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**ENVIRONMENT DIRECTORATE
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GREEN Action Task Force

**FUTURE DIRECTIONS FOR THE GREEN ACTION TASK FORCE BEYOND THE 2022
“ENVIRONMENT FOR EUROPE” MINISTERIAL CONFERENCE (5-7 OCTOBER, 2022,
CYPRUS)**

For discussion at 2022 Annual Meeting of the GREEN Action Task Force

30 June-1 July 2022

This note provides background information for the discussion at the Annual Meeting of the GREEN Action Task Force (Tbilisi, Georgia, 30 June – 1 July 2022) on the renewal of the Task Force’s mandate at the Nicosia Environment for Europe (EfE) Ministerial Conference for the period beyond 2022.

Krzysztof MICHALAK, Senior Programme Manager, Green Growth and Global Relations Division, Environment Directorate, Krzysztof.MICHALAK@oecd.org
Takayoshi KATO, Environmental Economist, Green Growth and Global Relations Division, Environment Directorate, Takayoshi.Kato@oecd.org

FUTURE DIRECTIONS FOR THE GREEN ACTION TASK FORCE BEYOND THE 2022 “ENVIRONMENT FOR EUROPE” MINISTERIAL CONFERENCE (5-7 OCTOBER, 2022, CYPRUS)

NOTE BY THE SECRETARIAT

1. At the 8th “Environment for Europe” Ministerial Conference (8-10 June 2016, Batumi, Georgia) the Environment Ministers from the UNECE region invited the OECD to continue supporting the work on Eastern Europe, Caucasus and Central Asia (EECCA), under the new name of the GREEN Action Task Force. They also agreed to review the Task Force mandate at the 9th “Environment for Europe” Ministerial Conference (currently planned for 5-7 October 2022, Nicosia, Cyprus).
2. This document provides background information for the discussion by members of the GREEN Action Task Force at its Annual Meeting on 30 June – 1 July 2022 (Tbilisi, Georgia) on the renewal of the Task Force’s mandate at the Nicosia Conference for the period beyond 2022. Details of the GREEN Action Task Force’s work programme for 2023-2024 are available in a separate document [ENV/EPOC/EAP(2022)1/REV1].
3. The Task Force members are invited to consider the following Issues for Discussion:
 - Are the proposed elements of the Task Force mandate sufficient to make the Task Force an effective mechanism for advancing policy and institutional reform as well as green investment in the EECCA region, and to provide a platform for co-operation and co-ordination of support from international community? What additional elements could be considered?
 - How can the Task Force work better reflect the growing diversity in the EECCA region, as well as a wider range of Ministries (Environment, Economy/Finance, Energy) relevant for green growth?
 - How can the GREEN Action Task Force reinforce political support from a wider range of OECD and partner countries and from International Financial Institutions, including the EBRD, EIB and the World Bank?
 - Could the post Nicosia work programme, supported by the OECD, continue to focus on the current four work programme areas as proposed in Section 4 above? Would there be any additional priority areas to consider?

1. The GREEN Action Task Force Mandate

4. Since 2016, the GREEN Action Task Force, (and previously under the name of the EAP Task Force, see Annex 1) has been a unique platform for interested OECD countries and development co-operation partners to work with the countries of Eastern Europe, Caucasus and Central Asia (EECCA) to develop policies that improve environmental quality and social well-being, while creating opportunities for strong economic growth and decent jobs.

5. Guided by the biennial programmes of work, a large number of activities carried out in co-operation with national and international partners have generated several tangible results on the ground. The work of the Task Force was recognised and appreciated by the Task Force members at the annual meetings held in: Almaty in 2017, Bratislava in 2018, Paris 2019 and at the two virtual meetings in 2020 and 2021.¹

6. Several examples of the concrete outputs and impacts of the Task Force work are presented in a forthcoming flagship report “Greening the economies in EECCA” prepared by the OECD as an input to the Nicosia Ministerial Conference. A concept note and a proposed outline of the report is presented in a separate document ENV/EPOC/EAP(2022)3.

