A finance strategy for the water sector in Moldova stimulated the harmonisation of municipal effluent standards with those of the EU.</p>
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<b>Work Programme Area 2: ENVIRONMENTAL FINANCE</b>				
<b>Project 2.1: Aligning Environmental Expenditures Information Systems with OECD/EUROSTAT Standards</b>				
<b>Task</b>	<b>Status of Implementation</b>	<b>Planned Outputs/ Planned Meetings</b>	<b>Financial Status</b>	<b>Links to Overall Objectives</b>
<b>2.1.1 Demonstration Projects: Aligning Environmental Expenditure Information Systems with OECD/Eurostat Standards</b>  <i>Carla Bertuzzi</i>	<ul style="list-style-type: none"> <li>– Steering Group meetings held in Bishkek in January 2005 and in Kiev (January and March 2005) to discuss inception reports and results of the preliminary survey of environmental expenditure data in the business sector (in the Kyrgyz Republic)</li> <li>– Steering Group meetings held in Bishkek and Kiev (April and May, respectively), to monitor progress, endorse data collection forms and procedures</li> <li>– New reporting forms and procedures approved by the Steering groups and training sessions for local experts organised in Kyrgyzstan and in Ukraine</li> <li>– Data collection completed in June 2005</li> <li>– Draft report presenting statistics and main findings in Kyrgyzstan and in the Ukraine finalised</li> <li>– Regional workshop organised in Kiev on 12th October 2005.</li> </ul>	<ul style="list-style-type: none"> <li>• Regional workshop in Central Asia to disseminate results and lessons learned envisaged for October 2005</li> <li>• Project to be completed by the end of October 2005</li> </ul>	Financing available from TACIS and Norway	This project builds on a similar project that was successfully implemented in Georgia, 2001-03. It is closely linked to Project 2.1.2 and 2.2 and aims to strengthen the basis for decisions about environmental expenditures and finance strategies.
<b>2.1.2 The 2006 update of the Report on the Trends in Environmental Expenditures and International Commitments for Environment</b>  <i>Carla Bertuzzi</i>	<ul style="list-style-type: none"> <li>– The project will start in late 2005, in time for the 2007 “Environment for Europe” Ministerial Conference.</li> </ul>	<ul style="list-style-type: none"> <li>• Database on environmental expenditure in EECCA</li> <li>• Report on environmental expenditure and international commitments for the environment</li> <li>• Project to be completed by the beginning of 2007</li> </ul>	seed money requested from donors (waiting for a reply)  Financing available from UK DEFRA	The project will update and strengthen previous work carried out in this area. It will review data for countries not covered by previous studies (Belarus, Tajikistan) and will aim at improving data quality and their international comparability.

<b>Project 2.2: Implementing Financing Strategies for Water and Environmental Infrastructure</b>				
<b>Task</b>	<b>Status of Implementation</b>	<b>Planned Outputs/ Planned Meetings</b>	<b>Financial Status</b>	<b>Links to Overall Objectives</b>
<p><b>2.2.1 Integrating Rural Water and Sanitation Cost Functions into the FEASIBLE model for EECCA countries</b></p> <p><i>Alexander Martoussevitch</i></p>	<ul style="list-style-type: none"> <li>- Expert workshop to discuss the design of the database and the cost functions for Rural WSS technologies, and of the sub-module on Rural WSS, 19-20 April in Tbilisi</li> <li>- A QA Session on Aug 19 in Paris to assess and provide comments on the draft final versions of the Rural WSS Module in the FEASIBLE tool</li> </ul>	<ul style="list-style-type: none"> <li>• The Module on Rural WSS integrated into FEASIBLE tool. Technical annex to the FEASIBLE User guide by end of September 2005</li> <li>• The project was extended and the end of project is expected in December 2005</li> </ul>	<p>UK DEFRA, EC/TACIS</p>	<p>This activity complements previous work that focussed on the urban water sector. It will enable the scope of finance strategies to be extended to the rural sector. In some EECCA countries it should provide valuable support for efforts to achieve the MDGs. It will also contribute to preparations for the Almaty+5 Conference in 2005.</p>
<p><b>2.2.2 Implementing Financing Strategies for Water and Environmental Infrastructure</b></p> <p><i>Alexander Martoussevitch</i></p>	<ul style="list-style-type: none"> <li>- FS for wastewater collection and treatment in Armenia finalised. The final report is published in 3 languages (Armenian, Russian, and English) and disseminated at the Joint meeting of the Group of Senior Officials for the Water Supply and Sanitation Network, Environmental Finance Network, and EUWI in Moldova (April 2005)</li> <li>- FS for Municipal waste (MW) sector in Rostov oblast (Russia) finalised. The final report is published in Russian and English and disseminated at the Joint meeting of the Group of Senior Officials for the Water Supply and Sanitation Network, Environmental Finance Network, and EUWI in Moldova</li> <li>- Limited study of municipal solid waste in Armenia launched in Dec. 2004. Local experts were trained in using FEASIBLE (Waste module), data collected, simulation of the development scenarios finalised, draft final report completed, and is now being edited and translated into English</li> </ul>	<ul style="list-style-type: none"> <li>• The case-study in Armenia (on municipal waste) (end of October 2005)</li> <li>• New project in Armenia until the end of May 2006. The project has 5 main tasks, including: <ul style="list-style-type: none"> <li>○ Tasks 1-3. Articulation of the FS with the Medium Term Expenditure Framework of the GoA</li> <li>○ Task 4. Extension of the Financial strategy to rural areas</li> <li>○ Task 5. Transfer of the FPTWU to a water utility in Armenia</li> </ul> </li> <li>• References to FS case-studies in the background papers to be presented at the Ministerial conference in Yerevan in November 2005</li> </ul>	<p>German grant available for the Armenian project.</p> <p>EC/TACIS and Norway grants available for the demonstration project in Georgia.</p> <p>UK DFID grant is available for the new project in Armenia.</p>	<p>These strategies have had an important policy impact in the previous programme. They were implemented with substantial support from Denmark. A major challenge will be to maintain this highly policy relevant activity following the reduction in Danish support. The scope of work now includes affordability, social impacts assessment and strategies for achieving the water-related MDGs. Attention will also be given to integrating finance strategies into budgetary processes (MTEF) and PRSP</p>

