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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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**PROGRESS IN IMPLEMENTING EAP TASK FORCE WORK PROGRAMME
BY EECCA REC NETWORK (NOVEMBER 2008 – OCTOBER 2009)**

**ANNUAL MEETING
of the Task Force for the Implementation of the Environmental Action Programme
for Central and Eastern Europe (EAP Task Force)**

**15-16 October 2009
OECD Conference Centre
Room CC 6**

Agenda Item: 4.

ACTION REQUIRED: For discussion.

Mr. Brendan Gillespie, Environmental Performance Information Division, Environment Directorate,
tel: +33 1 45 24 93 02, fax: + 33 1 44 30 61 83, email: brendan.gillespie@oecd.org

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PROGRESS IN IMPLEMENTING EAP TASK FORCE WORK PROGRAMME BY EECCA REC NETWORK (NOVEMBER 2008 – OCTOBER 2009)

This document presents information on some major fields of activities of EECCA RECs within the framework of the draft programme of work for the EAP Task Force since its last meeting in October 2008. The description of activities is provided below under the two main fields (i) water sector reform, and (ii) environmental policy reform.

The document is based on the draft Joint Work Programme of the EAP Task Force for 2009, following the outcomes of the discussions within the EAP Task Force on general direction of activities in 2008-2011. It describes some progress in implementing the Work Programme in 2008-2009 by the EAP Task Force secretariat in the part related to EECCA REC network and takes into account recommendations of the Network on Implementing Environmental Policy Reform ((REPIN). The document was prepared by the executive directors of Regional Environmental Centres of EECCA.

Within the framework of the two above mentioned fields of activity and in case adequate donor funding is available activities will be performed in line with the structure and content of the Joint Work Programme with the following breakdown of activities:

- Jointly performed by OECD Secretariat and EECCA RECS
- By OECD secretariat
- By EECCA REC network

Unfortunately, by now implementation of any projects within the framework of the given EECCA RECs' sub-programme of the Joint Work programme of the EAP Task Force has not yet started due to the absence of financial resources in spite of the efforts of EECCA RECs. However, certain progress have been reached in terms of donor commitments to finance some of the project within the EECCA RECs' part of the Joint Work Programme (see information below).

Budgetary situation of EECCA RECS' sub-programme of work as of 15 September 2009

Activities	Total Required	Total Received	Still Required
WSS sector reform	486 000 ¹	0	486 000
Environmental policy reform	721 600	0	721 600 ²
TOTAL	1 207 600	0	1 207 600

¹ According to the decision of the EAP Task Force Bureau implementation of the project on training in the field of transboundary water resources management in Central Asia was not recommended. The efforts of EECCA RECs might be aimed at implementation of the project on industry performance rating.

² The funds that will be received by REC Caucasus from the donor will be aimed at implementation of the project on training environmental inspectors in Azerbaijan and Armenia will not be used for funding a joint project of EECCA RECs.

1. Water sector reform

This programme area is one of the two main fields of activity of the EAP Task Force. More detailed description of activities within the framework of this area of work is given in the Progress Report prepared by the OECD EAP Task Force Secretariat.

ACTIVITIES TO BE CARRIED OUT JOINTLY BY THE OECD SECRETARIAT AND EECCA RECS

PROJECT JP/1.2.3: DEVELOPMENT OF FINANCIAL PLANNING CAPACITY IN MUNICIPALITIES AND WATER UTILITIES

The project objective is to set-up a train-the-trainer programme in order to improve the capacity of municipalities and water utilities to carry-out medium-term financial planning for the water sector. First of all, this project is aimed at sub-regions of Central Asia and Caucasus.

Following the outcomes of the consultations of EECCA Ministers of Economy/Finance and Environment in Yerevan, 17-18th November 2005, slow progress in the reform at the municipal level was identified as one of the most important obstacles to improved provision of urban water supply and sanitation. In order to implement the recommendations of ministers OECD EAP Task Force Secretariat has developed a number of instruments and methods that are being successfully applied in EECCA, first of all, in order to facilitate more realistic financial planning and improved monitoring of activities of network institutions and organizations.

