

EAP Task Force

Eighth Annual Meeting of the EECCA Regulatory Environmental Programme Implementation Network

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REGULATORY ENVIRONMENTAL PROGRAMME IMPLEMENTATION NETWORK Progress Report: November 2005 – May 2006

REPIN ACTIVITY AREAS

The REPIN Network, which is part of the OECD/EAP Task Force, was formally established in 1999 and has operated in Eastern Europe, Caucasus and Central Asia (EECCA) since late 2000. The Network has substantially enlarged its scope of work after the Kiev “Environment for Europe” Ministerial meeting in 2003. REPIN work has helped to revise policies and legislation, to reform environmental institutions and to upgrade the knowledge and skills of environmental officials and experts in EECCA countries. These efforts have been concentrated in three main areas:

1. Strengthening Environmental Policy Instruments;
2. Strengthening Environmental Enforcement Strategies and Instruments;
3. Improving the Performance of Environmental Enforcement Agencies.

The current progress report highlights major events and products of networking for the period November 2005 – May 2006. A detailed account of project-by-project activities is given in Annex 1.

EVENTS

Regional or sub-regional meetings

A *Caucasus regional training course on integrated environmental permitting* for environmental officials from Georgia, Armenia, and Azerbaijan was carried out in Tbilisi, Georgia on 26-28 April 2006. The training was based on the concepts and methodologies laid out in the Integrated Environmental Permitting Guidelines for EECCA Countries developed by the TF Secretariat. Training participants included 11 representatives from Georgia, 5 from Armenia, and 4 from Azerbaijan. Among the Georgian participants were representatives of the Caucasus Regional Environmental Centre and the Caucasus Environmental NGO Network (CENN).

Armenia

National stakeholder meeting on reform of environmental enforcement system: This meeting was organised on 16 November 2005 to present the recommendations of the peer review of environmental enforcement authorities of Armenia and increase stakeholder support for their implementation. Over 40 participants attended the meeting, including government agencies, NGOs, and industry representatives. The meeting was chaired by the First Deputy Minister of Environment Mr. Simon Papyan. In early 2006

the government took steps toward improving the work of environmental inspectors and allocated more resources for the Inspectorate.

Georgia

Institutional development seminar (20-25 November 2005) for the Georgian Inspectorate for Environmental Protection: This seminar was designed for managers of the Inspectorate, at the central and local level. Twenty two participants attended the meeting. The following topics were addressed:

- Design of modern regulatory regimes;
- Minimum criteria for environmental inspectorates and inspection;
- Choice of outcomes and compliance assurance instruments;
- Human resources management;
- Budget development and financing;
- Organisational culture.

The discussions and practical work allowed the Inspectorate to spell out its mission; vision and values; programme objectives for a three-year period; compliance assurance strategies; and activities to implement them. Also elements of a training programme were identified. Following the meeting, the Inspectorate has drafted the Inspectorate Strategy for 2006-2008.

Kazakhstan

Workshop on modern tools of environmental compliance assurance with 26 managers and inspectors from all regions of Kazakhstan. The workshop (10-14 April, Almaty) was based on the OECD/EAP Task Force Toolkit for Environmental Inspectorates and on some new materials, developed for the workshop. It aimed to promote reforms of environmental compliance assurance and create a shared understanding among all regions concerning the need of reform and key elements. An on-site visit to an asphalt factory was carried out on 12-13 April to simulate the organization of inspection. The training will be replicated in late 2006 or early 2007 in two regions as part of the project co-financing provided by the Ministry of Environment of Kazakhstan. Workshop materials will be used on a permanent basis within regular training of staff in the Ministry's own training centre in Astana.

Russia

Workshop on modern practices of environmental compliance assurance in OECD and EECCA countries, co-organised with the Russian Regional Environmental Centre and the Federal Service for Environmental, Industrial, and Nuclear Safety (*Rostehnadzor*) in the North West region of the Russian Federation (Novgorod, 16 March 2006). This meeting served to kick off a project of the Russian REC in North West Russia that aims to build capacity and encourage in-country networking among environmental enforcement authorities that work under the auspices of *Rostehnadzor*, *Rosprirodnadzor* of the Ministry of Natural Resources, and *oblast* public administration.

Ukraine

A training course on integrated environmental permitting for representatives of nine oblasts (regions) of Eastern Ukraine: The training was carried out in Donetsk on February 15-17 2006. There were 24 training participants, including practically all key relevant officials from the 9 oblasts, some of them covering their own expenses. The fact that the government is undertaking concrete steps to reform the permitting system served as a particular impetus. The Donetsk oblast State Environmental Administration has officially expressed its willingness to host pilot projects on issuing integrated permits in selected

industries. Recognizing the training course as a major success, the Ministry of Environmental Protection has also requested it be conducted (in two more deliveries over 2006-2007) for the rest of the oblasts.