	<ul style="list-style-type: none"> <li>- Implementing FS for WSS sector in Georgia. Expert workshops to discuss the interim results of the Georgian case-study (baseline scenario analysis) on 15-16 March 2005, final workshop on project results on 19-20 April in Tbilisi. Final report completed and translated into English, is being edited for publication. FS methodology and FEASIBLE tool were pilot tested for assessing costs of achieving MDGs by a specific country</li> <li>- The project on implementing the Financing Strategy has been launched:             <ul style="list-style-type: none"> <li>o Terms of reference were written and endorsed by the Steering Committee</li> <li>o A contractor was selected through a tender, in cooperation with Armenian counterparts</li> </ul> </li> </ul>			
<p><b>2.2.3 Lessons Learnt from Financing Strategies for Municipal Solid Waste (MSW) sector</b></p> <p><i>Alexander Martoussevitch</i></p>	<ul style="list-style-type: none"> <li>- 6 financing strategies for MSW sector are completed through different international cooperation programs (in Ukraine, and in Novgorod, Yaroslavl, Rostov, Leningrad provinces, and Northern Caucasus Mineral Water region of Russia). A limited case-study was implemented in Armenia. They will form the empirical basis for a publication.</li> </ul>	<ul style="list-style-type: none"> <li>• Publication on financing strategies for municipal solid waste in EECCA countries, subject to donor financing.</li> </ul>	<p>Danish grant supported finalisation of the Rostov FS.</p> <p>German grant available</p>	<p>Most of the strategies have had an important policy impact in the previous programme. The main aim of this project is to identify and present key policy “lessons learned” for EECCA countries.</p>
<p><b>2.2.4 Training of EECCA Experts in Strategic Investment and Financial Planning of Large Scale Infrastructure Development (Using FEASIBLE Model)</b></p>	<ul style="list-style-type: none"> <li>- No formal training in 2005. Various presentations of the model in steering groups and network meetings.</li> </ul>			<p>These training activities help disseminate and institutionalise the use of this tool by building the capacities of local experts.</p>

<i>Alexander Martoussevitch</i>				
<b>Project 2.3: Improving Management of Public Environmental Expenditures</b>				
<b>Task</b>	<b>Status of Implementation</b>	<b>Planned Outputs/ Planned Meetings</b>	<b>Financial Status</b>	<b>Links to Overall Objectives</b>
<b>2.3.1 Performance Rating of Public Environmental Expenditure Programs</b>  <i>Nelly Petkova</i>	<ul style="list-style-type: none"> <li>– The performance evaluation methodology based on the OECD Good Practices of PEEM and the credit rating methodology applied by Fitch Ratings made complementary; agreement to work with Fitch Ratings on a performance review project in a selected EECCA.</li> <li>– The Ukrainian National Environmental Fund has expressed its willingness to participate in the project and be audited in accordance with the above methodology of performance review. The ToR have been prepared. The review is tentatively scheduled for last quarter 2005. This could support implementation of a World Bank project.</li> <li>– The Good Practices of PEEM are being considered for adoption as an OECD Council Recommendation. They are being circulated within OECD for comments.</li> </ul>	<ul style="list-style-type: none"> <li>• A performance review system supported by national and multi-national stakeholders.</li> <li>• Performance assessment of the Ukrainian Fund to be completed by early 2006</li> </ul>	Financing available from Switzerland and the Netherlands	Independent assessments of public environmental expenditure programmes can help them to improve their performance, enhance their credibility and attract additional resources. Work with rating agencies complements earlier work of good practices of public environmental expenditure management. The project in Ukraine will be implemented in conjunction with the World bank, which will use the results to decide whether the Fund can serve as an intermediary

<p><b>2.3.2 Demo Project(s): Improving Performance of Public Environmental Financing Institutions</b> <i>Nelly Petkova</i></p>	<ul style="list-style-type: none"> <li>- Discussion with representatives of the Volgograd Oblast to launch a project with the Volgograd Oblast Fund early next year. An mission scheduled for end of October 2005, to define the needs and to confirm the feasibility of the project</li> <li>- Donors approached with a request for support</li> </ul>	<ul style="list-style-type: none"> <li>• New institutional structure, transparent management practices, operational tools.</li> <li>• Pipeline of water and environmental projects.</li> <li>• Staff trained in good practices of project cycle management.</li> <li>• Dissemination workshop</li> </ul>	<p>Financing sought</p>	<p>These projects would use the Good Practices of Public Environmental Expenditure Management as a guide for the review and reform of public environmental expenditure programmes, in keeping with the recommendations of the Kiev Ministerial declaration.</p>
<p><b>2.3.3 Training in Appraisal of Environmental Projects Financed from Public Funds (Using the Handbook Prepared as Part of the Previous Work Program)</b> <i>Nelly Petkova</i></p>	<ul style="list-style-type: none"> <li>- ToR developed and trainers selected</li> <li>- Training materials, including practical examples and case studies, under preparation</li> <li>- First pilot training scheduled tentatively in Moldova in December 2005</li> <li>- The Kyrgyz Republic has expressed interest to participate in future training</li> </ul>	<ul style="list-style-type: none"> <li>• Training curricula and materials, including practical examples and case studies in financial appraisal and cost-effectiveness analysis.</li> <li>• Up to 30 managers trained in programming and project cycle management</li> </ul>	<p>Financing available from the UK.</p>	

<b>Project 2.4: Facilitating Access of Environmental Projects to Local Capital and Financial Markets</b>				
<b>Task</b>	<b>Status of Implementation</b>	<b>Planned Outputs/ Planned Meetings</b>	<b>Financial Status</b>	<b>Links to Overall Objectives</b>
<b>2.4.1 Analysis of Opportunities for Harnessing Local Capital and Financial markets to Support Water and Environmental Infrastructure Investments in EECCA Countries</b> <i>Xavier Leflaive</i>	<ul style="list-style-type: none"> <li>– Country studies on municipal water and environment credit in China, Russia, Ukraine and Kazakhstan finalised.</li> <li>– Final report with country case studies, synthesis and next steps finalised.</li> <li>– Presentation at the 8<sup>th</sup> EECCA Environmental Finance Network meeting held at the end of March 2005 in Chisinau, Moldova.</li> </ul>	<ul style="list-style-type: none"> <li>• Translation and publication of the report in Russian</li> </ul>	Some funding available from OECD.	The goal of this project is to examine opportunities beyond the public sector for financing water and other environmental infrastructure. Specifically opportunities for accessing savings through private financial and capital markets will be examined. Encouraging experience has been gained in other regions with such approaches.
<b>2.4.2 Demo Project(s): Capacity Building in Using Public Funds to Leverage Debt Financing of Water and Environmental Infrastructure Investments</b> <i>Xavier Leflaive</i>	<ul style="list-style-type: none"> <li>– Location and scope of this project will depend on recommendations developed under 2.4.1.</li> </ul>	<ul style="list-style-type: none"> <li>• Feasibility analysis of using public funds to leverage debt financing of environmental projects.</li> <li>• Pipeline of projects co-financed by public funds and banks.</li> <li>• Templates for co-financing contracts, appraisal and reporting documents.</li> </ul>	No financing available.	The project will start after the report from project 2.4.1 is completed. The aim would be to implement a demonstration project using public funds to leverage private resources for investment in the water sector.