In 2008 OECD EAP Task Force Secretariat performed selection and training of personnel of institutions in 3 EECCA countries in order to replicate this training further. This ensures sustainable use and development of local capacities and wider dissemination of best practices in future. Within the framework of these activities about 40 professionals from EECCA utilities/municipalities, at the level of finance directors, have been trained, involving international and local trainers. According to the work plan OECD Secretariat has finished the development of a package of training materials and tested it in the course of four training sessions. Unfortunately, due to objective reasons EECCA RECs representatives were not able to participate in these training events.

The given stage of work of the OECD Secretariat should finish with the development of a package of training materials, training of 6 local instructors and training of 40-50 staff members of water utilities/municipalities.

After the OECD project is over and the final methodology of training and training materials are developed EECCA RECs will continue this activity on training additional specialists and practitioners from water utilities/municipalities, in case adequate financial resources are available. For this purpose EECCA RECs will use local trainers trained within the framework of OECD project.

According to the work plan EECCA RECs have developed a detailed project proposal for fundraising. They jointly developed a project matrix with sub-division of responsibilities among them and project budget. The leading REC for this project is ***REC Central Asia***, that will start implementation of envisaged activities when necessary funds are available. ***REC Caucasus*** might also be involved in these activities at the first stage. In future, other EECCA RECs will also participate in these activities in case necessary funds are available.

In particular, in case funds are available, and in line with the project work plan EECCA RECs will:

- Prepare terms of references for the project for possible contracting of consultants to help project implementation;
- Identify local trainers;
- Identify about 40-50 practitioners that would benefit most from the type of training proposed; involve donors and IFIs in the identification process;
- Hold 4-6 one-week training sessions;
- Provide on-site support to trainees in between training sessions;
- Draft report summarising lessons learned from the training and proposing possible improvements of training methodology and materials;
- Develop a web-tool that supports web-based training in these EAP Task Force tools;

ACTIVITIES TO BE CARRIED OUT BY THE EECCA RECS

ACTIVITY 1: IMPROVING TRANSBOUNDARY MANAGEMENT OF WATER RESOURCES

PROJECT: 1.1 TRAINING COURSE ON TRANSBOUNDARY WATER MANAGEMENT IN CENTRAL ASIA

Taking into account the fact that water resources are extremely valuable in Central Asia, where irrigated agriculture accounts for about 85–90 % of total water use, increasing water deficiencies and degradation of aquatic ecosystems, EECCA RECs have developed a project proposal, the main objective of which is to assist Central Asia countries in creating favorable policy and conditions for transboundary water resource management through transferring the European Union experience and methodology on training for TWRM to specialised institutions in the CA region and facilitate networking among them and with similar institutions in OECD and CEE countries.

The following activities are planned to be implemented within the framework of the proposed project:

- Capacity building for decision making experts on transboundary water resource management in CA countries
- Development of the unified methodology of transboundary water resource management for the Central Asia countries
- Development of methodology and manuals on training course
- Representation of experience of the European union transboundary water resource management
- Improvement of professional skill of about 50 experts on transboundary water resource management in the Central Asia

To develop a web portal to support the process of training and to provide one-stop-shop access to relevant materials in both English and Russian, in order to help trainers to share training materials and practical experience and examples that would support the training process.

EECCA RECs, jointly with OECD EAP Task Force Secretariat, will develop a methodology for training the personnel and identify relevant materials for training sessions. When training methodology and materials are finalized, EECCA RECs will help local experts to develop methodology of IWRM with the account of existing management practices in Central Asia and will facilitate networking among trainers. The main target group for trainings are national water resources management enforcement authorities of the Central Asia countries.

CAREC will act as a leading REC for this project. In order to implement envisaged activities CAREC has developed a detailed project proposals, project matrix and estimation of required resources. Other EECCA RECs will participate in these activities providing methodological and information support.

Activities within the framework of the given project may start immediately after receiving of necessary resources. By now, there is no interest of any donor in supporting this project activity.

