



FIFTH MINISTERIAL CONFERENCE  
ENVIRONMENT FOR EUROPE

KIEV, UKRAINE  
21-23 May 2003

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ENVIRONMENTAL PARTNERSHIPS IN THE UN ECE REGION:  
ENVIRONMENT STRATEGY FOR COUNTRIES OF  
EASTERN EUROPE, CAUCASUS AND CENTRAL ASIA  
STRATEGIC FRAMEWORK

submitted by

the Steering Group on Environment Strategy for countries of  
Eastern Europe, Caucasus and Central Asia

through the  
Ad Hoc Working Group of Senior Officials



UNITED NATIONS  
ECONOMIC COMMISSION FOR EUROPE





**Economic and Social  
Council**

Distr.  
GENERAL

ECE/CEP/105/Rev.1  
27 June 2003

ORIGINAL: ENGLISH

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**ECONOMIC COMMISSION FOR EUROPE**

**COMMITTEE ON ENVIRONMENTAL POLICY**

Fifth Ministerial Conference  
“Environment for Europe”  
Kiev, Ukraine, 21-23 May 2003

**ENVIRONMENTAL PARTNERSHIPS IN THE UN ECE REGION:  
ENVIRONMENT STRATEGY FOR COUNTRIES OF  
EASTERN EUROPE, CAUCASUS AND CENTRAL ASIA <sup>1</sup>  
Strategic Framework**

1. This Strategy, as adopted by Ministers at the Kiev Conference on 23 May 2003, outlines its overall objective, the background and purpose of its development, its proposed status, the mechanism for its further implementation, and its key objectives and areas for action.

**Overall Objective of the Strategy**

2. The overall objective of the Strategy is to contribute to improving environmental conditions and to implementing WSSD<sup>2</sup> Plan of Implementation in the Eastern Europe, Caucasus, and Central Asia (EECCA) by strengthening efforts of these countries in environmental protection and by facilitating partnership and cooperation between EECCA countries and other countries of the UNECE region, including all stakeholders.

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<sup>1</sup> These countries are Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Republic of Moldova, Russian Federation, Tajikistan, Turkmenistan, Ukraine, and Uzbekistan. The name of this group of countries and its abbreviation (EECCA) is for the purposes of this document only and does not constitute an internationally recognized term based on either geographical or socio-economic criteria

<sup>2</sup> World Summit on Sustainable Development (Johannesburg, South Africa, 2002)

## **Background and Purpose**

3. The “Environment for Europe” process provides a framework for improving environmental policies and conditions in the UNECE region. It also provides a framework for action to address the WSSD Plan of Implementation in this region on Water and Sanitation, Energy, Health, Agriculture and Biodiversity, including the universally agreed Millennium Development Goals.
4. Developing cooperation and partnership between EECCA and other UNECE countries is one of the priorities within the “Environment for Europe” process due to the severity of existing environmental challenges, the need to reform policy frameworks and to strengthen institutional capacity to address them in EECCA countries.
5. The Environmental Action Programme (EAP) adopted in Lucerne in 1993 provided a framework for environmental policy reform, strengthening institutions and facilitating investments in the countries of Central and Eastern Europe, and assisted several of them in accession to the European Union (EU). It also provided a model for the development of the Regional Environmental Reconstruction Programme for Southeast Europe (REReP).
6. A larger concentration of efforts towards EECCA countries is needed. In this respect, EU enlargement will provide new opportunities and challenges for environmental initiatives and perspectives for bilateral and multilateral cooperation within the UNECE region.
7. While the REReP has been created to address the environmental needs of Southeast European countries, there is no similar programme for EECCA countries.
8. A renewed EAP would provide a basis for the countries of the UNECE region to help address priority environmental problems in EECCA, identified in the Strategy, based on their experience and taking onboard the outcomes of the WSSD.
9. Ministers decided in Aarhus in 1998 that the “Environment for Europe” process should be refocused on the needs of the New Independent States. The demand for a Strategy, responding to the needs of the sustainable development of EECCA countries, has been demonstrated by the initiative of Ministers of Environment of these countries, agreed in the Hague in April 2002, and confirmed during the WSSD by the launch of the New East-West Environmental Partnership supported by Ministers of partner countries.
10. To ensure EECCA ownership of the initiative, Ministers established a Steering Group for the elaboration of the Strategy. The Steering Group based its work on background papers prepared by international organisations, inputs from EECCA national experts, non-governmental organisations (NGOs) and results of in-country multistakeholder discussions and international discussions in the course of preparation for the Conference.
11. The Strategy aims to find solutions to common environmental problems of EECCA countries on the basis of close cooperation. It is recognized that although EECCA countries have some common problems, they are quite diverse economically, environmentally and geopolitically.
12. The Strategy will provide a basis for further developing and improving national policies of individual countries, and strengthening bilateral and multilateral cooperation involving EECCA countries and other countries in the UNECE region, as well as between different sectors of the society. In this way, it will help to strengthen the “Environment for Europe” process. The

