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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 (FEBRUARY-OCTOBER 2008) AND FUNDRAISING REPORT**

23-24 October 2008, Astana (Kazakhstan)

Agenda items: 3.i, 3iii

This document has been prepared by the Executive Directors of EECCA RECS.

Action required: For discussion.

English - Or. English

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PROGRESS IN IMPLEMENTING EAP TASK FORCE WORK PROGRAMME BY EECCA REC NETWORK (FEBRUARY-OCTOBER 2008) AND FUNDRAISING REPORT

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 February 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 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

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 (ENV/EPOC/EAP(2008)2).

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 is performing 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 give 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 form 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 favourable 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.

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.

The main objective of the proposed project is to assist EECCA countries to streamline the design and implementation of current environmental liability and implementation of civil monetary penalties for environmental violations and environmental liability regimes.

Among specific tasks of the project are the following:

- To review the legal framework on environmental liability and mechanisms of its application in EECCA countries;
- To identify and describe examples of litigation cases related to environmental liability regimes, to collect and analyze the existing legal cases;
- To select a model case in the EECCA region for assessing environmental damage according to the best internationally recognized methodologies.

Improved methodology of calculation of administrative fines will strengthen their preventive impact, while the threat of potential damage compensation becomes a powerful incentive to prevent regular and accidental pollution releases in EECCA. The reform of the environmental liability system in EECCA would encourage industries to take preventive measures against environmental accidents, increase remediation of environmental damage by responsible parties, contribute to the establishment of a level playing field by internalising of environmental costs by polluters, and engage new actors such as banks and insurance companies in promoting sound environmental management.

According to the project objectives and tasks EECCA RECs will review the legal framework on environmental liability and mechanisms of its application in EECCA countries. As part of this work, examples of litigation cases related to environmental liability regimes will be collected and analysed. The

OECD Secretariat will provide support to EECCA RECs, including: (i) commenting the methodology of the review, (ii) facilitating its discussion during the annual REPIN meeting, and (iii) providing feedback on the draft report.

The reform of the environmental liability system in EECCA would encourage industries to take preventive measures against environmental accidents, increase remediation of environmental damage, contribute to the establishment of a level playing field, and engage new actors such as banks and insurance companies in promoting sound environmental management.

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. By now it was not possible to identify a specific donor interested in supporting the given project.

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.

EECCA RECs will also develop three national-level documents with training needs assessment for countries and replicate training at the sub-national level, involving 90-110 people in total.

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 to be developed by OECD Secretariat in 2008 were made.

Russian REC will 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 by OECD Secretariat, in case adequate funding is provided.

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.

The second important objective of the project is to assess capacity needs of the target groups for providing necessary trainings in the field of EIA and permitting, as well as to make concrete steps for information disclosure in the EECCA region.

Public participation as a part of environmental assessment procedure is a prerequisite for comprehensive risk assessment, due diligence and, overall, building supportive environment for business operations in long-term. Better disclosure of facility-specific regulatory requirements will stimulate feedback from the public at the final phases of regulation thus demonstrating willingness of competent authorities to enable citizens to voice their opinion and verify whether it is taken into account.

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. 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.

ANNEX 1

EECCA RECS FUNDRAISING EFFORTS (EAP TF JOINT PROGRAMME OF WORK)¹

¹ EECCA RECs prepared and sent out to donor community a letter requesting financial assistance to implementation of their part of the Joint Work Programme of the EAP Task Force.

The letter is attached to the given Report as Annex 2.

Project	Donor contacted	Who contacted	Comments
<i>PROJECT JP/1.2.3: DEVELOPMENT OF FINANCIAL PLANNING CAPACITY IN MUNICIPALITIES AND WATER UTILITIES</i>	1. Delegation of EC in Moldova	REC Moldova	There are no funds available for 2009-2010. EC recommended to try to get funds from the Neighbourhood Programme for Moldova

<p><u>PROJECT: 1.1</u> TRAINING COURSE ON TRANSBOUNDARY WATER MANAGEMENT IN CENTRAL ASIA</p>	<ol style="list-style-type: none"> 1. Delegation of EC in Kazakhstan, Kyrgyzstan and Tajikistan 2. Germany, GTZ 	<p>CAREC, A. Juras</p>	<p>There are no funds available for 2009-2010. EC has recommended to CAREC to explore opportunities under EC Strategy for CA 2009-2013 with individual EU donor countries. German MOE and GTZ were approached. Consulations are going on.</p>
<p><u>PROJECT JP/2.1.2:</u> MONETARY PENALTIES AND LIABILITY</p>	<ol style="list-style-type: none"> 1. Delegation of EC in Moldova 2. Ministry of Construction, Spatial Planning and the Environment of the Netherlands (VROM) 3. EC delegation in Russia 	<p>REC Moldova RREC</p> <p>RREC</p>	<p>There are no funds available for 2009-2010. EC recommended to try to get funds from the Neighbourhood Programme for Moldova The Ministry might consider possibility of supporting one of the projects of the EECCA RECs within the framework of the Joint Work Programme</p> <p>Funds for project implementation are not available</p>