PROGRAMME AREA 2. ENVIRONMENTAL POLICY REFORM

ACTIVITIES TO BE CARRIED OUT JOINTLY BY THE OECD SECRETARIAT AND EECCA RECS

PROJECT JP/2.1.2: MONETARY PENALTIES AND LIABILITY

CURRENT ENVIRONMENTAL LIABILITY

Taking into account the high rating and topicality of the given thematic area EECCA RECs have developed the current project proposal in order to address the issue of current environmental damage in the EECCA region. As the given topic is included in the Work Programme of the EAP Task Force for 2009-2010 only the EECCA RECs decided to start this work immediately in order to ensure meeting the demands of the EECCA participants of the “Environment for Europe” process (EfE) and to lay the ground for future work of the EAP Task Force in the given area.

The EAP Task Force has done extensive work on helping environmental regulatory agencies in EECCA countries to modernise their systems of economic instruments for environmental protection, particularly pollution and product charges. Recognising the need to further strengthen financial incentives for good environmental behaviour, EECCA countries have requested assistance in reforming two crucial instruments of deterrence against environmental non-compliance and risks: administrative (non-criminal) monetary penalties and liability for environmental damage.

EECCA RECs have explored the attitude of the big business to the above topic and identified serious interest of numerous big companies in EECCA to address this issue and to streamline the existing methodologies for environmental liability of business. Thus, the Russian companies are ready to be involved in the EfE process in order to get relevant internationally recognized methodologies that might help them to better understand their responsibilities and behave adequately.

Objectives:

The main objectives of the proposed project include:

- to assist EECCA countries to streamline the design and implementation of current environmental liability;
- to analyze the degree of the development of a system of assessing environmental damage as an instrument of environmental policy in EECCA;
- to develop recommendations on improving the system of assessing environmental damage.

Detailed discussion of the given project proposal have taken place during a special session within the framework of the last REPIN meeting held in Chisnau, Moldova, on June 11-12, 2009.

REPIN members proposed to develop a basis for the Terms of Reference for EECCA RECs to implement the given project. They recommended that it should consist of a formulation of the tasks; selection of methodology; identification of the scope of work; outputs and results.

The project tasks were identified as follows:

1. To perform comparative analysis of the systems of national legislation related to assessment of environmental damage.
2. To develop a short description of terminology/glossary of terms in the field of the assessment of environmental damage (for ensuring compatibility and comparability).

3. To analyze existing methodologies of assessing environmental damage and to select them.
4. To identify the scope of application of methodologies of assessing environmental damage.
5. To perform comparative analysis of procedures and roles of different actors of the process.
6. To perform assessment of applicability of economic instruments in comparison with other tools (practices of application, frequency of application, the scope, etc.).
7. To perform comparative assessment of taxes and tariffs for environmental damage and their effectiveness (for actual restoration of the environment; target use of funds, etc.).

The proposed project methodologies will include:

1. Development of a Questionnaire for EECCA countries;
2. Discussion and improvement of the Questionnaire;
3. Questioning of the countries;
4. Processing of data and information;
5. More accurate definition at the national level;
6. Compilation and comparative analysis of obtained information.

Activities to be implemented within the framework of the given project will include:

1. Preparation of a Draft Regional review.
2. Consideration of the Draft review and discussion at the REPIN meeting
3. Finalization of the Review according to the comments of REPIN.
4. Informing the stakeholders in the countries (ministries and agencies) of the results.

It was agreed that the process participants will include:

1. State authorities
2. business community
3. NGOs
4. Insurance companies
5. Banks

The following main project results/outputs were identified :

1. Questionnaire with explanatory note
2. The draft regional review (with the scope of at least 7-8 EECCA states)
3. Comments to the Review
4. Final version of the Review to the Astana Conference.

Russian REC will act as a leading centre for this programme area. RREC has developed a detailed project proposal and project matrix that describes division of responsibilities among EECCA RECs. Activities on implementing a review and development of relevant methodology might start immediately upon receiving of necessary funds for project implementation. Envisaged project duration is 2 years.