7. Since the Batumi Environment for Europe (EfE) Ministerial Conference, the main objectives of the Task Force work have been to:

- Support development of effective and efficient policies and projects that have real impact on the ground in terms of improving environmental performance while creating opportunities for sustainable and inclusive growth;
- Contribute to the development of human capital to support policy development and implementation;
- Facilitate green investment and finance;
- Understand country needs and respond to developing trends and promote national and regional dialogue and exchange of good practice to respond to developing trends

8. The GREEN Action Task Force has been a “coalition of the willing” that has promoted greening of the economy and environmental sustainability in the EECCA countries. It was also a platform for dialogue by all interested parties (national governments, international organisations and bilateral and multilateral development partners, think tanks, NGOs) and for mobilising result-oriented support to the region to respond to policy priorities set by important political processes.

9. Traditionally, the Environment Ministries from the EECCA countries have been the main partners in the Task Force. Since the Batumi Conference, the representatives of the Ministries of Economy as well as other ministries such as finance, agriculture, energy, have been much more systematically engaged in the Task Force work. Several projects were implemented specifically with the Ministries of Economy with the participation of economic analytical institutions and think tanks. For example, activities that promoted greening Small and Medium-Sized Enterprises have been implemented with the Ministries of Economy in Azerbaijan, Georgia and Moldova.

10. A number of activities have been carried out in co-operation with the development partners and Development Finance Institutions (DFIs) with the common aim to promote the enabling framework for green and low-carbon investment. These included work on evaluating investment needs, reform of domestic financial systems and institutions, mobilising the capital markets and leveraging public and international support for green investment. Special sessions have been organised as part of the Task Force meetings with the participation of DFIs on issues of common interest.

¹ See Summary Records: ENV/EPOC/EAP/M(2017)2; ENV/EPOC/EAP/M(2018)2; ENV/EPOC/EAP/M(2019)2; ENV/EPOC/EAP/M(2020)2; ENV/EPOC/EAP/M(2021)2 .

11. The Task Force has also been a place where the non-governmental partners, i.e. environmental citizens organisations (ECOs) and the private sector, could express their views and take part in projects.

12. In its work, the Task Force has used synergies with the wider resource and knowledge base of OECD Member countries and ensured that the work streams are synergetic with political processes involving the EECCA countries in the context of their co-operation with the European Union, international organisations and also the Environment for Europe Ministerial process.

2. The GREEN Action Task Force mandate beyond 2022

13. At the 2021 annual meeting of the GREEN Action Task Force several country delegates "...supported using the "Environment for Europe" Conference as an opportunity to showcase the work and achievements of the GREEN Action Task Force as well as to confirm the extension of its mandate...".

14. The 2022 annual GREEN Action Task Force meeting (30 June – 1 July 2022, Tbilisi) provides an opportunity for the Task Force members to discuss and agree on the continuation of the Task Force and its strategic future directions after the Nicosia Ministerial meeting in October 2022.

15. While considering the Task Force mandate beyond 2022, a number of elements of the current approach could be maintained. This includes the main modes of Task Force operations, such as:

- carrying analysis, developing guidelines and best practices, and promoting exchange of experience among countries on key *environmental policy* and institutional reforms within various regional networks and identifying ways for *greening the economic recovery and growth*, including more ambitious climate action that can also contribute to energy security, and integrating environmental policies into the broader process of economic and political reform;
- implementing in-country demonstration projects which can serve as models for green growth and environmental policy reform, building confidence and identifying potential for replicability;
- working with donors and the DFIs to facilitate and mobilise financial and technical support for regional and country specific activities that upgrade institutional and human capacities for climate action, environmental management and promote green investments;
- co-operating with the non-governmental sectors (environmental citizens organisations as well as businesses and their representatives) in order to build public and political support for policy measures aimed at greening the economic growth;
- generating and sharing information on relevant support and projects delivered by participating governments and organisations.