<b>Project 2.5: Strengthening Local Governments' Capacity to Invest in Environmentally-Related Infrastructure</b>				
<b>Task</b>	<b>Status of Implementation</b>	<b>Planned Outputs/ Planned Meetings</b>	<b>Financial Status</b>	<b>Links to Overall Objectives</b>
<b>2.5.1 Multi-Year Investment Planning in Russia and Ukraine</b> <i>Xavier Leflaive</i>	<ul style="list-style-type: none"> <li>- Certification workshop in Ukraine at the beginning of 2005. training material, applicants, and a pool of experts available for another workshop</li> </ul>	<ul style="list-style-type: none"> <li>• References to MYIP in the background papers to be presented at the Almaty+5 Ministerial conference in November 2005</li> </ul>	Previously, German grant available for development of a training program for Russian and Ukrainian municipal administration. Work in Ukraine financed by UK DFID. Funding for other activities sought.	The aim of this project is to support the introduction of modern financial planning techniques into EECCA cities. Extending the planning horizon from one to several years has been an important part of this exercise. Work has been carried forward through demonstration projects in Lutsk and Yekaterinburg. The next phase of work concentrates on dissemination and training.
<b>2.5.2 Training of consultants and trainers from Russia and Ukraine in Developing Multi-Year Investment Programs</b> <i>Xavier Leflaive</i>	<ul style="list-style-type: none"> <li>- 4-day certification training organised on 21-25 February 2005 in Kiev (24 trainees from EECCA)</li> <li>- Training material and final report available</li> <li>- Case studies with software applications tailored to participants' needs, disseminated during the workshop</li> </ul>		EC/TACIS grant available. Another 30,000 € is requested from other donors for trainers certification programme.	This project will disseminate the experience and tools developed in the first phase of work to other cities in Russian and Ukraine. 20-25 consultants will be certified to provide technical assistance to EECCA municipalities interested in budget and investment reforms. Selection of participants for training is coordinated with EECCA RECs.
<b>2.5.3 Demo Project(s): Developing MYIP in</b>	No such project was planned for 2005		EC/TACIS and UK DEFRA provided support for the	This project helped disseminate the experience and tools developed in the first phase of work to other cities in

<b>Cities</b>  <i>Xavier Leflaive</i>			trainings in 2004	Russian and Ukraine. 20-25 consultants/trainers in MYIP will be certified to provide technical assistance to EECCA municipalities interested in budget and investment reforms.
<b>Project 2.6: Facilitating Policy Dialogue on Opportunities and Risks of Debt for Environment Swaps</b>				
<b>Task</b>	<b>Status of Implementation</b>	<b>Planned Outputs/ Planned Meetings</b>	<b>Financial Status</b>	<b>Links to Overall Objectives</b>
<b>2.6.1 Institutional support to Georgian Debt for Environment Swap</b>  <i>Nelly Petkova</i>	<ul style="list-style-type: none"> <li>– Reports from the Pre-feasibility Study and Institutional Options for the Debt Swap for Environment and Development in Georgia as well as the detailed evaluation of 5 potential project pipelines on biodiversity, biogas, mini-hydropower, solid waste and wastewater treatment to be financed from potential swap resources finalised</li> <li>– Publication of the reports in English, Georgian and Russian prepared</li> </ul>	<ul style="list-style-type: none"> <li>• Pre-Feasibility Study, with institutional options and project pipelines opportunities analysis, as well as reports from detailed evaluation of 5 potential project pipelines translated into Georgian and Russian – October 2005</li> <li>• Discussions underway with the World Bank to use the outcomes of the potential project pipelines report with the aim of financing selected pipelines identified through this project.</li> </ul>	Financed through a grant provided by the Netherlands.	There may be new opportunities to negotiate debt-for-environment swaps. However, there are many technical and political obstacles to successfully concluding such initiatives. This project aims to illustrate how such a swap could be implemented in Georgia, and the benefits for creditor countries as well as Georgia.
<b>2.6.2 Demonstration Project: Pre-Feasibility Analysis and Support for Debt-for-Environment Swap in the Kyrgyz Republic</b>  <i>Nelly Petkova</i>	<ul style="list-style-type: none"> <li>– The project was officially launched in early November 2004. A Steering Committee, consisting of 10 members from different government institutions, was established. Consultants selected.</li> <li>– First round of information and data collection and analysis completed and the first draft of the report on the pre-feasibility study prepared.</li> <li>– The second round of negotiations between the Kyrgyz Government and Paris Club creditors held in mid-March 2005. Further reduction of Kyrgyz official debt achieved with a provision for additional</li> </ul>	<ul style="list-style-type: none"> <li>• Pre-Feasibility Study, with institutional options and project pipelines opportunities analysis in Russian, Kyrgyz and English, July 2005.</li> <li>• Project to be completed by the end of October 2005</li> </ul>	EU Tacis grant available	The analysis of this report to be used by the Kyrgyz authorities in negotiations with individual creditor countries interested in DFES