Upcoming events

Training in Moldova, North-West Russia, and Ukraine: Training sessions will be held in the second half of 2006 with the representatives of environmental inspectorates from the target region in cooperation with new RECs. Training material previously developed by the EAP Task Force will provide the basis for capacity building activities. Representatives of OECD, Central European and Baltic countries will be invited to share their experience. Following the training session, environmental inspectorates from the target region will be asked to carry self-evaluation of the conformity of existing working procedures with good international practice and work out measures to improve the effectiveness, efficiency, and transparency of inspection. In the context of regional co-operation plans of joint inspections between Moldova and Ukraine will be prepared, if necessary and feasible. The EAP Task Force Secretariat, in cooperation with new RECs, will also widely disseminate the training and analytical material to the target region.

National conference to present the environmental chapter of the OECD Guidelines for Multinational Enterprises (September 2006, Kazakhstan): The OECD Guidelines for Multinational Enterprises will be disseminated among key stakeholders, and a meeting will be organised to introduce the environmental chapter of the Guidelines. The meeting will bring together representatives of government authorities, companies that are extracting oil in the Caspian Sea, and NGOs. Other members of REPIN (Azerbaijan, Russia, and Turkmenistan) will be invited as observers.

Expert meeting on self-monitoring by industrial operators, organised jointly with UNECE and Poland: The Environmental Inspectorate of Poland will host a workshop on enterprise environmental monitoring and reporting in Warsaw from 4 to 6 September 2006 at the invitation of, and with financial support by, the Government of Poland. The working participants will discuss experiences gained by different countries in establishing regulations and economic incentives as well as in the application of innovative information tools for database management and online reporting to facilitate environmental data flow from enterprises to environmental authorities for the purpose of national assessments and international reporting. Several REPIN members and the Secretariat are invited to take part.

RECENT AND UPCOMING PUBLICATIONS

Recently finalised documents

Transition to Integrated Environmental Permitting in the Kyrgyz Republic: The aim of this case study is to analyse the conditions and make recommendations for a step-by step introduction of an integrated environmental permitting system for specific manufacturing sectors in the Kyrgyz Republic. The study focuses on the four important aspects of designing the new permitting system: the scope of regulated industry, legal changes necessary to introduce permitting, institutional issues and the time schedule for setting up the new system.

Promoting Compliance with Environmental Requirements in Armenia: This document presents the conclusions and recommendations of a peer review of the environmental compliance assurance system in the Republic of Armenia. The review was carried out by a team of experts from Latvia, Kyrgyzstan, Netherlands, Russia, and Sweden. A representative of the ECENA Network also took part in the review.

Modernizing Environmental Self-Monitoring in Kazakhstan: This document aims to (1) summarize the strengths and weaknesses of the national environmental self-supervision system that is carried out by industrial operators; (2) provide policy recommendations to improve this system, within a wider environmental regulatory reform launched by the Ministry of Environmental Protection.

Upcoming publications

Guiding Principles for Environmental Integrated Permitting: This document presents key policy, procedural and institutional elements for strengthening environmental permitting systems in the EECCA region. They aim to support creation of a regulatory framework for environmental management in enterprises and government compliance assurance programmes. The emphasis is placed on the introduction of integrated permitting for large enterprises and a simplified system for SMEs to reduce administrative and compliance costs and provide incentives for pollution reduction.

Assessment of Reform of Environmental Compliance Assurance Systems in EECCA: This report will review progress in reforming policies, instruments and the institutional frameworks for enforcement and compliance with environmental requirements in EECCA. The report will use as assessment references the Guiding Principles for Reform of Environmental Enforcement Agencies in the Transition Economies that were adopted at the Kiev Conference and the Guidelines for Introducing Integrated Environmental Permitting in EECCA.

Annex 1. Project-specific activities, implemented in the period November 2005 – May 2006

