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Organisation de Coopération et de Développement Économiques
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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

**SUMMARY RECORD OF THE ANNUAL MEETING OF THE EAP TASK FORCE
(20-21 October 2011, Chisinau, the Republic of Moldova)**

A draft version of this document was circulated to meeting participants for endorsement through a written procedure. There were no comments received. The attached document is, therefore, the final summary record of the 2011 Chisinau Meeting of the EAP Task Force.

ACTION REQUIRED: For information.

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ANNUAL MEETING OF THE EAP TASK FORCE

20-21 October 2011, Chisinau

Summary Record

Overall information about the meeting

1. The Chisinau Annual Meeting of the Task Force for the implementation of the Environmental Action Programme (EAP Task Force) was organised immediately after the Seventh “Environment for Europe” Ministerial Meeting (21-23 September 2011) and marked the launch of a new cycle of work of the EAP Task Force. The meeting was attended by government officials from eight countries of Eastern Europe, Caucasus and Central Asia (EECCA) and seven OECD member states. Representatives of the European Commission and the United Nations Economic Commission for Europe (UNECE), as well as the NGO community and five Regional Environmental Centres (RECs) were also present (see Annex 2 for the list of participants). The meeting was hosted by the Ministry of Environment of Moldova, with REC Moldova proving some logistical help for meeting organisation.

Opening remarks

2. The co-Chair of the EAP Task Force, Mr. Jürgen Keinhorst (Germany) opened the meeting by welcoming delegates and informing them about the extension of the EAP Task Force’s mandate at the Astana Ministerial Conference¹.

3. Mr. Rodion Bajureanu, Deputy Minister of Environment of Moldova, welcomed participants on behalf of the host country. Mr. Bajureanu expressed his appreciation for the results achieved by the EAP Task Force, specifically projects conducted in Moldova. He stressed the interest of his country for this work to continue and the need for enhancing cross-sector cooperation, including with ministries of economy and finance.

Adoption of the Berlin EAP Task Force Meeting Summary Record and Chisinau Meeting Agenda

4. The Task Force:

- Took note that the Summary Record of the previous EAP Task Force Meeting, held on 12-13 May 2011 in Berlin, [ENV/EPOC/EAP/M(2011)2] had been adopted through a written procedure;
- Took note of the list of documents [ENV/EPOC/EAP/A(2011)3], and adopted the Draft Agenda without amendment.

¹ The Astana Ministerial Declaration states that Ministers “...welcome the work of the Environmental Action Programme Task Force and [...] invite the Organization for Economic Cooperation and Development to continue this work, including on the themes of this Conference, in cooperation with RECs and other partners” (ECE.ASTANA.CONF/2011/2/Add.1).

Conclusions of projects from the previous cycle of work

5. The EAP Task Force:

- Took note of the presentation by the OECD Secretariat on the EAP Task Force projects, which were concluded after the Berlin Meeting, in particular the reports on natural resource management, environmental liability, and capacity building for environmental management;
- Took note of the presentation by Ms. Malak Shukurova, Executive Director of REC Caucasus, on the recently concluded EECCA RECs projects².

Elections of the EAP Task Force co-chairs and bureau members

6. The EAP Task Force:

- Took note of presentation by Mr. Brendan Gillespie from the OECD Secretariat who re-iterated the criteria for nomination on the Bureau and informed the EAP Task Force of candidates for the Co-chair and Vice-Chairs positions;
- Designated new Co-chairs and members of the Bureau out of nominated candidates as follows:

<u>Co-Chairs</u>	Mr. I. Matkava (Georgia)	Mr. J. Keinhorst (Germany)
<u>Vice-Chairs</u>	Mr. G. Salaru (Moldova)	Mr. M. Poutanen (Finland)
	Mr. R. Bultrikov (Kazakhstan)	Mr. J. Opem (Norway)
	Mr. A. Shekhovtsov (Russia)	Mr. G. Constantin (Romania)
	Mrs. N. Trofimenko (Ukraine)	Mrs. M. Rohn-Brossard (Switzerland)
	Mr. R. Mamatkulov (Uzbekistan)	

- Took note that one place on the side of OECD/EU member countries remains vacant;
- Expressed its appreciation for the work of the outgoing Bureau members: Mr. Simon Papyan (Armenia), Mrs. Ann-Britt Ylinen (Finland), Mrs. Nino Tkhilava (Georgia), Mr. Anatoly Dernovoy (Kazakhstan), Mrs. Helena Cizkova (Czech Republic), and Mr. Edwin Koning (Netherlands).

Main outcomes of, and follow-up to, the Astana “Environment for Europe” Ministerial Conference

7. The EAP Task Force:

- Took note of the main outcomes of the Astana Ministerial Conference, summarised in the Astana Ministerial Declaration [ECE/ASTANA.CONF/2011/2/Add.1] and the Chair's Summary of the Astana Ministerial Conference [ECE/ASTANA.CONF/2011/2/Add.2];

² In particular, this concerns the finalisation of the “Analysis of existing systems and methods of current practices of environmental liability and environmental damage assessment in the countries of Eastern Europe, Caucasus and Central Asia (EECCA)” report.