	<p>reduction through debt swaps.</p> <ul style="list-style-type: none"> <li>- First meeting of the Steering Committee to discuss draft analysis and recommendations in April 2005 in Bishkek, preliminary set of recommendations endorsed</li> <li>- Additional data collection carried out to reflect the recent changes in the debt profile of the Kyrgyz Republic as a result of the March 2005 negotiations with the Paris Club.</li> <li>- Final Steering Committee meeting and a national stakeholders' meeting with participation of creditors and international organizations to discuss the final findings and recommendations of the pre-feasibility analysis held at the end of June 2005</li> <li>- Findings and recommendations endorsed by the Kyrgyz Government. The final report prepared for publishing in English and Russian</li> <li>- Discussions with the UNDP and World Bank local offices on possible further cooperation in providing TA to facilitating potential DFES in the Kyrgyz Republic.</li> </ul>			
<b>Project 2.7: Environmental Finance Network Meetings</b>				
<b>Task</b>	<b>Status of Implementation</b>	<b>Planned Outputs/ Planned Meetings</b>	<b>Financial Status</b>	<b>Links to Overall Objectives</b>
<p><b>2.7.1 Meeting of the EECCA Environmental Finance Network</b> <i>Nelly Petkova</i></p>	<ul style="list-style-type: none"> <li>- The 8th meeting held 29 March – 1 April 2005 in Chisinau, Moldova back-to-back with the EAP Task Force Water Network and the EU Water Initiative. The Moldovan Ministry of Environment and Natural Resources hosted and co-organised the meeting</li> <li>- Publication on Financing Water and Environment in EECCA Countries in English available in September 2005</li> </ul>	<ul style="list-style-type: none"> <li>• 9<sup>th</sup> meeting to be held in first quarter 2006</li> </ul>	<p>Financed through a grant provided by Germany. Papers financed respectively through grants from the UK and Denmark Financing for the 9<sup>th</sup> Network Meeting sought</p>	<p>The Network brings together representatives from Environment, Economics and Finance ministries to oversee the EAP Task Force work on environmental finance. Other stakeholders, including IFIs, donors and local government representatives are also involved.</p>

	<ul style="list-style-type: none"><li>- Paper on Mechanisms for Managing Public Environmental Expenditures in Selected OECD Countries in English and Russian available in November 2005</li></ul>			
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<b>Work Programme Area 3: PROMOTING EFFECTIVE AND EFFICIENT ENVIRONMENTAL POLICIES</b>				
<b>Project 3.1: Strengthening Environmental Policy Instruments</b>				
<b>Task</b>	<b>Status of Implementation</b>	<b>Planned Outputs/ Planned Meetings</b>	<b>Financial Status</b>	<b>Links to Overall Objectives</b>
<b>3.1.1 Streamlining and Integrating Environmental Permitting</b>  <i>Eugene Mazur</i>	<ul style="list-style-type: none"> <li>– Expert meeting “Environmental Permitting for Small and Medium-Sized Enterprises” to discuss draft Chapter VII of the Integrated Environmental Permitting Guidelines for EECCA Countries (February 2005, Moscow)</li> <li>– Case study report “Approach to the Introduction of Integrated Environmental Permitting in Ukraine” discussed at a workshop in November 2004 and published in March 2005</li> <li>– Assistance provided to the World Bank in preparing an IDF project proposal “Reform of Legal Framework and Enhancing Institutional Capacity for Environmental Permitting in Ukraine”.</li> <li>– Case study on the transition to integrated permitting in Kyrgyzstan ongoing since December 2004 in cooperation with the project “Environmental Monitoring and Management Capacity Building” implemented by the Finnish Environment Institute. A draft prepared in June 2005, and a stakeholder workshop to discuss the conclusions in September 2005.</li> <li>– Sub-regional training on integrated permitting for permitting officials and experts from Central Asia (Bishkek, Kyrgyzstan, September 2005).</li> <li>– The Integrated Environmental Permitting</li> </ul>	<ul style="list-style-type: none"> <li>• Finalisation of the case study report on the transition to integrated permitting in Kyrgyzstan – October 2005.</li> <li>• A case study on the transition to integrated permitting in Georgia to be launched in November 2005 with the stakeholders workshop in May-June 2006 (finalisation of the report envisaged for September 2006).</li> <li>• Sub-regional training on integrated permitting for permitting officials and experts from Armenia, Azerbaijan and Georgia planned for April-May 2006 in Tbilisi</li> <li>• Development of a consolidated training package on integrated permitting (first half of 2006)</li> </ul>	Funding for the 2005 and 2006 activities ensured through grants from EC/TACIS, Sweden, the Netherlands, and the Czech Republic.	<p>The overall objective of this project is to help countries to develop a new permitting system for large and small and medium size industrial polluters and manage the transition process. EU Directives are used as a reference.</p> <p>The Integrated Permitting Guidelines include detailed technical guidance on the transition to integrated permitting, as well as model application and permit forms.</p> <p>A concise policy document “Guiding Principles of Effective Environmental Permitting Systems” aims to explain the key elements of integrated permitting to policy-makers. It will be proposed for endorsement at the Ministerial Conference in Belgrade</p>

	<p>Guidelines for EECCA Countries published in English and Russian in May 2005.</p> <ul style="list-style-type: none"> <li>– Sub-regional training on integrated permitting for permitting officials and experts from Ukraine, Russia, Belarus and Moldova conducted (25-27 May 2005, Kiev).</li> <li>– A concise policy document “Guiding Principles of Effective Environmental Permitting Systems” presented for adoption at the 7<sup>th</sup> annual EECCA Regulatory Environmental Programme Implementation Network (REPIN) meeting in October 2005.</li> </ul>			
<p><b>3.1.2 Making Environmental Standards More Realistic</b></p> <p><i>Eugene Mazur</i></p>	<ul style="list-style-type: none"> <li>– Ongoing cooperation with UNDP-Moldova to prepare a proposal for a project “Support for Convergence with EU Water Quality Standards in Moldova”. Other donors’ co-financing is solicited.</li> <li>– Contribution to a seminar on “Problems and Perspectives in the Development of the Regulatory Framework for Water Quality in Central Asia and Caucasus” (April 2005, Almaty)</li> <li>– Presentations and discussion of the experience from reforming of environmental standards in EECCA region at the 7th Annual REPIN meeting in October 2005.</li> </ul>	<ul style="list-style-type: none"> <li>– Further support to UNDP-Moldova and the Moldovan Ministry of Environment to implement the project “Support for Convergence with EU Water Quality Standards in Moldova”, including policy advice, review of documentation and fundraising – throughout 2006.</li> <li>– Co-operation with the Russian Ministry of Natural Resources and the Danish-funded project on the implementation of a project supporting convergence with EU Water Quality Standards in Russia, including policy and expert advice .</li> </ul>	<p>Small initial funding provided by the Netherlands. The UNDP support generated for a project in Moldova.</p>	<p>This project aims to assist countries in establishing realistic environmental quality objectives and standards, particularly with respect to surface water management, and linking these improvements with the reform of the environmental permitting systems. Current standards are more stringent than in OECD countries.</p>
<p><b>3.1.3 Strengthening Economic Instruments for Environmental Protection</b></p> <p><i>Eugene Mazur</i></p>	<ul style="list-style-type: none"> <li>– Final report “Environmental Pollution and Product Charges in Armenia: Assessment of Reform Progress and Directions for Further Improvement” prepared in October 2004 and published.</li> </ul>	<ul style="list-style-type: none"> <li>– A conference on reform of environmental policy instruments in EECCA countries to be organized in the fall 2006, possibly back-to-back with the EAP Task Force meeting.</li> </ul>	<p>Funding sought for the preparations and the organisation of the conference in 2006</p>	<p>The project aims to develop recommendations for applying Economic Instruments as an element of an effective policy mix to address priority environmental problems in EECCA.</p>

