

5 October 2017

**ENVIRONMENT DIRECTORATE
ENVIRONMENT POLICY COMMITTEE**

GREEN Action Task Force

**Progress in implementing the GREEN Action Task Force programme of work
(October 2016 - September 2017): ANNEX**

For meeting Agenda items 2, 4 and 7.

This document [ENV/EPOC(2017)2/ADD] presents detailed activities carried out since the inaugural meeting of the Task Force (24-25 November 2016, Paris) to implement the GREEN Action Task Force work programme [ENV/EPOC/EAP(2016)4/REV1].

This progress report constitutes an Annex to a document ENV/EPOC/EAP(2017)2 which highlights the key achievements of the reporting period (November 2016 – October 2017).

Action required: The Task Force members are invited to take note of, and provide feedback as appropriate on, activities carried out since the inaugural meeting of the Task Force.

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JT03420159

PROGRAMME AREA 1. NATIONAL GREEN ECONOMY DIALOGUES AND STRATEGIES

Activity	Completed deliverables/activities(November 2016 October 2017)	Comments
1.1 In-country GREEN Action Platforms	Meeting on modelling for the development of Green Economy Strategy in Georgia , 28 April, 2017, Tbilisi	The meeting in Tbilisi was organised by the UN Environment, with an input from the OECD, as part of the EaP GREEN to support the development of the Green Economy Strategy of Georgia.
	Meeting on reviewing the Green Economy Concept of Kazakhstan , 13 July, Astana	The meeting in Astana was organised with the Ministry of Economy, of Energy of Kazakhstan and the OECD to support the review of the implementation of the 2013 Green Economy Concept of Kazakhstan and its update.
1.2 Analytical support to the development of country-level Green Economy Strategies	See reports under 2.1 and 3.1 on Kazakhstan , under 2.2. for Georgia and 3.3 for Moldova	

PROGRAMME AREA 2. GREEN FINANCE AND INVESTMENT

Activity	Completed deliverables/activities(November 2016 October 2017)	Comments
2.1 Greening public finance policy	Report "Energy Subsidies in the EaP Countries " (forthcoming, November 2017)	The report "Energy Subsidies in the EaP Countries" provides comprehensive information on the various types of environmentally-harmful subsidies in the energy sector, their costs to the public budgets and society at large and recommendation for reform. It includes a regional overview and six country chapters: Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine.
	Draft report on "Assessing Energy Affordability and Environmental Impacts of Reforming major Energy Subsidy Schemes in Moldova " Consultations on the draft report with representatives of the Moldovan Government, 25 July 2017, Chisinau	The report analyses the major fiscal, environmental and especially social impacts of reforming the two largest government support schemes that account for most of the fossil fuel consumer subsidies in Moldova (a reduced VAT rate on natural gas consumption (8%) and VAT exemption on electricity and heat consumption (0%) by domestic users). The report also discusses policy options for protecting poor households should reforms be implemented.
	Stakeholder meeting and a training session on a draft investment programme "Promoting Clean Urban Transport in Kazakhstan ", 13-14 December 2016, Astana Final report on "Promoting Clean Urban Transport in Kazakhstan " (published October 2017)	The report on promoting clean transport and clean fuels in Kazakhstan contains an investment programme designed to support low-carbon mobility in the cities of Shymkent and Kostanay (as a first phase) and in all major urban centers in the country (as a second phase). The project was complemented by a training seminar on the application of the programme design and costing methodology and appraisal of green investments.
	Kick-off meeting on the project on "Low-carbon public spending at the national level in Moldova : design and costing of a green public investment programme in Moldova", 4 April 2017, Chisinau, Moldova	The workshop in Moldova launched a project that includes the preparation of a market study on the need for public support for green investments in a selected sector of the economy and on the preparation of a public investment programme that will support such investments.

2.2 Facilitating access to finance for green investment, including climate finance	International conference on "Unlocking Private Finance for Energy Efficiency and Greener, Low-Carbon Growth in the EU Eastern Partnership (EaP) Countries and Central Asia" held on 29 and 30 June 2017, Brussels	The Conference discussed key challenges and ways forward to better align financial mechanisms with policy reforms to speed and scale up green investments in support of energy efficient and low-carbon growth, new business opportunities and green jobs in the Eastern Partnership countries and Central Asia. A Discussion Paper and summary record from the meeting are available.
	Workshop on Green Finance Mobilisation in Georgia , 22-23 June, 2017, Tbilisi, Georgia	The workshop in Tbilisi was organised jointly by the Georgian Ministry of Environment and the OECD. Participants reviewed instruments and sources, which are currently and potentially available to finance action to achieve the Georgia's climate and green growth targets, and discussed policy reforms needed to mobilise further green investment in the country.
	Draft report "Mobilising Finance for Climate Action in Georgia" (forthcoming, December, 2017).	A draft report on "Mobilising Finance for Georgia's Green Growth" was prepared for the workshop and is now being finalised for publication.