- Noted the OECD/EAP Task Force's submission as part of commitments under the Astana Water Action [ECE/ASTANA.CONF/2011/5];
- Noted the intervention by Ms Ludmila Shabanova, Head of the Green Bridge Office (Kazakhstan) [ECE/ASTANA.CONF/2011/6];
- Took note of presentation by the OECD secretariat on the EAP Task Force's role and participation in the Astana Conference, including the publication of two flagship reports³ and several information documents, the OECD Environmental Director's plenary intervention, facilitation by the OECD secretariat of roundtables on water and green economy, contribution to the Chair's Summary, co-organisation of a side event under the European Union's Water Initiative, as well as the launch of a new web-page (www.oecd.org/env/eap) prior to the Conference;
- Took note of presentations by Ms. Ludmila Kiktenko (CAREC) on EECCA RECs role in the Conference, particularly their contribution to the Assessment of Assessments report [ECE/ASTANA.CONF/2011/8];
- Acknowledged and welcomed the contribution made by both the OECD/EAP Task Force Secretariat and EECCA RECs to the Astana Conference;
- Invited the OECD/EAP Task Force Secretariat to participate in regional preparations towards Rio+20 within the UNECE framework thus making the EAP Task Force achievements more visible internationally.

Special session on green growth: challenges and future priorities in EECCA countries

8. The EAP Task Force:

- Took note of the introduction by the Secretariat of the OECD/EAP Task Force report "Green Growth and Environmental Governance in EECCA" [ENV/EPOC/EAP(2011)7], and invited delegates to provide written comments on the report by 4 November 2011;
- Took note of the presentations by EECCA delegates on their current efforts to promote green growth nationally and regionally, and their different approaches to do so, which largely depend on the country context;
- Agreed that the OECD analytical framework on green growth⁴, as well as the related work by UNEP and UNESCAP, provided useful references for EECCA countries work in this area;
- Took note of the secretariat's summary of the discussion (see Annex 1).

³ The two flagship reports include: (i) Ten years of water sector reform in Eastern Europe, Caucasus and Central Asia and (ii) Greening public budgets in Eastern Europe, Caucasus and Central Asia.

⁴ This framework is outlined in two recent OECD reports: (i) Towards green growth and (ii) Towards green growth: Monitoring progress. OECD indicators.

Post-Astana programming and financing aspects

9. The Task Force:

- Took note of the presentation by the OECD secretariat of the amended versions of the Long-term (2012-2015) Programme of Work [ENV/EPOC/EAP(2011)4/REV1] and the Work Programme and Budget for 2012 [ENV/EPOC/EAP(2011)5/REV1], which benefited from discussion during the previous EAP Task Force meeting in Berlin;
- Broadly endorsed the two documents as providing a framework for future work and provided guidance on several other issues that should be addressed in future work;
- In particular, delegates suggested that the development of the green growth programme should take account of the discussion in the special session (see Annex 1) and that activities should be developed in 2012 on technology transfer to EECCA countries, and building capacity in EECCA countries to more effectively access climate and other international financing mechanisms;
- Encouraged the OECD/EAP Task Force secretariat to reinforce its cooperation and synergies with the UNECE's Environmental Performance Review programme, particularly in light of the imminent launch of its third cycle where the green growth issue will have a prominent role;
- Encouraged the OECD/EAP Task Force to explore possible synergies with the work of the Green Bridge Initiative;
- Took note of the presentation by Mr. Andrei Terentiev from REC Russia, delivered on behalf of EECCA RECs, on their priority areas for further work after the Astana Ministerial Conference, and financing needs for this purpose;
- Encouraged the OECD and EECCA RECs to identify areas where they could cooperate effectively in implementing the EAP Task Force's work programme.

Dates and location of the next EAP Task Force meeting

10. The EAP Task Force:

- Agreed to schedule the next EAP Task Force meeting in September-October 2012, requested the secretariat to propose dates, and welcomed the initial expression of interest by Norway to host that meeting⁵.

Other business and closing remarks

11. The EAP Task Force:

- Took note that all meeting documentation, including Power Point Presentations, will be permanently posted on the EAP Task Force's Community Internet site (<https://community.oecd.org/community/eap>);
- Expressed its gratitude to the Moldovan government for hosting the meeting.

⁵ Norway confirmed its willingness to host the meeting in Oslo.

ANNEX 1: KEY ISSUES DISCUSSED DURING THE SPECIAL SESSION ON GREEN GROWTH IN EECCA

Delegates agreed that the OECD analytical framework on green growth, as well as the related work by UNEP and UNESCAP, provided useful references for future work in this area. Although there were some differences in terminology and definition, a number of the key issues were common to the work of these organisations, including:

- The objective of promoting environmentally sustainable growth;
- The recognition that green growth was a way of operationalising the longer-term goal of sustainable development;
- The emphasis on natural assets as factors of production, and that damage to, or depletion of, those assets could adversely affect economic growth;
- The assertion that pursuing environmental policy objectives entailed not only costs, but could also generate economic benefits in terms of enhanced productivity, competitiveness and jobs.