<b>Project 3.2: Strengthening Environmental Enforcement Strategies and Instruments</b>				
<b>Task</b>	<b>Status of Implementation</b>	<b>Planned Outputs/ Planned Meetings</b>	<b>Financial Status</b>	<b>Links to Overall Objectives</b>
<p><b>3.2.1 Implementing Efficient, Effective and Financially Viable Environmental Compliance Assurance Programmes</b></p> <p><i>Krzysztof Michalak</i> <i>Angela Bularga</i></p>	<ul style="list-style-type: none"> <li>– Proceedings of the OECD Conference on Economics of Compliance Assurance finalized in English together with their abridged Russian version (September 2005)</li> <li>– A study on financing of enforcement systems in selected OECD and Central European countries revised and finalized (May 2005)</li> <li>– Presentation of the REPIN project results to the 7th global conference of the International Network of Environmental Compliance and Enforcement – INECE (April 2005) and supporting the participation of six EECCA officials and experts in the INECE Conference</li> <li>– Presentation of the results of the projects at the 7th Annual Meeting of the Regulatory Environmental Programme Implementation Network (REPIN) in October 2005</li> <li>– OECD-Russia Conference on Strengthening Environmental Regulation and Compliance Assurance in the Russian Federation organised (October 2005, Moscow back to back with the REPIN meeting)</li> </ul>	<ul style="list-style-type: none"> <li>• A report on Strengthening Environmental Regulation and Compliance Assurance in Russia (May 2006)</li> <li>• A study of financing of enforcement system in Ukraine under discussion for implementation in 2006. Armenia and Kazakhstan expressed an interest to actively participate in the project.</li> <li>• Analysis of the effectiveness of the use of enforcement actions and non-compliance responses in selected EECCA countries to be launched in early 2006.</li> </ul>	<p>Initial funding provided by the Netherlands.</p> <p>The GFSD was sponsored under the OECD Outreach programme.</p> <p>The Russian conference sponsored by the OECD Outreach programme.</p> <p>Funding sought for the projects on financing enforcement systems and for analysis of enforcement tools and non-compliance responses.</p>	<p>This project aims to strengthen incentive functions of compliance assurance programmes. This includes designing a cost-effective mix of compliance monitoring, non-compliance responses and compliance promotion instruments. This work will allow Enforcement Agencies to maximise environmental benefits and minimise costs to the administration and enterprises.</p> <p>The project is implemented in co-operation with other global and regional networks. It will to synthesise experience from developed, transition and developing countries and design the framework adjusted for different economic and social conditions, including EECCA region.</p>

<p><b>3.2.2. Promoting Information-Based Instruments and Public Involvement in Compliance Assurance</b></p> <p><i>Krzysztof Michalak</i></p>	<ul style="list-style-type: none"> <li>– Draft paper on performance rating and information disclosure scheme in Ukraine finalised (September 2005).</li> <li>– Preparation of a common methodology for performance rating and information disclosure schemes launched in co-operation with the World Bank launched in September 2005</li> <li>– Discussions of the methodology and the application of performance rating in Russia at a seminar on Reform of Environmental Regulations organised by Russia’s Council of the Federation, RREC and the OECD (Moscow, 21 June 2005)</li> <li>– Promotion of the development of an industry rating scheme in Russian media (a joint initiative of NGOs and Interfax News Agency, see <a href="http://www.nespi.ru">www.nespi.ru</a> and <a href="http://www.interfax.ru">www.interfax.ru</a>)</li> </ul>	<ul style="list-style-type: none"> <li>• Missions to Ukraine to support the implementation of performance rating and information disclosure scheme and the final report from the project in Ukraine (October 2005). The implementation of the project in Ukraine is expected to end in June 2006.</li> <li>• Finalisation of the methodology for applying performance rating and information disclosure schemes (June 2006).</li> <li>• Launching a second demo project to set up performance rating and information disclosure scheme in Russia – end 2005. The project will be implemented throughout 2006.</li> </ul>	<p>Initial funding for preparatory work provided by the EC TACIS, UKDEFRA and the Netherlands.</p> <p>Further funding sought for the projects in Russia and Ukraine.</p>	<p>This project aims to support the implementation of a specific information- based instrument to promote compliance by using disclosure of information about performance of individual enterprises and public and media pressures.</p> <p>It draws on positive experience with such approaches in different countries, including China, India, Indonesia and Vietnam. It helps to create a basis for the development of PRTRs and is carried out in consultation with other international organisations working on this issue.</p>
<p><b>3.2.3. Improvement of Industrial Self-Monitoring</b></p> <p><i>Angela Bularga</i></p>	<ul style="list-style-type: none"> <li>– Mission to Kazakhstan to discuss the finalisation of project outputs (policy recommendations for reform of self-monitoring in Kazakhstan, draft chapter on self-monitoring for Environmental Code of Kazakhstan, guide on self-monitoring and sector specific reference document on parameters to be monitored) (April 2005, Astana/Almaty)</li> <li>– Amendments to the current Kazakh legislation (the Law on Environmental Protection) proposed (April 2005)</li> <li>– Case studies on self-monitoring programmes in</li> </ul>	<ul style="list-style-type: none"> <li>• Synthesis of industry survey on incentives to comply with environmental legislation and to introduce self-monitoring schemes (December 2005).</li> <li>• Outline for regional guidelines for EECCA on self-monitoring based on lessons learned from Kazakhstan and Kyrgyzstan (December 2005).</li> <li>• An expert meeting on the guidelines on self-monitoring in EECCA to be organised with the UNECE Working Group on Monitoring (tbd in 2006)</li> </ul>	<p>Funds for the preparatory work and the project in Kazakhstan provided by Norway and in-kind by Finland.</p> <p>Funds required for the finalisation of the guidelines and an expert meeting in 2006</p>	<p>This project aims to help to redesign environmental self-monitoring systems in order to increase the effectiveness of compliance monitoring, reduce public costs of inspection and promote de-regulation countries in by enterprises.</p> <p>It will provide an input to</p>