PROGRAMME AREA 3. INTEGRATING ENVIRONMENTAL, ECONOMIC AND SECTORAL POLICIES FOR GREEN GROWTH

Activity	Completed deliverables/activities(November 2016 October 2017)	Comments
3.1. Promoting "smart" environmental regulations	<p>"Towards Better Environmental Regulations in Kazakhstan" published as a chapter of the OECD Multidimensional Country Review of Kazakhstan (published in June 2017).</p> <p>Presentation of the findings at the OECD Day at EXPO 2017, 11 July, 2017, Astana.</p>	<p>This chapter shows how the current structure of Kazakhstan's system of environmental regulation, permitting and assessment impedes energy efficiency and pollution control and how to create better regulation that can achieve their objectives at minimum cost. These recommended reforms aim to align the policies with the benchmark OECD approaches.</p> <p>The chapter is part of the OECD Multidimensional Country Review of Kazakhstan which analyses and recommends ways to improve the economy's resilience through diversification, to mobilise financing for development, and to transform the role of the state in the economy.</p>
3.2. Integrating environmental and sectoral policies for green growth	Development of a background note on addressing environmental impacts of mining in the EECCA region and analysis of country- or sector-wide approaches that can reduce the environmental and health impacts of mining, both during operations and after closure.	The note will provide a basis for the discussion on further activities at the GREEN Action Task Force meeting, 27 October 2017, Almaty.
3.3. Measuring and assessing progress towards green growth	<p>EaP GREEN workshop on green growth indicators in Moldova, held on 4 November 2016, Chisinau.</p> <p>Report "Measuring the Performance of Green Economic Development in the Republic of Moldova: National Report based on the OECD Set of Green Growth Indicators" (published in September 2017).</p> <p>EaP GREEN workshop in green growth indicators in Azerbaijan (12 December 2016, Baku) Draft report on Green Growth Indicators in</p>	<p>The workshop discussed the choice of green growth indicators for an indicators-based report on green growth in Moldova, and in the context of the finalisation of the Road Map on promotion of Green Economy. It also discussed how to best integrate green growth indicators in the regular reporting system and in the governmental agenda.</p> <p>Following the workshop on "Green Growth Measurement in Azerbaijan" (May 2016), an Inter-Ministerial Working Group on Green Growth Indicators was established to guide, oversee and</p>

Azerbaijan prepared for comments by stakeholders

agree on the set of green growth indicators that can be used to assess progress towards green growth of Azerbaijan. The working group first met in December 2016 to discuss the choice of green growth indicators and the development of a report on green growth in Azerbaijan.

Draft report on progress in greening the economic growth in the EaP countries prepared for consultations by stakeholders

Draft report will be presented at the final conference on "Greening Economies in the EU Eastern Partnership Countries: From Commitment to Results" as part of the EU-funded EaP GREEN project.

PROGRAMME AREA 4. Strengthening Water Management

Activity	Completed deliverables/activities(November 2016 October 2017)	Comments
4.1 Strengthening the economic and financial dimensions of water management, including adaptation to climate change	<p>EUWI+ work programmes agreed for the Eastern Partnership countries</p> <p>Assistance to the Government of Tajikistan to organise a Conference on Water for Sustainable Development: the Role of the Amelioration and Irrigation Sector in Achieving Sustainable Development Goals on 20 April 2017 in Dushanbe. The conference provided an opportunity to raise awareness of the irrigation sector reform in Tajikistan and the on-going FinWaterWEI funded project.</p> <p>Technical workshop and the 2nd meeting the National Commission for Melioration and Irrigation on 21 April 2017 in Dushanbe, Tajikistan.</p> <p>A study on improving coherence between the agri-food and water development policies in Kyrgyzstan launched, interim note with preliminary findings and recommendations produced.</p> <p>Presentation of interim results of the study at the NPD meeting on 20 June 2017 and an expert workshop on 21 September 2017 in Bishkek, Kyrgyzstan.</p> <p>Follow up work on assisting the Government of Kyrgyzstan in introducing surface water use charges: a study tour to Moscow for 5 officers was conducted in Q2 2017, to learn about relevant experience of Russia (including fee for non-consumptive uses of water, differentiation of rates in different basins; fee setting methodology). Results were presented at the NPD meeting on 20 June 2017.</p> <p>Study on state support to agriculture, rural development and water-intensive industry in Kazakhstan completed</p>	<p>EUWI+ Regional Steering Committee meeting on 15-16 May 2017 discussed all draft work programmes for the 6 EaP countries</p> <p>First phase of work in Tajikistan on guiding principles for the use of economic instruments to promote efficient water use in the irrigation sector was presented at these events. The work is to be completed in the fall 2017.</p> <p>This study looks at achieving better coherence between the agri-food and water policies in Kyrgyzstan.</p> <p>This study was part of the OECD country programme for Kazakhstan completed in 2017. It focused on improving the use of state support (subsidies). It recommended strengthening cost-effective types of support while phasing out or reforming counter-producing ones.</p>