Strategy will identify areas in which environmental actions are needed and in which partnership and cooperation with EECCA countries could be reinforced. The Strategy should also become an instrument for providing clear information about effective forms of cooperation to partners in the “Environment for Europe” process.

13. Subregional cooperation provides an opportunity to effectively address shared environmental problems based on the ecosystem approach.

### **Implementation**

14. The Strategy with the supporting materials, mentioned in paragraph 10 above, will provide a basis for developing action plans and partnerships for the implementation at the national, sub-regional, bilateral and multilateral level. EECCA governments will take a leading role in implementing the Strategy with the assistance of their partners in the “Environment for Europe” process and beyond.

15. The Ministers of EECCA countries and their partners in the “Environment for Europe” process will hold a conference in one of EECCA countries in 2004 to discuss the action programmes and partnerships to implement the Strategy elaborated over this period and to provide additional impetus for their development and implementation.

16. The Ministers in their Kiev Declaration invited the EAP Task Force to lead efforts to facilitate and support, in cooperation with other relevant international bodies and RECs, the achievement of the objectives of the Environmental Partnerships Strategy by East European, Caucasian and Central Asian countries. Achieving these goals will include facilitating policy and institutional reform, capacity building, development of civil society, transfer of lessons learned and best practice, cross-border cooperation and environment-related investments in Eastern Europe, the Caucasus and Central Asia. The EAP Task Force, in cooperation with relevant international bodies, and on the basis of information provided by East European, Caucasian and Central Asian countries should keep the Committee on Environmental Policy informed of progress in achieving the objectives of Environmental Partnerships Strategy. International organizations are invited to provide assistance and support to its implementation, in accordance with their respective mandates. The Ministers also agreed on the importance of sharing experience and knowledge within the region, and of transferring it to the countries in Eastern Europe, the Caucasus and Central Asia. The REC for Central and Eastern Europe should play a useful role in this respect, cooperating with the EAP Task Force and RECs operating in Eastern Europe, Caucasus and Central Asia in support of the implementation of the Strategy. The Ministers also recognized the importance of supporting the activities of the EAP Task Force and the PPC with adequate funding. At the next Ministerial Conference “Environment for Europe” they will consider opportunities to relocate the Secretariat functions to Eastern Europe, Caucasus and Central Asia.

17. In developing its work plan, EAP Task Force should establish, as appropriate, work-sharing arrangements with the international organizations and institutions which are invited to provide assistance and support to Environmental Partnerships Strategy implementation, in accordance with their respective mandates. A close link should be promoted with Secretariats of regional environmental agreements, UNECE in implementation of its Environmental Performance Review (EPR) program in countries of Eastern Europe, the Caucasus and Central Asia, and capacity-building activities under the regional environmental agreements. EAP Task Force should invite, as appropriate, subregional organizations and processes, such as Interstate Ecological Council (IEC), International Fund for saving the Aral Sea (IFAS), regional mountain

initiatives, Caspian and Black Sea programs, to the information exchange and cooperation. The Ministers also counted on close cooperation with United Nations Development Programme (UNDP) country offices and RECs in the subregion. RECs, major groups, as appropriate, including environmental NGOs and the private sector will be invited to take part in the EAP Task Force activities through participation in a multi-stakeholder dialogue and the development of environmental civil society. The attached Annex presents an initial list of international organizations and institutions that could support EECCA countries to achieve the objectives of the Strategy.

18. International organizations and financial institutions are invited to provide support for the implementation and monitoring of the Strategy.