	<p>selected enterprises launched within the Finish supported project in Kyrgyzstan (March 2005)</p> <ul style="list-style-type: none"> <li>– Provision of inputs to a special session on self-monitoring in EECCA region during a meeting of the UNECE Working Group on Environmental Monitoring (June 2005, Geneva)</li> </ul>			the UNECE work on monitoring.
<b>Project 3.3: Improving the Performance of Environmental Enforcement Agencies</b>				
<b>Task</b>	<b>Status of Implementation</b>	<b>Planned Outputs/ Planned Meetings</b>	<b>Financial Status</b>	<b>Links to Overall Objectives</b>
<p><b>3.3.1. Peer Reviews of Environmental Performance Agencies</b></p> <p><i>Angela Bularga</i></p>	<ul style="list-style-type: none"> <li>– Publication and presentation of the findings and recommendations of the Kyrgyz Review Report to stakeholders in Kyrgyzstan to assist the reform process (February 2005, Bishkek)</li> <li>– Scoping mission for the second review of Armenia conducted (March 2005) and the main Peer Review Mission to Armenia (May 2005)</li> <li>– Workshop for the State Environmental Inspectorate managers in Armenia on best international practices in compliance assurance (Yerevan June, 2005)</li> <li>– Dissemination of results via BERCEN and INECE at the 7th global INECE conference (April 2005).</li> <li>– Participation in the UNECE Environmental Performance Review mission in Moldova in April 2005 and drafting a chapter of the EPR report on compliance assurance.</li> <li>– Presentation of the Review report on Armenia at the REPIN meeting in October 2005;</li> </ul>	<ul style="list-style-type: none"> <li>• Publication of the Review Report on Armenia and presentation of the main findings at the stakeholder meeting in Yerevan (November-December 2005)</li> <li>• Participation in the UNECE Environmental Performance Review of Ukraine preparing a chapter on environmental compliance assurance (the Review mission - October 2005, the Review meeting - October 2006)</li> <li>• Launching the preparation of a report assessing progress in implementing the Guiding Principles for Reforming Environmental Enforcement Authorities in EECCA (June 2006 for the presentation at the Belgrade Ministerial Conference in 2007);</li> <li>• Expert meeting to discuss the outline of the report and data gathering (September 2006).</li> </ul>	<p>Funding for the peer review of Armenia provided by the EC Tacis and the Netherlands.</p> <p>Funding sought for activities in 2006 on preparing the progress report on implementing the Guiding Principles.</p>	<p>This project aims to support improvements in working methods and organisational structures of Enforcement Agencies and strengthen political support and the dialogue with other stakeholders.</p> <p>The project uses the Guiding Principles for Reform of Environmental Enforcement Agencies as a framework for conducting the reviews of national inspectorates.</p> <p>Implementation of the Guiding Principles is recommended in the Kiev Declaration.</p>

<p><b>3.3.2. Developing Enforcement and Compliance Indicators</b></p> <p><i>Krzysztof Michalak, Angela Bularga</i></p>	<ul style="list-style-type: none"> <li>– The Russian version of the Proceedings of the International Workshop on ECE Indicators (November 2003) was disseminated in all EECCA countries</li> <li>– A workshop on ECE Indicators in Russia held in November 2004 in Moscow.</li> <li>– Development of studies on the current and future use of environmental compliance and enforcement indicators in Armenia and Russia (January-May 2005);</li> <li>– Expert meeting on enforcement and compliance indicators in Armenia (March 2005, Yerevan);</li> <li>– Work with the Kazakh enforcement authorities on reforming performance assessment of the enforcement system (ongoing)</li> <li>– Drafting the guidelines and good practices for designing and applying enforcement and compliance indicators in co-operation with INECE (ongoing - drafts available in English and Russian);</li> <li>– Presentation of the results of the EAP Task Force work on enforcement and compliance indicators at the 7th global INECE conference (April 2005);</li> </ul>	<ul style="list-style-type: none"> <li>• Reports on the results of projects to reform enforcement and compliance indicators in Russia and Armenia (September 2005). The project on ECE indicators in Armenia is expected to be finalised in December 2005;</li> <li>• Finalisation of the inventory of ECE indicators and the guidelines for designing and applying enforcement and compliance indicators in co-operation with INECE. The final draft is expected in December 2006.</li> <li>• Expert meeting to discuss the draft of the Guidelines (September 2006).</li> <li>• An inventory of Enforcement and Compliances Indicators in EECCA (end 2006)</li> </ul>	<p>Funding for the workshop provided by the Netherlands and Germany. In-kind contributions provided by Canada and the US for the development of the scoping paper.</p> <p>Partial funding for the pilot project in Russia provided by the Netherlands and the UK. Further funding sought for the finalisation of the projects in Armenia and Russia and the finalisation of the guidelines on ECE indicators.</p>	<p>These projects help to develop tools for better assessment of performance of environmental enforcement agencies and provide meaningful information for decision-makers and the public. The Project is implemented in co-operation with the INECE with the aim to elaborate good practices which can be used in different regions of the world.</p> <p>It will also contribute to the OECD work on environmental indicators.</p>
<p><b>3.3.3. Building Capacities of Enforcement Managers and Officers</b></p> <p><i>Angela Bularga</i></p>	<ul style="list-style-type: none"> <li>– Training for inspectors in Kyrgyzstan conducted in cooperation with the Finnish Environment Institute; (February 2005),</li> <li>– Contribution to the development and implementation of a training programme for environmental inspectors in Kazakhstan, based on the Toolkit for Environmental Inspectorates (ongoing);</li> </ul>	<ul style="list-style-type: none"> <li>• Implementation of the project in Georgia (throughout 2006).</li> <li>• Implementation of the project in Kazakhstan (throughout 2006).</li> <li>• Training for inspectors in Ukraine and Moldova. (planned for the beginning of 2006 in Kiev);</li> <li>• Organisation of the 8<sup>th</sup> REPIN annual meeting</li> </ul>	<p>Activities in 2005 supported by the funds from the Netherlands, and the EU/Tacis.</p> <p>The implementation of projects in Georgia and Kazakhstan will</p>	<p>The activities aim to support the EECCA countries to build effective and efficient environmental inspectorates and build capacities of enforcement managers and officers. The responsibilities for training activities will be</p>