16. Future work of the Task Force should build on the progress made in EECCA countries over the past decades. It should continue to help them address remaining gaps in individual and institutional capacity, governance arrangements, and access to finance. The Task Force shall continue to act as a provider of robust evidence base tailored to the region, such as on practical examples of policy measures in support of green economy transition, policy-relevant Green Growth Indicators, and financial flows that support or undermine green economy activities.

17. It is important that the renewed mandate makes the Task Force relevant to shared priorities and reinforces the effectiveness of support. One of the approaches already taken was a more diversified support to specific sub-groups of countries, e.g. for those engaged in the EU's Eastern Partnership and for those in Central Asia. The regional programmes that have been implemented, such as EU4Environment in the EU's Eastern Partnership countries, or the Sustainable Infrastructure Programme for Asia (SIPA) and those planned on the nexus between climate, energy, water and land use in Central Asia, are good examples of such a diversified approach.

18. In addition to regional analysis, more attention could also be placed on implementing comprehensive country-specific projects that support priority policy and regulatory changes and provide direct training and capacity building activities. This has already been done as part of the regional programmes, such as EU4Environment or the SIPA, but more could be done with dedicated country-specific projects. One specific approach was a dedicated programme to support greening the economic policies and finance in Kazakhstan. Also, in light of the OECD's response to the Russian Federation's aggression against Ukraine and OECD support for Ukraine's democratically elected government, the OECD engagement with Ukraine could be reinforced and strengthened.

19. The future activities of the Task Force should take account of and respond to emerging priorities in the regional and international contexts. For example, such recent priorities included addressing the impacts of the COVID-19 pandemic which triggered the most severe recession in recent years, and caused enormous damage to people's health, jobs and well-being with potentially lasting effects.

20. Also, the short-and medium-term repercussions of the Russian aggression against Ukraine on national economies, regional relations and their environmental sustainability agendas will need to be taken into account, as well as policy support for the reconstruction needs. The work of the Task Force could continue to provide the countries in the region with the necessary support for a green and inclusive recovery from the impacts of these shocks.

21. The activities could also reinforce the engagement of key line ministries, especially Economy and Finance. More recently, in many EECCA countries efforts by environmental Ministries/agencies on greening public policies have been supported by the Ministries of Economy which took the lead on developing national green economy strategies or more specific policies or regulations, such as on sustainable public procurement or green finance. Their engagement was a result of a growing recognition of environmental problems affecting economic growth but also a worldwide push to engage economic decision makers in addressing some of the most critical environmental problems.

22. The GREEN Action Task Force could also seek further opportunities for enlarging attendance of a wider range of interested OECD countries. This can help to broaden the breadth of experience and lessons learned and provide more opportunities for interactions between EECCA and OECD country practitioners.

23. All proposed activities could continue to draw on relevant work within the OECD's core programme of work, including that of the OECD Environment Policy Committee and OECD Eurasia Competitiveness Programme, among others.

24. The developments within the European Union (EU) and the proximity of the EU countries are also calling for a strong engagement of the European Commission. The OECD has been a partner in the implementation of a number of large projects funded by the EU and co-operates closely with the EC services responsible for the Eastern Partner countries and those in Central Asia. These projects are typically established to be implemented by consortia, offering the opportunity for the OECD to work with EU-member states and development partners on specific thematic areas and share progress via the GREEN Action Task Force.

25. Following an approach taken in the recent years, the activities under the GREEN Action Task Force would continue to be carried out as part of joint projects with other international organisations (such as UNECE, UNEP and UNIDO) or with individual OECD countries (such as Austria and France) under EU4Environment as well as joint work with independent research organisations and institutions.

26. Several activities have been carried out in co-operation with Development Finance Institutions (DFIs). These included work on evaluating investment needs, reform of domestic financial institutions, mobilising the capital markets and leveraging public and international support for green investment. Several sessions have been organised as part of the Task Force meeting and separately with the participation of DFIs on issues of common interest. Building on these activities, the Task Force could

benefit more from strengthening the co-operation with DFIs active in the region. Such enhanced co-operation would allow more opportunities for the Task Force members and DFIs institutions to discuss policy challenges to, and solutions for, scaling up green investment in the EECCA region, based on the needs, experiences and knowledge from the both sides. One of the facilitating steps could be to invite the DFIs to be members of the Task Force Bureau (see Section 3).