PROMOTING EFFECTIVE AND EFFICIENT ENVIRONMENTAL POLICIES				
Project 3.1: Strengthening Environmental Policy Instruments				
Task	Status of Implementation	Planned Outputs/ Planned Meetings	Financial Status	Links to Overall Objectives
<p>1.1 Streamlining and Integrating Environmental Permitting <i>Eugene Mazur</i></p>	<ul style="list-style-type: none"> – A concise policy document “Guiding Principles of Effective Environmental Permitting Systems” prepared for approval at the 8th annual EECCA Regulatory Environmental Programme Implementation Network (REPIN) meeting in June 2006. – A case study on the transition to integrated permitting in Georgia implemented in November 2005—April 2006. A draft report was presented and discussed at a meeting of Georgian stakeholders in Tbilisi in April 2006. – The case study report on the transition to integrated permitting in Kyrgyzstan published in January 2006. – A three-year World Bank project “Reform of Legal Framework and Enhancing Institutional Capacity for Environmental Permitting” launched in Ukraine in February 2006 with significant involvement of the EAP TF Secretariat, which is represented on the project’s steering committee. – An interregional training on integrated environmental permitting conducted for senior environmental officials of 9 oblasts (regions) of eastern Ukraine in Donetsk in February 2006. – A sub-regional training on integrated permitting for permitting officials and experts from Armenia, Azerbaijan and Georgia conducted in April 2006 in Tbilisi. 	<ul style="list-style-type: none"> • Development and production of a CD ROM with a consolidated training package on integrated permitting by September 2006). • Publication of the Georgia case study report on integrated permitting in June 2006. • Continued involvement in the implementation of the World Bank and Swedish (to be launched in June 2006) projects on environmental permitting reform in Ukraine. • An interregional training on integrated environmental permitting for senior environmental officials of 7 oblasts (regions) of central and southern Ukraine in Odessa in September 2006. 	<p>Funding for the 2006 activities ensured through grants from EC/TACIS, Sweden, the Netherlands, Poland, and the Czech Republic.</p>	<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>1.2 Making Environmental Standards More Realistic <i>Eugene Mazur</i></p>	<ul style="list-style-type: none"> - Presentations and discussion of the experience from reforming of environmental standards in EECCA region at the 7th Annual REPIN meeting in October 2005. - Funding received from the UK DEFRA to implement The project “Support for Convergence with EU Water Quality Standards in Moldova” launched in April 2006 in cooperation with Moldova’s Ministry of Ecology and Natural Resources. 	<ul style="list-style-type: none"> • A draft Technical Report containing a detailed proposal of a new system of surface water quality standards for Moldova to be prepared by September 2006. It will undergo extensive stakeholder consultations in October-November 2006. • Two pilot projects to test the proposed new system of surface water quality standards in Moldova will be launched in November 2006. 	<p>The UK DERFA grant for a project in Moldova was provided in March 2006.</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 excessively rigid and often more stringent than in OECD countries.</p>
<p>1.3 Strengthening Economic Instruments for Environmental Protection <i>Eugene Mazur</i></p>	<ul style="list-style-type: none"> - No activities in the reporting period. 	<ul style="list-style-type: none"> • An issues paper covering economic instruments, among others, to be prepared for the conference on reform of environmental policy instruments in EECCA countries to be organized in the spring 2007. 	<p>Funding for the conference on reform of policy instruments in early 2007 is required.</p>	<p>The project aims to develop recommendations for applying economic instruments as an element of an effective policy mix.</p>
<p>Project 3.2: Strengthening Environmental Enforcement Strategies and Instruments</p>				
Task	Status of Implementation	Planned Outputs/ Planned Meetings	Financial Status	Links to Overall Objectives
<p>3.2.1 Implementing Efficient, Effective and Financially Viable Environmental Compliance Assurance Programmes <i>Krzysztof Michalak</i> <i>Angela Bularga</i></p>	<ul style="list-style-type: none"> - Presentation of the results of the project on economics of enforcement and funding environmental inspectorates at the 7th Annual Meeting of the Regulatory Environmental Programme Implementation Network (REPIN) in October 2005 - 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) - Draft report on Environmental Regulation and Compliance Assurance in Russia (May 2006) 	<ul style="list-style-type: none"> • A study on financing of enforcement system in Ukraine under discussion for implementation in 2006. Armenia and Kazakhstan expressed an interest to participate in the project. • Analysis of the effectiveness of the use of enforcement actions and non-compliance responses in selected EECCA countries to be launched in March 2006. 	<p>Initial funding provided by the Netherlands. The Russia conference sponsored by the OECD Outreach programme and the World Bank. Further funding sought.</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</p>