4.2: Strengthening institutions and regulations for water management	Draft Guidelines for reform or rural WSS in EECCA prepared and pilot testing commenced in Kyrgyzstan	Several EECCA experts (from Armenia., Moldova and Kazakhstan) provided comments on the draft. Pilot area identified and work commenced to assess options for introducing sustainable business-model, improving tariff structure and collection efficiency. Work will also look at strengthening support for vulnerable households. Draft contracts will be developed between the operator and water consuming households. After pilot testing the Guidelines in KR, the Guidelines will be disseminated in other EECCA countries.
	Design and construction norms for small-scale WSS systems prepared in Kyrgyzstan and submitted for public consultations; development of a similar norms in Moldova postponed pending the completion of the reorganisation of the government ministries	New design and construction norms for small-scale WSS systems would help to save up to 30% of unit capital costs (per person connected to centralised WSS), thus significantly improving cost-effectiveness of capital investments, be they funded from the public budget, by donors or private operators.
	Study on establishing a sound regulatory system for WSS in Moldova completed and presented at the NPD meeting on 11 April 2017	Publication of the report is planned for Q1 2018.
	Assistance to the Government of Tajikistan to strengthen the irrigation tariff methodology in cooperation with the AntiMonopoly Agency and the Agency for Melioration and Irrigation (FinWaterWEI funded project).	A study tour to Armenia is scheduled for Q4 2017 to learn more about Armenia's experience in irrigation sector reform and use of economic instruments for irrigation water use. The study tour will involve specialists from the Agency for Melioration and Irrigation and the Anti-Monopoly Agency. The work to be completed in Q3 2018.
4.3: Support to EECCA countries in addressing the water-food-energy nexus challenge and the link to water security	Work on water security indicators completed in Kyrgyzstan and presented at OECD day, and two NPD meetings: in Kazakhstan and in Kyrgyzstan	OECD day on 11 July 2017, Astana.
	Study on Shardara multi-purpose water infrastructure completed, respective report is published (on OLIS).	This study was part of the OECD country programme for Kazakhstan completed in 2017.
4.4: Support to national and regional policy dialogues on water, communication and dissemination of programme results and regional reviews	EUWI+ inception missions completed and presented at national level (5 National Policy Dialogue meetings held in 2017) including Ukraine. Decision on supporting the NPD process in 6 EAP countries in 2017-2019 under the EUWI+ work programmes	NPD meetings held in EaP countries under the EUWI+ : Armenia: 7 April 2017, Yerevan Azerbaijan: 26 April 2017, Baku Georgia: 11 April 2017, Tbilisi Moldova: 17 November 2016 and 11 April 2017, Chisinau Ukraine: 28 March 2017, Kyiv
	NPDs in Kazakhstan, Kyrgyzstan and Tajikistan continued with support from WECOOP II (5 meetings)	NPD meetings held in Central Asia: Kyrgyzstan: 9 December 2016 and 20 June 2017, Bishkek Kazakhstan: 12 July 2017, Astana Tajikistan: 6 December 2016 and 14 July 2017, Dushanbe
	OECD day at Kazakhstan expo completed with a water session titled "Managing Water in Central Asia".	Work under OECD: Kazakhstan country programme was presented and work on water security indicators in Kyrgyzstan was shared.
	8 publications progressed since the last meeting	Publications released since last meeting:
	5 released	Report on "Improving Economic Instruments for Water Resources Management in the Republic of Buryatia (Lake Baikal Basin)" (in OECD Studies on Water series),
	3 in final production	

Work under OECD country programme for Kazakhstan completed results informed the on-going NPD in Kazakhstan.

Regional reviews have not yet started

<http://dx.doi.org/10.1787/9789264266452-en>;

Working Paper: "The Potential Benefits of Transboundary Co-operation in Georgia and Azerbaijan Kura River Basin;

Working Paper: "Managing multi-purpose water infrastructure A review of international experience";

Reforming Sanitation in Armenia - Towards a National Strategy;

Multi-Purpose Water Infrastructure: Policy recommendations to maximise economic benefits (Policy Perspectives)

In final production:

Strengthening the Role of Multi-Purpose Water Infrastructure: the Case of Shardara MPWI, Kazakhstan Report: Improving domestic financial support mechanisms in Moldova's water and sanitation sector;

Facilitating the reform of economic instruments for water resources in Georgia

Work on the Economic Aspects of Water Resource Management was completed in December 2016. The project had two focus areas: (i) strengthening the role of multi-purpose water infrastructure (MPWI) in ensuring the water-food-energy and ecosystems security and (ii) a review of mechanisms and instruments of state support to agriculture, rural development and a water-intensive processing industry impacting the water sector in Kazakhstan. Potential follow up work is under discussion.

Funding still required to progress the proposed work on (i) water security and (ii) barriers to achieving SDGs.