3. GREEN Action Task Force Governance

27. Taking account of the well-established governance arrangement of the Task Force over the years, the current arrangements could be maintained. For example, the two *Co-Chairs*, one from an EECCA country and another from an OECD country, would provide strategic guidance and work with the Secretariat, and the Bureau to shape the work programme and agenda of Annual Meetings of the Task Force.

28. The work of the Co-Chairs and the Secretariat could be supported by the *Bureau*, consisting also of Vice-Chairs, who are government representatives from both EECCA and the OECD countries. The Bureau members could be elected for each biennium by all participants, including interested IGOs. The UNECE, UNEP and the European Commission are the *ex officio* members of the Bureau already. The representatives of the DFIS, such as the World Bank and the EBRD, could be invited to be the *ex officio* Bureau members. The Bureau could meet at least once per year, between the Annual Meetings.

29. The *Secretariat* functions could continue to be provided by the OECD. Its task would be to manage projects identified and agreed with members providing financial support and in line with the biannual OECD Work Programmes, and report on their implementation to the Task Force. The Secretariat would work with the Task Force Co-chairs and the Bureau to shape the agenda of annual meetings and to consult them on the general direction and priorities of the activities implemented.

30. The GREEN Action Programme Task Force *Annual Meetings* could continue to provide a framework for interested governments and organisations to discuss themes of relevance to green growth/ green economy and the environment in the EECCA countries. The aim of Annual Meetings would be to share substantive findings, exchange experiences and lessons learned from relevant country-level and regional studies, projects and initiatives, mobilise further support and co-ordinate actions in the region.

31. Efforts would be made to hold Annual Meetings in alternating locations, between an OECD country (including OECD Headquarters in Paris) and an EECCA country.

4. Possible areas of work

32. The future programme could build on the work done in the previous years, in particular the renewed priorities established in the 2021-22 Work Programme, and include the four Programme Areas as listed below (details of the GREEN Action Task Force's work programme for 2023-2024 are available in a separate document [ENV/EPOC/EAP(2022)1/REV1]).

Programme Area 1: Economy-wide, cross-sectoral policies for green growth and sustainable development

33. Activities will support national-level policy dialogues on priority issues for greening of the economy in selected countries, including in the context of the post-COVID recovery. Emphasis will continue to be placed on strengthening administrative capacity for environmental management and cross-ministerial coordination for green growth, including on job impacts of green policies. Work will also inform policy development and facilitate political dialogue among Central Asian countries to address the energy-water-

land use nexus in light of climate action and resource security in the region. The work will continue to support the development of green growth measurement. Annual Meetings of the Task Force will take stock of cross-cutting issues for greening of the economy.

Programme Area 2: Environmental policies for green growth: Climate change mitigation, air pollution, circular economy

34. Under EU4Environment “Towards a Green Economy” work will continue to support the six countries of the EU’s Eastern Partnership with regional experience sharing and in-country development of “smarter” regulation of environmental performance of large enterprises as well as Small- and Medium-Sized Enterprises, with emphasis on addressing challenges of air pollution and climate mitigation. The activities will also include regional and country-specific activities to strengthen environmental compliance assurance, including compliance promotion and awareness raising, non-compliance responses, and instruments for environmental liability. New work under “Promoting Green Deal Readiness in the Eastern Partnership Countries” (ProGRess) project, which is under discussion for starting in 2023, will support countries to improve the conditions for the transformation of EU trade-related agricultural and industrial value chains.

