

ENVIRONMENTAL PERFORMANCE REVIEW OF THE RUSSIAN FEDERATION

EXECUTIVE SUMMARY

First independent assessment of environmental performance of Russia.

An OECD study, ***Environmental Performance Review of the Russian Federation***, is the first comprehensive and independent assessment of environmental conditions and policies in Russia. The report establishes a baseline for assessing future environmental progress and examines Russia's environmental performance to date. The concept of environmental performance used distinguishes between intentions, actions and results and stresses the analyses of the extent to which environmental domestic objectives and international commitments are being met effectively and efficiently. The assessment was carried out with the full support of the Russian authorities. It presents a grim picture of the serious environmental problems facing Russia today.

Russia has serious environmental problems today...

Air pollution levels exceed internationally recognised health standards in major urban centres. Infrastructure for drinking water is deteriorating, leading to increased water-borne diseases and mortality. Effective arrangements to safeguard the growing stock of hazardous waste, including radioactive waste, are compromised, presenting an imminent risk to health in some cases. Russia is also a major contributor to regional and global environmental problems such as acid depositions and greenhouse gas emissions.

...very pollution and resource intensive economy...

Emissions of a number of key pollutants in Russia have declined by about 30% since 1991. However, this decline was largely the result of a sharp fall in production during the period of economic reform. Too often, energy and pollution-intensive production processes are still in use. As a result, emission reductions have been proportionately lower than the decrease in output. Russia still uses several times more energy and resources than OECD countries to achieve the same output. These developments occurred despite significant and innovative reforms to environmental policies, laws and institutions.

...need to carry out major environmental policy reforms...

In the coming years Russia will need

- i) to better prioritise and focus efforts in implementing environmental policies and developing environmental infrastructure
- ii) to capture opportunities for simultaneously increasing environmental and economic efficiencies, and
- ii) to meet its international environmental responsibilities as a major international partner.

... focus on concrete priority actions.

The following recommendations could contribute to strengthening Russia's environmental performance.

Recommendations*	
<i>Implementation of Environmental Policy</i>	<ul style="list-style-type: none"> ▪ strengthen <u>enforcement</u> of environmental laws and regulations, including making them more transparent, allowing less administrative discretion and expanding the network of environmental inspectors and prosecutors; ▪ streamline the <u>environmental regulatory framework</u> (standards, permitting, charges) by concentrating on a limited group of substances, in particular those harmful to human health or the environment, revising <u>standards</u> in line with internationally established standards, and reviewing <u>legislation</u> to eliminate inconsistencies and fill gaps;

* Recommendations approved by the OECD Working Party on Environmental Performance.

- develop and gain inter-agency consensus on a methodology for economic valuation of environmental damage and remedies;
- continue efforts already underway to introduce human health and ecologically-based risk assessment methodology as a priority-setting instrument in the environmental and public health sectors;
- as economic conditions permit, gradually raise pollution and resource charges to a level where they have a meaningful effect on the economic decisions of enterprises and utilities;
- strengthen environmental funds, clarify their legal status and institute improved financial management training for environmental fund managers;
- strengthen and unify the environmental monitoring system, in order to establish an objective information base for policy development and implementation; develop a core set of environmental indicators and promote their use at federal and regional levels;
- continue efforts to improve public access to environmental information and participation in decision-making; strengthen efforts to increase public environmental awareness;
- review present institutional arrangements in order to greatly strengthen the capacity for nationally co-ordinated environmental policy development and implementation, notably by increasing the status and responsibilities of the federal environmental authorities;
- continue to develop effective systems of interaction in environmental protection and related topics between federal executive bodies and administrations of the Subjects of the Federation.

Air

- improve air management systems by i) aligning air quality standards with international ones and ii) simplifying permitting and focusing on large pollution sources;
- continue using air pollution charges to finance environmental investments; foster their incentive effect through gradual increases;
- exchange experience among regions on innovative air pollution abatement and energy efficiency measures;
- implement federal and regional energy efficiency programmes; in particular, create conditions that promote investment in energy efficiency;
- continue economic and energy reforms leading to market-based energy price signals in support of more efficient energy use, in combination with steps to resolve non-payment problems;
- promote sustainable transport strategies, including the phase-out of leaded petrol, the introduction of alternative fuel, energy savings and CO₂ emission reductions, the promotion of public transport, and the use of physical planning instruments and clean air plans at the municipal level;
- improve air quality monitoring (e.g. urban ozone), warning and reporting to the public, and introduce concrete measures to reduce the severity of episodes of low air quality.

Water

- implement the 1995 Water Code, adopt the Concept of the State Policy on Integrated Water Management and Protection of Water Resources, and implement integrated water basin management;
- gradually increase water pricing to cover real costs, taking account of affordability constraints; continue to strengthen mechanisms to improve the collection of charges and fines; expand the use of metering;
- review standards concerning the quality of water bodies, drinking water and wastewater discharges, in light of international health and water bioresources conservation-based standards relating to health and ecosystem protection;
- adopt and implement relevant bills and programmes relating to drinking water;
- continue to give high priority to providing drinking water of good quality and in sufficient quantities, with special attention to rural areas; increase the use of groundwater resources for drinking water supply; strengthen the protection of water abstraction areas;
- improve the effectiveness of existing wastewater treatment facilities; put new ones into operation in areas experiencing water scarcity and serious health effects; ensure that industrial enterprises progress in regard to pre-treatment of wastewater;
- improve data used in water management through, for instance, harmonisation and co-ordination of monitoring, improvement of data quality and analysis, and extension of regular reporting.