Negotiations with the Dutch Ministry of Housing, Spatial Planning and the Environment (VROM) for funding this project are under way. The revised project proposal was applied to VROM for possible. The final decision has not been made yet.

PROJECT JP/2.2.3: INDUSTRY'S ENVIRONMENTAL PERFORMANCE RATING

In 2003-2007, the REPIN has promoted international best practices of industry performance rating and disclosure. In the first phase, the OECD Secretariat conducted a feasibility study in Ukraine. Subsequently, the scheme was implemented on a pilot basis in the Lviv region of Ukraine and had a very

positive impact on companies. At their Ninth Annual Meeting (16-18 June 2008), REPIN members requested that the work in this area be continued through both regional policy dialogue and national-level implementation. The system of performance rating will allow to increase the influence of the public opinion on enterprises and firms and thus, provide incentives for improving environmental performance.

Within the framework of the given project EECCA RECs will assess the feasibility of scheme's introduction in other countries of the region. This will imply desk reviews and working with national and sub-national authorities. EECCA RECs will produce feasibility studies in 1-2 of the most industrialised countries of the region, e.g. in Azerbaijan, Kyrgyzstan, Uzbekistan, or Belarus.

The project will be implemented jointly with OECD Secretariat by all RECs and from EECCA RECs side coordinated by REC Moldova, that will act as a leading Centre.

Work of EECCA RECs may start immediately after a document with strategic and methodological recommendations on introduction of a system is prepared by OECD Secretariat and discussed by REPIN members.

PROJECT JP/2.2.4: STRENGTHENING THE CAPACITY OF ENVIRONMENTAL ENFORCEMENT AUTHORITIES

This project aims to promote a structured approach towards training of environmental inspectors and facilitate networking among specialised institutions in the EECCA region and with similar institutions in OECD and CEE countries.

Within the framework of 2003-2007 work programme, the OECD EAP Task Force Secretariat organised and held numerous training and know-how transfer events at the level of sub-regions (e.g. in the Caucasus) and countries, including Armenia, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Russia, and Ukraine. Most of the training events were conducted in cooperation or with logistical support from EECCA RECs. The programme had a positive impact and, as a result, the Secretariat and its partners in EECCA have faced an increasing demand for training, which is difficult to satisfy without enlarging the number of trainers and creating a mechanism that would enable trainers to continuously update the training programmes and materials.

Within the framework of this joint project EECCA RECs will help local trainers to replicate the training and will facilitate networking among trainers. The main target group for training are sub-national environmental enforcement authorities in Armenia and Russia, and possibly Uzbekistan and Kyrgyzstan as these countries expressed an interest in such events. The replication phase will involve:

- Assessment of training needs and development of a multi-year training programme;
- Development of agenda and adaptation of training materials for at least 3-4 modules;
- Identification of training participants;
- Conducting the training sessions in accordance with the needs of specific recipients.

In addition, the web portal established to support the process of training will be maintained. The portal provides one-stop-shop access to relevant materials in both English and Russian, and can help trainers to share training materials, practical experience and examples that would support the training process. The bilingual web-portal will serve for the exchange of training materials, analytical reviews and practical experience among trainers and inspectors.

The OECD Secretariat and the Russian REC, that represented EECCA REC network at the 2008 Tashkent REPIN meeting, organized a detailed discussion of the given project proposal by REPIN

members. In particular, REPIN members agreed on the timetable of project implementation by both parts of the EAP Task Force Secretariat. OECD Secretariat will develop a methodological document, training CD-Rom and will assist EECCA RECs in further development of a web-portal. REPIN members emphasized that a systematic approach to training personnel should be adopted in EECCA along with the need for developing minimum qualification requirements. Concrete recommendations on the content of training materials were developed by OECD Secretariat.

Russian REC was selected to act as the leading centre for this project with active participation of other EECCA RECs. The Russian REC has developed a detailed project proposal and project matrix with calculation of expenses.