	<ul style="list-style-type: none"> <li>– An inventory of training centres in EECCA compiled (May 2005);</li> <li>– Launching a technical assistance project in Georgia to support the creation of the Environmental Inspectorate. Inception report approved by the Georgian authorities in August 2005.</li> <li>– Launching a technical assistance project to strengthening environmental inspectorate in Kazakhstan. The inception mission to Kazakhstan, with the participation of the Norwegian experts, carried out in September 2005.</li> <li>– Moldova and Ukraine requested the EAP Task Force Secretariat to conduct inspector training.</li> </ul>	<p>(May-June 2006 possibly in Tbilisi);</p> <ul style="list-style-type: none"> <li>• Identifying, together with the New RECs, mechanisms and relevant institutions for the establishment of continuous training programmes for enforcement officers in EECCA region (ongoing).</li> </ul>	<p>be supported by grants from the Netherlands and Norway.</p> <p>Funds sought for the training for Ukraine and Moldova and the organisation of the REPIN meeting in 2006.</p>	<p>transferred over time to specialised institutions in EECCA countries.</p>
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<b>Work Programme Area 4: FACILITATING ACHIEVEMENT OF EECCA ENVIRONMENT STRATEGY OBJECTIVES</b>				
<b>Project 4.1: Monitoring and Facilitating Partnerships</b>				
<b>Task</b>	<b>Status of Implementation</b>	<b>Planned Outputs/ Planned Meetings</b>	<b>Financial Status</b>	<b>Links to Overall Objectives</b>
<b>4.1.1. Monitoring Partnership Development</b>  <i>Eija Kiiskinen</i> <i>Carla Bertuzzi</i>	<ul style="list-style-type: none"> <li>– Participation at an informal donor meeting to exchange views on progress implementing the EECCA Environment Strategy, 28 January in The Hague;</li> <li>– Participation in the Partnership Forum in Marrakech 21-23 of March 2005.</li> <li>– A proposal for a project on evaluating effectiveness and efficiency of partnerships to be carried out under the OECD EPOC was prepared in March 2005 and launched in July 2005; the lessons learnt from the project will be shared with EECCA and donor countries;</li> <li>– The Partnership Database was finalised and launched at the beginning of October 2005.</li> </ul>	<ul style="list-style-type: none"> <li>• Progress Report on Partnerships (November 2005)</li> <li>• Paper on Evaluating of Effectiveness and Efficiency of Partnerships (2<sup>nd</sup> Q 2006)</li> </ul>	EC/TACIS, The Netherlands, Switzerland	This activity responds to the mandate given to the EAP Task Force by the Kiev and Tbilisi Ministerial Meetings to facilitate and support the achievement of the EECCA Environment Strategy objectives overall.
<b>4.1.2. Facilitating Country-Driven Partnerships for Institutional Strengthening (IS)</b>  <i>Eija Kiiskinen</i> <i>Roberto Martin-Hurtado</i>	<ul style="list-style-type: none"> <li>– Georgia indicated their interest in the Policy Dialogue for IS and was chosen as the first pilot country in May 2005; Ukraine and Moldova have also shown interest in this activity;</li> <li>– Scoping meeting on Policy Dialogue for IS with Georgian MoE was organised 12 September 2005; UK, the Netherlands, Germany and Estonia participated.</li> <li>– Policy Dialogue mission involving interested partners during the week of 24 October 2005 (tbc) in Georgia;</li> <li>– The Environment Ministers from Azerbaijan and Ukraine are being invited to Informal Consultations with the EAP TF Secretariat before the end of the year 2005.</li> </ul>	<ul style="list-style-type: none"> <li>• Conclusions from the Policy Dialogue for IS in Georgian Ministry of Environment (November 2005)</li> <li>• A brief Note evaluating the experience on the Georgian Policy Dialogue for IS (November 2005)</li> <li>• Informal Consultations with selected EECCA Environment Ministers (4<sup>th</sup> Q 2005)</li> </ul>	EC/TACIS, Switzerland ----- In-kind support for the pilot in Georgia from Estonia, Germany, the Netherlands and UK	This is a new activity developed as a follow-up to the Conference of EECCA Environment Ministers and their Partners held in Tbilisi in October 2004 to respond to the Ministers' request for institutional strengthening and more targeted support to the Ministries of Environment in the EECCA region.

				* The Conclusions from the Policy Dialogue for IS in Georgian MoE will include a list of tasks to be implemented by the MoE and a list of concrete activities to be supported by the donors.
<b>Project 4.2 Assessing progress in achieving the objectives of the EECCA Environment Strategy</b>				
<b>Task</b>	<b>Status of Implementation</b>	<b>Planned Outputs/ Planned Meetings</b>	<b>Financial Status</b>	<b>Links to Overall Objectives</b>
<b>4.2.1. Developing and Piloting Monitoring Framework for Progress Assessment Report</b>  <i>Roberto Martin-Hurtado, Carla Bertuzzi</i>	<ul style="list-style-type: none"> <li>- The Stocktaking Report on Environmental Management in EECCA published in English in mid April 2005 and in Russian in the beginning of October 2005;</li> <li>- A project description on the EECCA Strategy Progress Assessment was revised based on the discussions at the Informal Expert Consultation (1 February 2005) and subsequent email exchange. It was presented at the annual meeting of the UNECE WGEMA in early June.</li> <li>- Analytical work launched. A draft note on analytical approaches prepared in early May as background for Sub-Regional Workshops; discussions carried out with EECCA RECs on their possible substantive contributions;</li> <li>- Sub-regional Expert Workshops on Progress in Implementing the EECCA Strategy were organised including               <ul style="list-style-type: none"> <li>o on 18 May 2005 in Moscow (in co-operation with the Russian and Moldovan RECs for countries of the western EECCA),</li> <li>o on 17 of June 2005 in Almaty Kazakhstan (in co-operation with the CAREC for the Central Asian countries), and</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Regional Workshop (2<sup>nd</sup> Q 2006)</li> <li>• Final Progress Assessment Report early 2007</li> </ul>	The Netherlands, EC/TACIS, Austria, Switzerland	At the Kiev 2003 Ministerial Conference the EAP Task Force was invited to monitor progress in achieving the objectives of the EECCA Environment Strategy. This task is to be carried out in co-operation with other international bodies and on the basis of information provided by the EECCA countries. For the 2004 Tbilisi Ministerial a Stocktaking Report was prepared to provide a baseline against to which the progress could be measured in 2007.