19. The next “Environment for Europe Ministerial” conference will review the implementation of the Strategy.

## Key Objectives and Areas for Action

### I. Improve Environmental Legislation, Policies, and Institutional framework

#### Problems

Over the last ten years, important steps have been undertaken to reform environmental policies, laws and institutions. However, these reforms have not achieved the goal of reducing the risk of human health and degradation of ecosystems. Existing environmental plans and strategies need prioritisation, clear timetables and financial support, which is not always the case. Environmental agencies are short of highly qualified human, financial and technical resources. The fundamental regulatory instruments are not sufficiently effective. Compliance with domestic and international environmental requirements needs effective enforcement.

#### Planned Actions

The focus should be gradually shifted from policy development to implementation in general and the development of coherent implementing regulations, approximation of EECCA and European legislation and effective policy instruments in particular:

- **Optimization of environmental quality standards:** making sure that the substances regulated can be effectively monitored; setting realistic standards based on risk management considerations and internationally accepted norms.
- **Reforms of the permitting system:** streamlining of permitting procedures; gradual transition to integrated permitting for large polluters.
- **Improvement of EIA<sup>3</sup> practices:** diversification of the depth of assessment for different types of projects; addressing the full range of environmental impacts (not just emission limits) under full EIA; and broadening public participation. Development and application of risk assessment.
- **Promoting strategic enforcement and building the courts’ environmental litigation capacity:** putting the emphasis on deterring potential violators; design of enforcement programs combining sanctions and compliance promotion measures; raising the courts’ environmental significance.

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<sup>3</sup> Environmental impact assessment.

- **Development and implementation of compliance promotion programs:** broadening the use of information-based instruments and promoting cleaner production and environmental management in enterprises, e.g. through certification.
- **Reform of pollution charges:** review the number of pollutants subject to charges; increase of charge rates to a level that would provide incentives to reduce pollution; and increase of collection rates.
- **Reform of natural resource taxes and subsidies:** for example, differentiation of energy source taxes; differentiation of water abstraction charges (by type of user and waters); and gradual elimination of environmentally harmful subsidies where appropriate
- **Improvement of damage compensation and environmental insurance systems:** development of new damage assessment regulations based on actual costs of remediation; development of environmental insurance institutions and development of national legislative acts pertaining to environmental audit.
- **Strengthening of environmental monitoring systems:** prioritisation of monitoring programs by targeting principal pollutants; strengthening self-monitoring and reporting; coordination of monitoring and data management to develop a national monitoring system.  
In order to enable successful regulatory reforms, a sound environmental policy and institutional framework should be put in place through the following actions:
- **Introducing a new phase of environmental planning,** with short- and medium-term action-oriented environmental plans for relevant agencies and broader plans, longer-term national sustainable development strategies.
- **Creation of an effective mechanism for interagency cooperation in policy development and implementation,** including procedures for handling areas of mutual interest, joint efforts (e.g. monitoring, inspections), and interagency coordinating bodies.
- **Institutional capacity building** through procedural development, sufficient resources budget increase, and staff training. These actions need to be supported by broader and better targeted technical assistance programs of donors and international financial institutions (IFI).

## II. Reduce the Risks to Human Health through Pollution Prevention and Control

### 2.1 Reduction of Urban Air Pollution

#### Problems

- Urban air pollution, particularly from mobile sources, has a major impact on the human health
- Weakness of air quality control systems
- Excessively strict ambient air quality standards
- Weak technological capacity, resulting in higher emissions
- Lack of economic incentives for facilities to reduce their emission intensity per unit of output
- Inadequacies of regulation of road transport emissions.

#### Planned Actions

- Optimisation of standards, accounting for environmental and combined health impacts (based on WHO<sup>4</sup> criteria)
- Introduction of standards for products that directly affect the environment in the course of their use (road vehicles, fuel, etc.)

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<sup>4</sup> World Health Organization.

- Implementation of Best Available Techniques and best practices.
- Development of a mechanism for accounting for local conditions and technological capacity in the course of setting emission limit values.

## 2.2 Improving the Management of Municipal Water Supply and Sanitation Infrastructure

### Problems

- Low quality of drinking water presents a direct threat to human health.
- Insufficient treatment of wastewater poses risks to the stability of ecosystems.
- Significant amounts of water are wasted due to weak demand management, deteriorated infrastructure and leakage.
- Insufficient funding for the operation and maintenance of water supply and sanitation sector, lack of investments and ineffective use of available funds led to a serious deterioration of urban water infrastructure.
- In rural areas and small towns, there are significant portions of the population without access to safe water and sanitation.

