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THE FUTURE OF THE EAP TASK FORCE

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*ACTION REQUIRED:
For discussion.*

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THE FUTURE OF THE EAP TASK FORCE

This note aims to facilitate a first discussion of the possible future of the EAP Task Force after the next “Environment for Europe” Ministerial Conference in 2007. It has been prepared by the secretariat in response to a request from the Bureau at its last meeting.

Background

The EAP Task Force, together with the Project Preparation Committee (PPC), was established 12 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. The European Commission was established as a permanent co-Chair, together with a co-Chair from the region. OECD was invited to serve as secretariat.

Initially the Task Force 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, its work has focused increasingly on the needs of EECCA countries. In 1998, the secretariat function for the sub-programme for central and eastern European countries was transferred to the Regional Environment Centre (Szentendre), with OECD retaining responsibility for providing secretariat support for the EECCA sub-programme.

At the 2003 Kiev Conference, the Task Force’s CEE sub-programme was terminated; cooperation with the PPC was strengthened through annual meetings and a common Bureau; and the adoption of the EECCA Environment Strategy provided a new framework for the Task Force’s work. In addition to working in its traditional areas of expertise, the Task Force was asked to support and facilitate the overall achievement of the objectives of the EECCA Environment Strategy.

Since its establishment, the Task Force has concentrated on strategic, cross-cutting issues that support the reform of environmental policies and the integration of environment into the broader processes of economic and political reform underway in transition countries. These were:

- Environmental Policy Reform
- Environmental Management in Enterprises
- Public Environmental Finance.

With the increased focus on the EECCA region, work on environmental management on enterprises was integrated with work on environmental policy reform. Following the Almaty Ministerial Conference of 2000, work on water supply and sanitation became part of the Task Force’s work programme.

The working methods of the Task Force are based largely on those of OECD. They emphasise Policy dialogue and peer learning, and rigorous analysis and good practice guides to support reform efforts. As a result, the Task Force has developed a suite of practical tools to assist EECCA governments to implement reforms. Since 1998 the Task Force added non-investment demonstration projects to its working methods in order to help promote environmental reform by achieving concrete results “on the ground”. These demonstration progress have been used both to develop and to apply the tools referred to above. The

results of these projects are used also to drive the regional process of peer learning. Some of the outcomes of Task Force work are presented in document ENV/EPOC/EAP(2005)1.

In carrying out its work, the Task Force has built up “capital” which is largely vested in the tools it has developed and in its networks and secretariat.

Networks have been established in the Task Force’s three main areas of work: Environmental Finance (since 1996); Environmental Policy (NEAP Coordinators from 1994; REPIN since 1999); and Water Supply and Sanitation (since 2001). In addition to sharing information, analysing selected issues, agreeing on policy recommendations and disseminating good practices, the networks provide an important means for enhancing the knowledge, contacts and skills of participants from EECCA countries. They also help focus Task Force work on EECCA country priority needs. By involving representatives from Finance, Economy, Water and other Ministries, they have helped to overcome institutional barriers and to integrate environment into other policy sectors. They have also facilitated cooperation with broader international initiatives such as the EU Water Initiative and networks working on environmental enforcement and compliance (such as IMPEL and INECE).

The concentration of work within the EECCA region over the last seven years has also enabled the secretariat to develop its capacity to work in this region. The experience gained has helped to develop and implement projects that are effective and realistic within the context of EECCA countries. This knowledge is also available to donors, and the secretariat has been able to help donors to better target their assistance projects, and to facilitate cooperation between donors and individual EECCA countries. Synergies with the activities of IFIs and other international organisations have been developed. Closer links have been established between policy and institutional reform on the one hand, and investment activities on the other, through EAP Task Force – PPC cooperation.

An analysis of the Task Force’s funding at the last Bureau meeting showed that in recent years the annual budget of the Task Force has been about €2m. In 2002-04, five donors accounted for 88% of this amount budget (EC, Germany, the Netherlands, Norway and the UK). When Switzerland and Sweden are added, seven donors account for 95% of finance. EC/Tacis accounted for 23% of the Task Force’s budget and has become critical for maintaining the current level of budget support.

Future Role

The EAP Task Force, including the role of the OECD secretariat, was always considered as an ad hoc arrangement to support integration of environment into the transition process. Moreover, it is recognised that institutions from the region should ultimately take on this role. This was the thinking that underlay the decision to invite the REC (Szentendre) to provide the secretariat role for the CEE sub-programme of the Task Force. It was also recognised by Ministers at the 2003 Kiev Ministerial Conference when, in reference to the PPC and EAP Task Force, they indicated that at their next conference in 2007 “we will consider opportunities to relocate the secretariat functions to Eastern Europe, the Caucasus or Central Asia.”

The Stocktaking Report prepared for the Tbilisi Ministerial Meeting in October 2004, revealed the serious environmental challenges facing EECCA countries, and the weak state of environmental policies and institutions. The report suggests that “environmental transition” for EECCA countries will probably be measured in decades rather than years, and that policy makers in EECCA countries would clearly benefit from targeted assistance in the process. A number of recent initiatives could provide much-needed support in this regard: for example, the EU’s new Neighbourhood policy and water initiative, and international commitments to achieve the Millennium Development Goals. Despite these opportunities, and those provided by the EECCA Environment Strategy, the relatively weak participation of EECCA Environment

Ministers at the Tbilisi Ministerial meeting led some donors to question the commitment of some EECCA countries to environmental reform and, in particular, to the implementation of the EECCA Environmental Strategy, as well as whether the human and financial donor investment in institutions like the Task Force and PPC balances the benefits obtained.

At the Tbilisi meeting there was also recognition of the diversity within the EECCA region – environmentally, economically and culturally. Although environmental policies and institutions share common origins in the former Soviet Union, there is also a tendency to “sub-regionalisation”, particularly in Central Asia. The way in which RECs have been established (in Central Asia, Caucasus, Russia, Moldova and formerly Ukraine) can also be seen as a reflection of this tendency.

Sub-regionalisation is also a feature of the policies adopted by some donors. Most importantly, the new financial instruments for external assistance being developed in the European Union for the period 2007-2013 differentiate significantly between the “close neighbours” (western EECCA and Caucasus) and the rest of the World (for our purposes, in particular for Central Asia). As part of the new Neighbourhood policy, the EU is developing bilateral action plans with the participating countries which include an Environment sector and will include the priority sectors for cooperation where financial and technical assistance will be targeted. These developments raise the question of whether it will be operational to continue working with EECCA countries as a whole, or whether a more differentiated approach that takes more account of sub-regional and national differences would make more sense.

Issues for Discussion

There is no doubt that the work of the EAP Task Force has achieved practical and useful outcomes in EECCA countries, and that there is a demand for its work. The question that needs to be answered is whether, beyond 2007, the EAP Task Force would be the most suitable arrangement in which EECCA countries and donors could most effectively pursue environmental cooperation. If not, should the arrangement be modified in some way, for example by concentrating on fewer countries? Or should it be abandoned and replaced with alternative arrangements, that could, for example, take into account the different coverage of the EECCA countries, by the EU? What role should EECCA RECs play and how does it compare with the type of activities carried out by the EAP Task Force and PPC? Within a new arrangement?

In considering these issues, the EAP Task Force and PPC may also wish to consider:

- How could the “social capital” and know-how built up through the Task Force’s networks and secretariat be best used in future arrangements?
- What is added value of the EECCA Environment Strategy and what role, if any, should it play beyond 2007?
- What should be the role of the PPC in future arrangements (this issue has not been addressed in this paper) taking into account that the Task Force and PPC have a common membership, meet jointly and have a common Bureau?