<p><i>PROJECT JP/2.2.3: INDUSTRY's ENVIRONMENTAL PERFORMANCE RATING</i></p>	<ol style="list-style-type: none"> 1. Delegation of EC in Moldova 2. EC delegation in Russia 	<p>REC Moldova RREC</p>	<p>There are no funds available for 2009-2010. EC recommended to try to get funds from the Neighbourhood Programme for Moldova Funds for project implementation are not available</p>
<p><i>PROJECT JP/2.2.4: STRENGTHENING THE CAPACITY OF ENVIRONMENTAL ENFORCEMENT AUTHORITIES</i></p>	<ol style="list-style-type: none"> 1. Delegation of EC in Moldova 2. Ministry of Construction, Spatial Planning and the Environment of the Netherlands (VROM) 3. Environmental Inspectorate of VROM 4. Federal Ministry of Environment, Nature Protection and Nuclear Safety of Germany 	<p>REC Moldova REC Russia REC Russia and the EAP Task Force secretariat REC Russia</p>	<p>There are no funds available for 2009-2010. EC recommended to try to get funds from the Neighbourhood Programme for Moldova The Ministry will consider possibility of supporting this or other project of the EECCA RECs within the framework of the Joint Work Programme</p> <p>There is no clear answer on the possible support for the project</p> <p>Possibility of support for the project has not been confirmed yet</p>

<i>PROJECT 2.1: PROMOTING PUBLIC INFORMATION AND PARTICIPATION IN EIA AND PERMITTING</i>	1. Delegation of EC in Moldova	REC Moldova	There are no funds available for 2009-2010. EC recommended to try to get funds from the Neighbourhood Programme for Moldova
	2. EC delegation in Russia	RREC	There is an indication of interest for possible support of the project (tbd)
<i>PROJECT 2.2: PROMOTION AND IMPLEMENTATION OF LOCAL ENVIRONMENTAL ACTION PLANS (LEAPS) IN EECCA COUNTRIES</i>	1. Delegation of EC in Moldova	REC Moldova	There are no funds available for 2009-2010. EC recommended to try to get funds from the Neighbourhood Programme for Moldova
	2. The Netherlands	REC Moldova	No funds available for 2009



May 2008

Dear Colleagues,

In Belgrade ministers of environment and their partners made a decision on the expediency of a gradual transfer of the part of the functions of the Secretariat of the Task Force for the Implementation of the Environment Action Programme for EECCA (EAP Task Force) currently performed by OECD, to the Regional Environmental Centres of the East Europe, Caucasus and Central Asia (EECCA RECs).

In line with the decision of the ministers and the requests of the EAP Task Force members, EECCA RECs have drafted and further developed (taking into account comments from the Task Force members) their part of the joint EAP Task Force/EECCA RECs Work Programme, consisting of projects that take into account specific areas of expertise of the EECCA RECs, local needs and the EAP Task Force priority fields of activity.

Following the recommendations of the Task Force members all projects were designed in a way that their focus is made more on achieving concrete and measurable results "on the ground" rather than performing studies or producing papers. They are based on a regional approach with a focus on a multi-stakeholder cooperation where EECCA RECs have a unique strength that can not be found in other organisations.

In implementing the above projects EECCA RECs and the OECD/EAP Task Force Secretariat will closely cooperate, ensuring synergies among projects and exchange of experiences in both directions. These projects will not only contribute to solving priority environmental problems in EECCA countries, they will also further strengthen EECCA RECs and the EECCA REC network in line with the decisions of ministers at the Belgrade Ministerial in 2007.

Unfortunately, at present, only funding for the OECD part of the joint Work Programme has been made available with no funds committed to the EECCA RECs part of the Joint Work Programme. This might jeopardize implementation of the Work Programme as an integral and inseparable unity and make implementation of one part of the Programme without the other senseless.

EECCA RECs look forward for your decision and hope that donors will find it possible to allocate necessary funds for implementing the EECCA RECs part of the Programme in order to fulfill the decisions of the ministers and the EAP Task Force.

On behalf of EECCA RECs

Sincerely yours,



Michael Kozeltsev,
Executive Director,
REC Russia