	<ul style="list-style-type: none"> <li>○ on 24 June 2005 in Tbilisi, Georgia (in co-operation with the REC Caucasus for the Caucasus region);</li> <li>– Seeking agreement on the production of the 2007 Progress assessment Report as an inter-agency report</li> <li>– A Special session at the meeting of Facilitating Organisations (23 September 2005) to discuss and agree on the level of the involvement of different international bodies and their possible analytical contributions to the 2007 Progress Assessment Report.</li> </ul>			
<b>Project 4.3 Promoting effective co-operation and communication among partners</b>				
<b>Task</b>	<b>Status of Implementation</b>	<b>Planned Outputs/ Planned Meetings</b>	<b>Financial Status</b>	<b>Links to Overall Objectives</b>
<b>4.3.1. Facilitating co-operation among partners through better communication</b>  <i>Aziza Nasirova, Shukhrat Ziyaviddinov</i>	<ul style="list-style-type: none"> <li>– The EECCA strategy web-page was updated to include the outcome of the Tbilisi Ministerial.</li> <li>– A revised structure for the Snapshot document was revised based on the comments by last EAP TF meeting and the TF Bureau in June and was sent to the Facilitating Organisations for updates in September 2005.</li> <li>– 2<sup>nd</sup> Meeting of the Facilitating Organisations organised in Geneva on the 23 September 2005;</li> </ul>	<ul style="list-style-type: none"> <li>• A Snapshot Document (4<sup>th</sup> Q 2005)</li> <li>• Updated Web-site linked with the Database (4<sup>th</sup> Q 2005)</li> <li>• A Newsletter (4<sup>th</sup> Q 2005)</li> <li>• A Brochure on the EECCA Environment Strategy (4<sup>th</sup> Q 2005)</li> </ul>	Austria, EC/TACIS, Switzerland	The EECCA Environment Strategy invited the EAP Task Force to establish, as appropriate, work-sharing arrangements with Facilitating and Co-operating Organisations. Effective communication and exchange of information will be essential to facilitate the co-operation. Special efforts are needed to communicate effectively with NGOs and private sector.

<p><b>4.3.2. Facilitating Co-operation with the Regional Environmental Centers</b></p> <p><i>Aziza Nasirova</i></p>	<ul style="list-style-type: none"> <li>- The following workshops were organised jointly between the RECs and the EAP TF Secretariat: <ul style="list-style-type: none"> <li>o 4-day certification workshop on MYIP tool, Kiev, 21-25 February 2005 (refers to the task 2.5.2 above)</li> <li>o Workshop on Rural Water Supply and Sanitation, Tbilisi, 19-20 April 2005 (refers to the tasks 1.1.3 and 2.2.1 above)</li> <li>o Seminar on Reform of Environmental Regulations, Moscow, 21 June 2005 ( refers to the task 3.2.2 above)</li> <li>o Workshop on the Financing Strategies for the Georgian water supply and sanitation sector, Tbilisi, 9-10 June (refers to the task 2.2.2 above)</li> </ul> </li> <li>- Specific capacity development activities for the REC staff were funded from the EC TACIS grant and carried out by the EAP Task Force Secretariat and as follows: <ul style="list-style-type: none"> <li>o Traineeship for the administrative and support staff (3 people) of the Russian REC 9-16, February 2005;</li> <li>o Traineeship for a water expert from the Caucasus REC, 4-15 April 2005;</li> <li>o Traineeship for the administrative and support staff (2 people) of the Central Asian REC and Caucasus REC (1 person) 11-15 April 2005;</li> <li>o Traineeship for environmental policy experts (2 people) from the Moldovan REC 18-29 of April 2005</li> <li>o Meeting for the REC Information Managers, 13-14 June 2005</li> </ul> </li> <li>- Participation at the ICC meeting organised in Moscow, 22 June 2005.</li> </ul>	<ul style="list-style-type: none"> <li>• The Project was completed in the end of June 2005</li> </ul>	<p>EC/TACIS</p>	<p>This activity was developed to support EECCA RECs capacity development and enhance closer co-operation between EAP Task Force Secretariat and the RECs through implementing joint activities and disseminating Task Force results in the EECCA region.</p>
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<b>Work Programme Area 5: TASK FORCE MANAGEMENT AND SUPPORT</b>				
<b>Project 5.1: Management and Support of the EAP Task Force</b>				
<b>Task</b>	<b>Status of Implementation</b>	<b>Planned Outputs/ Planned Meetings</b>	<b>Financial Status</b>	<b>Links to Overall Objectives</b>
<b>5.1.1. Management and Support of the EAP Task Force</b>  <i>Aziza Nasirova</i>	<ul style="list-style-type: none"> <li>– Meetings of the Bureau of the EAP Task Force and the PPC organised on the 11th February and the 7<sup>th</sup> June 2005 in Paris.</li> <li>– On-going preparations for the 3<sup>rd</sup> Joint Meeting of the EAP Task Force and the PPC (16-17 November) and the Yerevan Ministerial Conference on Financing the Water Supply and Sanitation Sector in EECCA Countries (17-18 November)</li> <li>– EAP Task Force Brochure is being prepared</li> <li>– Publications programme for 2005 is being implemented</li> <li>– Web-site of the EAP Task Force is being updated and the Russian site is to be re-vamped</li> </ul>	<ul style="list-style-type: none"> <li>• 3<sup>rd</sup> Joint Meeting of the EAP Task Force – PPC to be organised back-to-back with the Yerevan Ministerial Conference, 16-17 November 2005.</li> <li>• Next meetings of the EAP Task Force-PPC Bureau: 10<sup>th</sup> February and 16<sup>th</sup> June 2006 (venues to be confirmed)</li> </ul>	Austria, EC/DGENV, UK	This activity includes the organisation of Task Force/PPC meetings, fundraising, communications (publications, web-site) and the overall coordination of the work of the Secretariat.