				enterprises. 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.
3.2.2. Promoting Information-Based Instruments and Public Involvement in Compliance Assurance <i>Krzysztof Michalak</i>	<ul style="list-style-type: none"> – Draft report on performance rating and information disclosure schemes in Russia (October 2005) – Presentation and discussions of performance rating and information disclosure schemes in Russia and Ukraine at the 7th Annual Meeting of the Regulatory Environmental Programme Implementation Network (REPIN) in October 2005 – Preparation of missions to Ukraine to support the implementation of performance rating and information disclosure scheme and the final report from the project in Ukraine (March 2006). 	<ul style="list-style-type: none"> • A report on performance rating and information disclosure schemes in Russia (April 2006) • A methodology for applying performance rating and information disclosure schemes (June 2006). • The implementation of the project in Ukraine is expected to end in June 2006. • Reviewing progress with public involvement in assuring compliance with environmental regulatory requirements in EECCA and identifying necessary reform (in co-operation with Eco-Forum June-December 2006). 	<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 and for a joint project with Eco-Forum.</p>	<p>This project aims to promote compliance by using disclosure of information about performance of individual enterprises and public and media pressures. 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.</p>
3.2.3. Improvement of Industrial Self-Monitoring <i>Angela Bularga</i>	<ul style="list-style-type: none"> – Input to the UNECE Guidelines on enterprise environmental monitoring and reporting; – Development of the training package on self-monitoring (October 2005 – February 2006) 	<ul style="list-style-type: none"> • Input to the organisation of an expert meeting on the UNECE guidelines within the framework of the UNECE Working Group on Monitoring (4-6 September 2006, Warsaw) 	<p>The expert meeting will be funded by Poland and the UNECE.</p>	<p>This project aims to help to redesign environmental self-monitoring systems.</p>

Project 3.3: Improving the Performance of Environmental Enforcement Agencies				
Task	Status of Implementation	Planned Outputs/ Planned Meetings	Financial Status	Links to Overall Objectives
3.3.1. Peer Reviews of Environmental Performance Agencies <i>Angela Bularga</i>	<ul style="list-style-type: none"> – Presentation of the review report on Armenia at the REPIN meeting in October 2005; – Participation in the UNECE Environmental Performance Review of Ukraine (the Review mission - October 2005, the Review meeting - October 2006); – Publication of the Review Report on Armenia and presentation of the main findings at the stakeholder meeting in Yerevan (November 2005); – Development of the outline for a report assessing progress in the implementation of the “Guiding Principles for reform of Environmental Enforcement Authorities” (February 2006) 	<ul style="list-style-type: none"> • A report assessing progress in implementing the Guiding Principles for Reforming Environmental Enforcement Authorities in EECCA (for the presentation at the Belgrade Ministerial Conference in 2007); 	Funding provided by the Netherlands.	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. The project uses the Guiding Principles for Reform of Environmental Enforcement Agencies as a framework for conducting the reviews.
3.3.2. Developing Enforcement and Compliance Indicators <i>Krzysztof Michalak, Angela Bularga</i>	<ul style="list-style-type: none"> – Participation in two INECE expert meetings to discuss the international training course on performance measurement (November 2005 and May 2006); – Finalisation of the guidelines for designing and applying enforcement and compliance indicators in co-operation with INECE (December 2005). – An inventory of enforcement and compliances indicators in EECCA and identification of a core set of environmental compliance and enforcement indicators in the EECCA region (March 2006) – Discussion of the indicator guidelines at the REPIN meeting in Tbilisi (12-13 June 2006) 	<ul style="list-style-type: none"> • Adoption of the guidelines on environmental compliance and enforcement indicators. 	Funding for the pilot project in Russia provided by the Netherlands and the UK.	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. It will also contribute to the OECD work on environmental indicators.

<p>3.3.3. Building of Capacities of Enforcement Managers and Officers <i>Angela Bularga</i></p>	<ul style="list-style-type: none"> – Training on administrative enforcement provided to 77 staff members of the Georgian Inspectorate and 6 trainers (September 2005); – Training provided to 20 managers of the Georgian Environmental Inspectorate on strategic management (November 2005); – Participation in an international seminar on compliance assurance as part of the Russian REC project to build capacity of inspectors in North West Russia (16 March 2006); – Development of the Georgian Inspectorate Strategic Plan; – Drafting the Master Plan for the Georgian Inspectorate's Information System (May 2006) – Training on modern tools of compliance assurance provided to staff of the Kazakh Committee for Environmental Control; – Draft study on non-compliance responses in Kazakhstan (May 2006). 	<ul style="list-style-type: none"> • Organisation of the 8th REPIN annual meeting (June 2006, Tbilisi); • Further implementation of capacity building projects in Kazakhstan and Georgia, (throughout 2006) • Co-operation with the Russian REC on a training of inspectors in North West Russia (March – April 2006); • Co-operation with the US Environment Protection Agency on preparing a training on criminal enforcement in Armenia and Georgia (tdb 2006); • Training for inspectors in Ukraine and Moldova (planned for mid or late 2006), possibly in cooperation with REC Moldova. 	<p>Core activities are supported by grants from the Netherlands and Norway.</p>	<p>The responsibilities for training activities will be transferred over time to specialised institutions in EECCA countries.</p>
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