### Planned Actions

- **Improve institutional and regulatory framework:** creation of an effective framework to regulate water utilities; clarify property rights between various parties; introduction of performance contracts between local authorities and utilities; development of a system for monitoring utility performance; reform of drinking water and effluent quality standards; building capacity in central governments, municipalities and utilities.
- **Ensure financial viability of utilities:** determine a realistic level of services based on the assessment of demand and availability of funds; reform tariff-setting rules to provide incentives to increase efficiency, prevent ineffective interference of administrative bodies accounting for the need to protect socially vulnerable groups; continue efforts to achieve cost recovery (e.g. by improved metering and tariffs for connected industries).
- **Ensure access of the poor to water services:** analyse the affordability of water prices; make the water tariff system adequate to incomes of specific groups of consumers based on their social status; provision of water subsidies to low-income households-consumers of Vodocanals (water authorities); promote public participation.
- **Safeguard public health:** ensure appropriate measures in cases of water infrastructure accidents and intermittent water supply; improve the surveillance of the integrity of the distribution network; develop water safety plans; develop programmes to ensure access to adequate drinking water and sanitation services in line with the Millennium Development Goals and with the WSSD Plan of Implementation.
- **Protect the environment:** integrate municipal water systems (considering also connected industrial sources) into coherent programmes for water resources management within river basins; increase wastewater collection and treatment in the long term; strengthen water demand management.

## **2.3 Improvement of Management of Waste and Chemicals**

### **Problems**

- Accumulated stockpiles of hazardous waste and their poor inventories
- Insufficient control of transfers of hazardous waste (export, import and transit)
- Insufficient attention to preventive technological approaches, resource efficiency and lack of incentives for implementation of modern waste treatment technologies, modern waste prevention, treatment and neutralization technologies
- Ineffective management of industrial and household wastes, and chemical management
- Low rate of implementation of modern waste treatment and neutralisation technologies
- Lack of a market for supply of products generated by waste recycle operations
- Lack of incentives for waste reuse, recycling and recovery

### **Planned Actions**

- Development of inter-sector waste management action plans
- Introduction of principles of the Basle Convention<sup>5</sup> into national legislation
- National capacity building for the environmentally sound management of hazardous waste
- Implementation of integrated systems of monitoring of waste transfers
- Development of economic mechanisms to facilitate implementation of cleaner technologies and waste prevention and minimisation as well as governmental support for waste treatment facilities.
- Development of efficient programs for waste management and management of chemical risks
- Introduction of a harmonized system for marking and categorisation of chemicals. Promotion of development of an integrated system for inventory of waste generation and accumulation (e.g. Protocol on Pollutant Release and Transfer Registers-PRTR)
- Implementation of the new harmonized system for the classification and labelling of chemicals
- Promotion of efforts to prevent international illegal trafficking of hazardous chemicals and hazardous wastes and to prevent damage resulting from the transboundary movement and disposal of hazardous wastes

## **III. Manage Natural Resources in a Sustainable Manner**

### **3.1 Integrated Management of Water Resources, Including Transboundary River Basins and Regional Seas**

#### **Problems**

- Poor water quality due to industrial, agriculture, household pollution; floods, torrents, and soil erosion; losses of aquatic biological resources. Conflicts and inefficiencies associated with distribution of water resources between different water users, including in the transboundary context. Lack of incentives for water conservation.
- Severe degradation of marine, river and lake ecosystems, habitat destruction due to economic activities in coastal areas and chemical pollution of surface water bodies, introduction of alien species.

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<sup>5</sup> Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal

- Disastrous loss of aquatic bioresource stocks due to overfishing and environmental deterioration.
- Inadequate attention to conservation of natural ecosystems in the course of development of recreational areas.

### **Planned Actions**

- Development and implementation of integrated water management programmes, including priorities, objectives and timeframes, implementation evaluation and financing.
- Development and implementation of bilateral and multilateral agreements, conventions and regional protocols on the river basin principles.
- Promote transboundary agreements for river basins and regional seas and ensure efficiency of and compliance with existing agreements through regulatory action and institutional strengthening at the national level
- Establishment and strengthening of basin management bodies, including inter-state and regional ones.
- Development of monitoring and early warning programs for river basins and coastal areas.
- Inventory of objects/bodies of transboundary water management.
- Inventory of transboundary pollution sources.