All EECCA countries emphasized topicality and importance of the given project and expressed their wish to participate in it. The work of EECCA RECs within the framework of the given project may start after methodological document on developing personal capacities and training CD-Rom are developed.

REC Caucasus applied to the Ministry of Foreign Affairs of Norway with a request to support implementation of the part of the project on establishing a structured approach towards training of environmental inspectors in Armenia and Azerbaijan with a certain contribution to be provided by REC Caucasus. The project is envisaged for 3 years (financial allocations are described in the budget tables of the Joint Progress Report).

The project was approved by the Norwegian Government. Relevant Contract has already been signed. The preparatory meeting with the State Inspectorate of Armenia was conducted in Yerevan (16 September, 2009) and is scheduled for September 24 in Baku with the State Inspectorate of Azerbaijan.

ACTIVITIES TO BE CARRIED OUT BY THE EECCA RECS

ACTIVITY 2 : STRENGTHENING ENVIRONMENTAL POLICY

PROJECT 2.1: PROMOTING PUBLIC INFORMATION AND PARTICIPATION IN EIA AND PERMITTING

This project aims to improve mechanisms used by EECCA environmental authorities to disclose facility-specific information provided under EIA and permitting procedures.

In the first phase, the project will establish a capacity building programme on public participation in EIA and permitting and, simultaneously, will identify gaps in current legal and institutional frameworks, as well as problems with infrastructure for disclosure of facility-specific regulatory documents. EECCA RECs will have a leading role in the project, with the OECD Secretariat providing support at the start-up phase of work. All EECCA RECs will participate in the implementation of the given project.

The RREC will act as a leading institution in terms of coordination and methodology. It is envisaged that OECD Secretariat will help EECCA RECs at the initial stage of work. By now only the Dutch Ministry of Construction, Spatial Planning and the Environment is considering possibility of supporting the given project. Activities may start immediately after receiving of necessary financial resources.

PROJECT 2.2: PROMOTION AND IMPLEMENTATION OF LOCAL ENVIRONMENTAL ACTION PLANS (LEAPS) IN EECCA COUNTRIES

The overall objective of the proposed project is to assist EECCA countries in creating favourable policy and conditions for LEAP development and implementation, as well as to support communities in building their capacity to formulate and implement LEAPs.

Among the specific project objectives are:

- further support and capacity building for regional and national networks of LEAP experts/practitioners, established at earlier stages of LEAP introduction and pilot phases;
- to develop country specific LEAP Kits (methodological sets of LEAP materials);
- to undertake implementation and dissemination of LEAP demonstration projects; and
- to set-up national and sub-regional LEAP training programmes for training LEAP practitioners.

EECCA RECs will deliver the following:

- 50-60 government representatives/experts/practitioners from selected EECCA countries trained in the best practices on LEAP theory and practices within the framework of the series of training courses;
- Leading internationally adopted and approved documents on local environmental management widely disseminated among practitioners and environmental decision-makers;

- A bilingual web portal for LEAP practitioners and experts developed containing training materials, analytical reports, and practical experience developed;
- Training of LEAP practitioners replicated at sub-regional and national levels (about 20-30 persons per country).

The project will further promote introduction and wide application of LEAP practices and provide a contribution for improving environmental management at the local level thus contributing for sustainable development of municipalities.

By creating a pool of trainers and LEAP Kits the project will develop capacity to deliver training on LEAPs in key institutions in the region, including one or several of the EECCA RECs, thus disseminating good international practices. It will also establish a mechanism of information exchange that will help trainers to continuously learn about new developments.

REC Caucasus and *REC Moldova* will act as leading institutions for the given project. All EECCA RECs will actively participate in the project implementation.

The revised ToR and detailed budget breakdown according to the envisaged tasks for relevant sub-regions is being finalised.

EECCA RECs agreed that the Russian REC will cover Belorussia; REC Moldova will cover Moldova and Ukraine and REC Caucasus will cover 3 south Caucasus countries. CAREC will cover at least 3 central Asian countries.

The final version of the Project proposal was submitted to the Swiss government for funding. No feedback from donor has been received yet.