Delegates stressed the importance of developing appropriate indicators for green growth. GDP is a good indicator of economic growth in terms of the material output of an economy. However, it does not take into account the depletion of natural resources or environmental health impacts. It was recognised that a broader set of indicators is needed to monitor progress in achieving green growth. This was crucial because the metrics used often determine what is managed.

A number of delegations (Ukraine, Caucasus REC, CAREC, Kazakhstan, Georgia and Uzbekistan) presented win-win policies that were designed to achieve both economic and environmental policy objectives. These were mostly concerned with energy efficiency and cleaner production. It was recognised that markets by themselves did not realise win-win opportunities, and that various obstacles had to be overcome to achieve the potential economic and environmental benefits. Generally these were in the form of information, education, training and finance. Policies in these areas usually targeted at small- and medium-sized enterprises due to their relative lack of capacity and resources compared to larger enterprises.

There was a discussion about the role of environmental policies in stimulating green growth. Reflecting the experience of OECD countries, the OECD Green Growth Strategy argued that a clear and ambitious environmental policy framework was an essential element in green growth strategies. Countries such as Germany and Japan that had established stringent environmental policies had stimulated the development of technologies that became internationally competitive. The delegate from Georgia stressed that context was important. His government's main priority was to promote growth and hoped to promote green growth without imposing additional costs on the business sector. These issues should be the subject of further discussion and analysis.

Economic and sectoral policies also had an important role to play in promoting green growth. One element of this was eliminating or reforming environmentally harmful subsidies. These include subsidies (including exemptions from taxation for) energy products, agriculture and water. The Georgian delegate reported how his government had abolished all subsidies. Moldova reported on how it was studying environmentally harmful subsidies with a view to reducing them. One challenge is how to identify and measure subsidies. Another obstacle in this regard is the adverse social consequences that can arise if energy or water prices increase, or if support to farmers is suddenly cut-off. Many OECD countries have developed supporting policies to ensure, for example, that poorer sections of the population will have continued access to water or energy if they cannot afford to pay higher tariffs.

Moldova and CAREC presented examples of work to better internalise environmental costs in prices, and thereby provide better economic incentives for environmental protection. In Moldova work is underway to assess the possible reform of environmental taxes. CAREC is working on payments for ecosystem services.

From the delegates point of view, clean technology is an effective way to achieve environmental and economic objectives and to promote green growth. They stressed that this did not necessarily depend on developing a sophisticated and expensive innovation capacity. Important benefits could also be achieved through the adaptation of existing technologies. It was suggested that further work in this area could be useful. In particular, specific mechanisms for technology transfer could be examined, and their effectiveness from the perspective of EECCA countries assessed. This could provide the basis for developing proposals for how such mechanisms could be better adapted to the needs of EECCA countries.

The provision of environmentally related infrastructure, including water infrastructure, is a key component of green growth. Ensuring the supply of safe water and basic sanitation responded to basic human needs. Agriculture, energy, manufacturing and other sectors are highly dependent on a reliable supply of good quality water. The impacts of climate change are generating new needs for investment in water storage and other infrastructure. Delegates noted that the EAP Task Force would be extending its work on water financing to address this broader agenda. Several delegates stressed the opportunities that existed to access international carbon financing mechanisms, and that the EAP Task Force could assist EECCA countries to develop their capacities to do this more effectively.

Finally, the NGO delegate stressed that promoting green growth had an important international dimension. There were sometimes concerns expressed, often exaggerated, that environmental policies can function as a form of green protectionism, or provide incentives for companies to relocate their operations to jurisdictions with more lax environmental policies. State aid to different sectors can also distort competition and may be challenged under the WTO. Thus, delegates agreed that the international dimension should be kept in mind when examining green growth policies.

The following presentations were delivered during the Special Session:

- Green growth promotion in Georgia, by Mr. Irakli Matkava, Deputy Minister of Economy;
- Promotion of eco-innovation, energy and resource efficiency in Ukraine, by Ms Ludmila Musina, Adviser to the Minister of Economy, former Deputy Minister of Economy of Ukraine;
- Efforts to conduct a new generation of environmental fiscal reforms in Moldova, a presentation by Ms Tatiana Plesco, Senior Adviser, Ministry of Environment;

- Trade and environment, and subsidies reform in EECCA, by Ms. Olga Ponizova, European Eco-Forum;
- Challenges and opportunities for introducing payments for ecosystem services in Central Asia, by Ms. Ludmila Kiktenko, Central Asia Regional Environmental Centre;
- Greening the SME sector in the Caucasus, by Ms. Malak Shukurova, Executive Director, REC Caucasus;
- Green economy start-up in Uzbekistan, by Mr. Artur Mustafin, Deputy Chairman of Tashkent Environmental Committee;
- The Kazakh Green Growth Strategy, by Ms Ludmila Shabanova, Head of the Green Bridge Office.

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