## **3.2 Biodiversity Conservation and Protection of Ecosystems**

### **Problems**

- Degradation of natural ecosystems, of genetic fund of animals and plants, destruction of migration routes for wild animals and birds.
- Inadequate integration of biodiversity aspects into national policies and economic/social development programmes.
- Lack of or inefficiency of existing economic, finance and other instruments for biodiversity assessment and conservation. Insufficient financing of activities related to protected territories
- Inadequate transboundary cooperation in the sphere of biodiversity conservation and international exchanges of ecosystem goods and services
- Inadequate public information on biodiversity problems

### **Planned Actions**

- Incorporation of biodiversity conservation aspects into governmental programmes of socio-economic development, material and finance support for protected territories.
- Setting adequate rates of charges for use of biologic resources
- Introduction of efficient mechanisms for assessment of biodiversity damages and relevant compensations at the national level for prevention of biodiversity losses.
- Introduction of mandatory accounting for impacts on biodiversity in the course of environmental impact assessment (EIA)
- Approval and implementation of national biodiversity conservation strategies and action plans
- Establishment of relevant national biodiversity inter-agency commissions
- Extension of areas of specially protected natural territories, establishment of systemic funds for biodiversity conservation, including environmental networks.
- Attainment of key targets of the Kiev Resolution on Biodiversity.

## **IV. Integrate Environmental Considerations into the Development of Key Economic Sectors**

### **4.1 Overall issues of sectoral integration**

The transition to market-based, democratic societies provides opportunities for pursuing “win-win” policies, where environmental (including environmental health) and sectoral policy goals can be pursued simultaneously. However, there will also be many occasions where environmental and sectoral policies are opposed and trade-offs need to be made. Ensuring that such trade-offs are socially optimal requires the development of inter-ministerial coordination mechanisms, the development of effective capacities in environmental and other ministries, and the application of appropriate policy instruments, including instruments that promote demand management. Energy, transport, industry, trade and agriculture (including desertification and land degradation) are among the sectors where better integration is required.

### **4.2 Energy Sector**

#### **Problems**

Energy issues present an area of concern due to their potential impact on environmental quality through pollution of air, land and water:

#### **Planned Actions**

- Ensure that our environmental policies and programmes designed to mitigate climate change and to achieve the Kyoto targets will properly incorporate energy efficiency objectives and measures;
- Improve integration of environmental concerns and energy efficiency into various areas of energy, economic and social policies. The interministerial cooperation needed to achieve this should be promoted at national and interregional levels.
- Support the use of appropriate criteria for sustainable development in the comparison of energy efficiency and renewable projects throughout the whole energy cycle, from production to distribution and end use.
- Support continued reforms aimed at gradually removing energy price subsidies, which have an adverse impact on the environment.
- Support the funding of activities directed at improving energy efficiency and promote cost effective energy efficiency projects in the use of the flexible mechanisms of Joint Implementation and the Clean Development Mechanisms defined under the Kyoto Protocol.
- Develop and support, where appropriate, measures aimed at strengthening the participation of energy consumers, the private sector and non-governmental organizations in identifying priorities and implementing energy efficiency projects at national, bilateral and multilateral levels.
- Promote mobilization of domestic and foreign investments, including inter alia, investments for development of renewable energy sources.
- Carry out systematic analyses of the impact on environment of new projects and take into account the results of the analyses for decisions on future investments
- Promote application of cleaner fuels, by:
  - development of modern enabling legislation, including technical, environmental, legal, economic and management aspects;
  - introduction of governmental economic and finance mechanisms for promotion of renewable energy and energy efficiency.
- Promote use of cleaner fuels and technologies in transport sector.

- Ensure public participation and accounting for public opinion in the course of discussing policies, legislation, strategies, plans and programs in the energy sector at all levels.
- Promote environmentally sustainable extraction, production, processing, transportation and use of fossil fuels.
- Strengthen environmental management capacity of energy and infrastructure sectors.
- Promote regional and local initiatives for sustainable development of the power industry.
- Support and develop international programs for transfer of technologies of renewable sources of energy.
- Improve access to reliable, affordable, economically viable, socially acceptable and environmentally sound energy services and resources, taking into account national specificities and circumstances.
- Integrate energy considerations, including energy efficiency, affordability and accessibility, into socio-economic programmes, especially into policies of major energy-consuming sectors, and into the planning, operation and maintenance of long-lived energy consuming infrastructures, such as the public sector, transport, industry, agriculture, urban land use, tourism and construction sectors
- Develop and disseminate alternative energy technologies with the aim of giving a greater share of the energy mix to renewable energies, improving energy efficiency and greater reliance on advanced energy technologies, including cleaner fossil fuel technologies
- Strengthen and facilitate, as appropriate, regional cooperation arrangements for promoting cross-border energy trade, including the interconnection of electricity grids and oil and natural gas pipelines

### **4.3 Transport Sector**

#### **Problems**

The continuing expansion of transport demand, heavily dominated by road transport, (further exaggerated by worn-out, high fuel-consuming and environmentally unfriendly vehicle fleet and transport infrastructure) raises serious concerns about the long-term sustainability of present mobility trends. Continuation of current transport trends in the region will aggravate environmental and health problems, particularly those related to air pollution, noise and land use.

