



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

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**CO-OPERATION BETWEEN THE EAP TASK FORCE AND THE PPC**

**Fifth joint meeting of the Task Force for the Implementation of the Environmental Action Programme for Central and Eastern Europe (EAP Task Force) and the Project Preparation Committee (PPC)**

**15-16 March 2007, Brussels**

*Agenda Item 13*

*ACTION REQUIRED: EAP Task Force/PPC delegates are invited to note and discuss this document.*

English - Or. English

## **Background**

The EAP Task Force and the Project Preparation Committee (PPC) were established 13 years ago following the 1993 “Environment for Europe” Ministerial Conference in Lucerne. The Task Force was mandated to support environmental policy and institutional reform and capacity building; the PPC to help accelerate environmental investments. Initially the Task Force and the PPC focussed primarily on the needs of central European countries and provided early support for their accession to the European Union. Following the 1998 Aarhus Ministerial Conference, the work of the Task Force and PPC has focused increasingly on the needs of EECCA countries.

After that Conference, the work of the EAP Task Force and the PPC further converged, with the PPC addressing more “upstream” policy and institutional obstacles to investments, and the EAP Task Force moving more “downstream” to promote environmental reform by implementing demonstration projects “on the ground”.

At the 2003 Kiev Conference, ministers asked the EAP Task Force and the PPC to continue to work together, through i) joint annual meetings, ii) a common Bureau, and iii) common membership. For the PPC this involved opening its activities to include the beneficiaries of its work. The Task Force’s CEE sub-programme was terminated.

### **A programme of cooperation between the EAP Task Force and the PPC**

The EAP Task Force and the PPC have developed a Programme of Cooperation, which was discussed at their second joint meeting, in Tbilisi in October 2004 [ENV/EPOC/EAP(2004)4].

The rationale for increased PPC and EAP Task Force cooperation was:

- To ensure that lessons learned through the policy and institutional work of the EAP Task Force are reflected at the project level by the PPC;
- To ensure that lessons learned at the project level by the PPC are reflected in the work of the EAP Task Force;
- To ensure that EAP Task Force and PPC lessons learned and documents are disseminated widely amongst Environment for Europe stakeholders; and
- To ensure that there are no overlaps in work programmes.

In addition to a common Bureau and joint annual meetings, the programme entailed:

- A joint newsletter and meeting schedule/calendar. Information on projects and events is regularly collected by the PPC which circulates a joint newsletter and updates a website where this information is reported;
- Operational level coordination. The development and implementation of the work programmes of the two bodies are coordinated by close cooperation between the secretariats.
- Optimising information provision. This has included cross-references on each website, disseminating each others’ information at meeting and including project information in relevant data bases.

## **Results of cooperation**

Since 2003, the EAP Task Force and the PPC have organised five joint annual meetings: Paris 2003, Tbilisi 2004, Yerevan 2005, Berlin 2006 and Paris 2007. The work done has been reported approximately every six months to a joint Bureau.

Some of the results achieved through enhanced cooperation between the EAP Task Force and PPC include the following.

### ***Better dissemination of information on the PPC***

The PPC has engaged more actively in the EAP Task Force networks on Finance and Water. This has generated opportunities to disseminate information and to raise interest in its work programme and results.

### ***Better connection between financial planning and project identification and preparation***

Finance strategies for environmental infrastructure (essentially water supply and sanitation) provide a link between feasibility studies at the project level and macro-economic and budget planning. They provide a framework to develop project concepts, as they devise a master plan for investment, analyse affordability constraints and identify thresholds for tariff policy.

Since Kiev, the EAP Task Force has implemented a number of such projects, which have led to project identification and review by IFIs and donors:

- In Armenia, in 2004, the Finance Strategy on waste water collection and treatment has been the framework for the draft of investment project concepts, which have subsequently been assessed by the EBRD;
- In Georgia, in 2005, project concepts were developed in the context of a Finance Strategy on water supply and sanitation, which have been considered by the Netherlands.

New opportunities will arise, as more Finance Strategies are implemented in 2007 and 2008 (Armenia, Moldova, Georgia, Central Asia).

### ***Capacity building for mobilising finance for environmental initiatives***

Spreading good practice and capacity building for mobilising finance for environmental initiatives is one of the three pillars of the PPC 2004-07 strategy. In support of this commitment, the PPC has developed a programme of Project Financing Workshops which is being rolled out across the EECCA countries and non-accession countries of SE Europe during 2006-07. These workshops have so far been delivered in Georgia and Russia (Volgograd Oblast), and are in preparation in FYR Macedonia, Ukraine and Armenia.

At the same time, the EAP Task Force works to build capacity in municipalities to manage financial flows for environmental improvements. For example, it has developed and it supports the dissemination of a Multiyear Investment Planning Tool and a Financial Planning Tool for Water Utilities.

The PPC and the EAP Task Force are both interested in the same initial list of countries (Armenia, Georgia, Moldova) and target similar groups of participants. Coordination of these activities has generate synergies and resulted in more sustained and continuous support for the target participants. In order to facilitate this cooperation, the secretariats comment on the Terms of Reference for training activities, and on the draft list of participants for each workshop. Wherever possible, participants and training themes have been selected in order to build on previous training activities provided by the PPC or EAP Task

Force. The PPC and the EAP Task Force also make explicit reference where appropriate to each other's training activities during their respective workshops/courses. In EAP Task Force training sessions, the Secretariat tries to invite participants from cities where IFI projects are underway.

### ***Development and dissemination of common messages***

The EAP Task Force and the PPC are working in coordination with the World Bank and the REC South East Europe to develop a common paper on *Mobilising Finance for Environmental Priorities: Recommendations for the Future in SEE and EECCA*, which will be submitted as a Category 1 document at the next Environment for Europe Ministerial meeting, in Belgrade in 2007.

### **Obstacles to coordination**

Some obstacles have hampered further coordination.

- Staff changes in the PPC have meant that opportunities for cooperation have not fully materialised;
- The geographical scope of the PPC and the EAP Task Force do not fully match, as the PPC covers both SEE (where the bulk of its activities concentrates) and EECCA, and the EAP Task Force works only with the latter;
- The main area of cooperation has been water supply and sanitation. The EAP Task Force does not work in other priority areas of PPC interest, such as carbon funding and biodiversity;
- Dialogue with ministries of finance, water and local authorities in the context of EAP Task Force networks was valuable for PPC, but there is a need for additional and more systematic interaction with stakeholders which meetings of the EAP Task Force and its Bureau do not always include, for example representatives of donor government ministries responsible for development cooperation and foreign affairs, and of a wider range of IFIs;
- The EAP Task Force secretariat has a larger staff complement than the PPC which has presented challenges for the PPC in keeping up with the wide range of EAP Task Force activities and networking events.