Programme Area 3: Water and ecosystems management, biodiversity protection and climate change adaptation

35. A primary aim is the continuation and enhancement of the National Policy Dialogues facilitated jointly by UNECE and OECD in both the EaP and Central Asia regions. Activities will focus on the implementation of the new EU4Environment “Water Resources and Environmental Data” project, launched in January 2022. OECD work is expected to focus on strengthening the economic soundness of water strategies and policies and also finance mobilisation for priority actions. Work in Central Asia aims to enhance the inter-sectoral coordination for water security at the national level. Activities will focus on the economic and financial dimensions of water management, feed into the NPD process and will be complemented by new work on the energy-water-land use nexus (under Programme Area 1).

Programme Area 4: Sustainable infrastructure, green investment and finance

36. In Central Asia work is planned to promote sustainable infrastructure for low-carbon development through analyses of planned infrastructure projects and decision-making frameworks for infrastructure development and strategic planning. Activities will support building national capacity on sustainability assessments to ensure environmental and socioeconomic sustainability of infrastructure projects and enhanced regional connectivity. Work is foreseen with International Transport Forum on decarbonising transport at the country-level notably on urban public transport and alongside large regional transport infrastructure.

37. In the EU’s Eastern Partner countries activities will continue supporting the development of domestic public expenditure programmes and financial instruments; energy subsidy reform; mobilising private sector finance; and better use of international finance. Support to national financial institutions to enhance selection and preparation of green and low-carbon and climate-resilient investment is also envisaged. Work on green investment and finance will also be extended to Central Asia, e.g. assessing the development of green bonds and other green financing mechanisms in Kazakhstan and Uzbekistan; the mainstreaming of ESG reporting into public and private finance in Kazakhstan; encouraging the use of environmental assessments (EIA, SEA) in Central Asia and financing long-term decarbonisation strategies.

Annex A. GREEN Action Task Force –Origins and its Evolution

38. The Environmental Action Programme (EAP) for Central and Eastern Europe was adopted in 1993 by Environment Ministers in Luzern, Switzerland, as part of the “Environment for Europe” process after the political changes of 1989-90. The EAP provided an analytical framework and guide for identifying the most serious environmental problems in Central and Eastern Europe and for developing realistic, efficient and cost-effective solutions to address priority problems while building on and reinforcing the market economy and democratic reforms in Central and Eastern Europe.

39. In Luzern Ministers established an inter-governmental Task Force to implement the EAP. The OECD was asked to provide a secretariat to facilitate drawing upon policy analysis and recommendations prepared within OECD directorates and committees, dealing not only with environmental matters but also financial and enterprise affairs, public management, economics, regulatory reform and many others.

40. The accession of four Central European countries to the OECD in 1995-2000 and anticipated accession of several countries from the region to the European Union in the 2000s led to the adjustment of the EAP Task Force geographical coverage. Since the 1998 Aarhus Ministerial Conference, the Task Force’s main mission was to guide reforms of environmental policies in the transition economies of twelve countries of Eastern Europe, Caucasus, and Central Asia (EECCA), including Armenia, Azerbaijan, Belarus, Georgia, Moldova, Kazakhstan, the Kyrgyz Republic, the Russian Federation, Tajikistan, Turkmenistan, Ukraine and Uzbekistan.

41. At the 2016 Batumi Ministerial Conference, Ministers welcomed the work of the EAP Task Force, and invited the OECD to continue its activities under its new name, the **GR**een **E**conomy and **EN**vironment (**GREEN**) Action Programme Task Force, in cooperation with relevant partners.

42. The Task Force’s work focused on eleven EECCA countries²: Armenia, Azerbaijan, Belarus, Georgia, Republic of Moldova, Kazakhstan, the Kyrgyz Republic, Tajikistan, Turkmenistan, Ukraine and Uzbekistan.

43. The Batumi Ministerial Declaration called for a review of the mandate of the Task Force at the 9th Environment for Europe Ministerial Conference currently planned for 5-7 October 2022 in Nicosia, Cyprus.

² Following the annexation of Crimea in 2014, the Russian Federation is no longer invited to participate in the GREEN Action Task Force. In March 2022 the OECD Council decided to immediately suspend the participation of Russia and Belarus in OECD bodies. Following this decision, Belarus is also not invited to the work of the GREEN Action Task Force.