#### **Proposed Actions**

- Develop and implement national transport strategies for sustainable development that integrate health and environment considerations, drawing on international best practices
- Conducting, if appropriate, assessments with a view to integrate health and environmental considerations into transport policies and plans
- Provision of incentives for environmentally sustainable transport, including public transport, particular emphasis should be given to demand management
- Establish an inter-ministerial coordination mechanisms, where appropriate, involving transport, environment, health and other relevant ministries
- Monitor the environmental impact of transport policy, e.g. using indicators developed by EU, European Environmental Agency (EEA), World Health Organization (WHO) and publish the results of this analysis.
- Promote modernisation of transportation facilities, including use of less energy intensive transport modes.
- Promote investments into the transport sector and infrastructure, including municipal transport.

- Implement transport strategies for sustainable development, reflecting specific regional, national and local conditions, to improve the affordability, efficiency and convenience of transportation as well as urban air quality and health and reduce greenhouse gas emissions, including through the development of better vehicle technologies that are more environmentally sound, affordable and socially acceptable

#### **4.4 Agriculture**

The socio-economic crisis in countries with economies in transition and environmentally inefficient management resulted in degradation of agriculture lands and traditional nature use territories, sometimes these adverse environmental changes were of irreversible nature.

##### **Problems**

- Inadequate rehabilitation of affected areas results in their alienation from agriculture use.
- Decrease of soil fertility and soil erosion
- Inefficient irrigation and melioration systems.
- Insufficient development and application of biological means of plant protection. Inefficient application of fertilisers.
- Prevalence of economic and short-term social needs in land use at environmentally sensitive landscapes
- Use of extensive environmentally hazardous farming practices, low-yield and inefficient cultures and animal species, inefficient management of animal husbandry waste.
- Lack of or non-compliance with legislative acts regulating environmental aspects of land use, including agriculture.

##### **Actions**

- Develop comprehensive land use planning, accounting for environmental consequences.
- Provide preconditions for facilitating production of environmentally clean food.
- Implement projects for rehabilitation of affected land areas, associated with programs for combating desertification.
- Implement counter-erosion and counter-landslide activities, alienate degraded land areas from agriculture use for their rehabilitation and reforestation. Implement soil protection technologies and practices for increase of nutrients levels and improvement of soil fertility.
- Protect and develop local plant and animal species and their gene pools.
- Control application of growth promoters, antibiotics; apply cautious approaches for decision-making on use of genetically modified organisms (GMOs), based on the precautionary principle.
- Improve monitoring systems, including land monitoring; improve data collection and processing for assessment of agricultural environmental impacts.
- Implement actions for reduction of adverse impacts of agriculture waste.

#### **4.5 Forestry**

##### **Problems**

- Forestry needs technical assistance and introduction of new market-based management arrangements to ensure environmentally sustainable development of the forestry sector.
- Forestry needs access to modern environment friendly and resource efficient technologies in the sphere of reforestation, plant species, timber cutting and processing.

## Actions

- Apply indicators and requirements of the Ministerial process of protection of European forests in the forestry sector, including the ones, dealing with accounting for multiple functions of forests, biodiversity conservation. etc.
- Implement reforestation projects.
- Improve the system for protection of forests from overlogging, illegal cutting and forest fires.
- Restore the system of regular forest management.
- Develop modern environment-friendly and resource efficient technologies in the sphere of reforestation and timber processing.
- Account for environmental aspects in national forestry strategies and plans.