Waste

- ensure co-operative development of regulatory initiatives by federal and regional administrations, recognising the need for detailed regulatory controls which are decentralised and tailored to local conditions;
- further implement the waste management information system as a support tool for decision-making;
- review the present Federal Waste Programme and establish priorities in accordance with available financial means;
- develop and implement realistic strategies for incremental progress in regional industrial waste management, based on secure landfill and storage facilities, recycling and resource recovery initiatives, and waste prevention through cleaner production;
- rehabilitate municipal waste collection and disposal facilities through ensuring adequate funding of service providers and upgrading and/or development of new landfills;
- build upon positive attitudes concerning waste reduction, recycling and resource recovery through expanded provision of information to the public and NGO involvement;
- progressively increase charges for waste management services to waste generators, in line with the polluter pays principle;
- establish uniform land disposal facility standards for municipal solid waste and various types of industrial waste (including hazardous waste, as appropriate), in order to provide a basic level of environmental protection in the near term;
- speed up the approval and implementation of the unified targeted federal programme "Nuclear and Radiation Safety of Russia", including public sector funding commitments, in order to prioritise needs, and to maintain, upgrade and expand existing storage and disposal infrastructure as necessary.

Nature

- allocate appropriate resources to support the system of protected areas, which is of regional, national and global importance;
- improve the legislative and regulatory base relating to biodiversity protection and strengthen implementation in this area;
- ensure that nature conservation and natural resource management are supported by predictable property rights for land and natural resources;
- support and develop programmes addressing the degradation, contamination and loss of habitat in sensitive and remnant terrestrial ecosystems, such as the tundra and steppes;
- reverse the deteriorating ecological conditions of, and trends in, sensitive aquatic ecosystems including rivers, lakes, estuaries and coastal waters;
- ensure the prevention of soil degradation by implementing anti-erosion measures, desertification prevention, environmentally safe use of chemicals and other measures directly and indirectly affecting biological diversity;
- integrate concerns about biodiversity protection and sustainable use of natural resources in forestry policies and operations.

Integrating environmental and economic decision making

- develop more effective arrangements at the federal level to integrate environmental, economic and social objectives with a view to promoting sustainable development, for instance by creating or strengthening environmental policy units in relevant federal bodies and promoting integration of environmental concerns in effective industrial, energy, transport, economic and fiscal policies;
- support economic and institutional reforms which increase the overall efficiency of the economy and promote "win-win" strategies;
- support policies which remove impediments to investment and promote modernisation of the capital stock;
- focus public environmental programmes, particularly the National Environmental Action Plan, on a smaller number of priorities (e.g. on-going pollution causing serious health risks, urgent problems of accumulated pollution), in accordance with available financial means;
- gradually reduce public subsidies of pollution control activities by enterprises and allow water and energy prices to rise to cost-recovery levels; restructure the responsibilities of utilities that deliver water and domestic heating; promote better resource conservation through public awareness activities;
- clarify land ownership and property rights to natural resources to ensure that they are managed

**Sectoral integration :
Industry**

- in a way that does not compromise economic, environmental and social policy goals;
- ensure that provisions of the tax code do not provide perverse incentives to damage the environment or undermine economic instruments used for environmental protection; identify opportunities to integrate environmental concerns in fiscal policies.
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- elaborate an environmental strategy within an effective industrial policy, including objectives and priorities for short-, medium- and long-term actions; give priority to industrial pollution hot spots, low-cost solutions and “win-win” opportunities;
- continue to promote the use by enterprises of environmental management systems in line with ISO 14000 or EMAS;
- promote co-operation among authorities responsible for industrial and environmental policies, at all administrative levels, at the time environmental and industrial policies are formulated;
- foster improvements in regard to energy efficiency, raw material use and local and general pollution in Russian industry;
- develop a long-term contaminated sites management programme, including an inventory, risk prioritisation, clarification of liability, and related regulatory and economic instruments;
- consider improvements in and strengthening of industrial accident prevention, preparedness and control;
- collect and publish emission data on polluting enterprises; encourage environmental performance reporting by companies.
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International co-operation

- ratify and implement international environmental conventions already signed, and examine the advantages of joining other international agreements, notably concerning liability (Annex III);
- provide adequate budgetary allocations to pay the Russian contribution in the framework of international conventions concerning protection of the environment;
- strengthen the capacity for international environmental protection within the Russian administrations by reinforcing the co-ordinating role and associated capacity of the State Committee on Environmental Protection, by promoting participation of Russian experts in international meetings and co-operative activities, and by strengthening environmental expertise in the Ministry of Foreign Affairs;
- combat transfrontier pollution, reduce marine pollution from land-based sources and ban release of radioactive material to the sea;
- provide reliable mechanisms to secure investment in energy efficiency projects and progress in greenhouse gas emission trading;
- remove obstacles to expeditious transfer of official technical assistance relating to environmental protection and, in particular, clarify applicable customs and fiscal regimes;
- facilitate international co-operation on innovative and high priority environmental management issues at the regional level;
- encourage donors to enhance and focus their assistance so as to resolve priority problems;
- incorporate the recommendations of this review, as feasible and appropriate, in future international programmes of environmental technical assistance to Russia.

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