## V. Establish and Strengthen Mechanisms for Mobilizing and Allocating Financial

### Resources to Achieve Environmental Objectives

Inadequate governmental funding that still remains the key sources of finance resources for environmental protection, is the major obstacle for attainment of environmental policy objectives on all countries of the region. While private and corporate resources (including banking, finance and investment sectors) represent a valuable potential source of financing, their capacity is still used insufficiently. Accounting for contemporary differences in finance capacity, methods and means of collection and disbursement of finance resources for environmental protection in different countries of the region, the following issues are of relevance for some countries:

### Problems

- Policy makers do not have enough meaningful economic and financial information to tailor government intervention and direct scarce public funds to address critical environmental financing needs.
- Most public resources in the environmental sector are spent without a clear programmatic framework and objectives to be achieved, as well as transparency and accountability. Existing programmes lack cost-effectiveness analysis, implementation instruments and realistic financial plans.
- Underdevelopment and inefficiency of existing environmental funds.
- The poor design of the existing system of environmental charges undermines their revenue-raising potential and efficiency of economic mechanisms.
- Existing resources in the public sector, although very scarce, could be used with greater efficiency, transparency and accountability.
- Policy and institutional obstacles prevent the financial sector from playing a greater role in financing environmental projects.

### Planned Actions

- **Improve information support for effective environmental financing:** implement internationally recognized methodologies for calculating costs of environmental policies and classifications of environmental expenditure in statistical services; establish a regular system for collection of environmental expenditure data in line with international standards
- **Develop high-quality and realistic environmental programs and associated financial plans:** establish priorities between existing environmental programs in terms of public

funding; revise and redesign priority programs with realistic and cost-effective action plans and clearly targeted public expenditure.

- **Enhance the revenue raising potential of existing and new environmentally-related taxes and charges:** reform existing charges and taxes by decreasing their number, administrative complexity and discretion; improve their transparency, introduce new, revenue raising environmentally-related taxes and charges (mainly on environmentally unfriendly products consumed in large quantities); consider earmarking of revenues only for well defined expenditure programs; support gradual increase of user charges for environmental infrastructure to cover operation and maintenance costs initially and full cost-recovery in the longer-term; strengthen taxation of natural resource rents and reinvestment of revenue in enhancing environmental infrastructure.
- **Internalize adverse environmental impacts by application of market-based mechanisms, e.g. trading in emission quotas (both domestic and international).**
- **Use public financial resources for environmental purposes more efficiently:** reform institutions managing public environmental expenditures (including environmental funds) in line with good international practices in order to enhance their accountability, transparency, cost-effectiveness and environmental effectiveness.
- **Harness commercial and foreign sources of financing for environmental investments:** identify and gradually phase-out policy instruments and practices that discourage commercial financing of environmental projects; develop incentive instruments for the public sector to effectively leverage private and foreign finance for environment; build capacity of municipalities and enterprises to prepare environmental projects that can be co-financed on commercial terms and capacity of environmental authorities to appraise such projects; involvement of domestic, foreign investors and IFI into financing of priority environmental actions.
- **Utilising opportunities for negotiating debt-for-environment swaps:** where debt has become impossible to service, initiatives could be launched for swapping a portion of foreign official debt for domestic environmental investments of cross-boundary and global significance; prepare up-front credible feasibility analyses; develop possible expenditure programs for the possible swaps that would be attractive to potential creditors.

## **VI. Provide Information for Environmental Decision-Making, Promote Public Participation and Environmental Education**

### **6.1 Strengthening of Environmental Monitoring and Information Management**

#### **Problems**

- Weak systems of registers of forests, land and biological resources, maintenance of cadastres.
- Underdeveloped systems of environmental monitoring, data collection on emissions. Databases are underdeveloped.
- Methodologies of standard setting for pollution limits and industrial resource pressures, as well as methodologies for assessment of environmental risks of economic activities need improvement.

- Underdeveloped methodologies for valuation of natural resources, environmental standards. Optimisation of resource rents.
- Some countries do not make their State of Environment Reports regularly published and well accessible.

### **Planned Actions**

- Identify priority activities in the sphere of environmental monitoring, based on requirements to data collection and reporting stipulated by the due national legislation, environmental action plans and programs, as well as on requirements of applicable international commitments.
- Provide incentives to companies for provision of voluntary reporting on their environmental performance
- Harmonize definitions, classifications and procedures of environmental monitoring with international standards.
- Promote exchange of environmental data and information between relevant governmental institutions.
- Improve information quality, focusing on development of core sets of indicators with application of international experience.
- Facilitate improvement of methodologies in the sphere of setting limits for economic pressures on the environment and natural resources, resource rent, regulation of procedures of environmental planning.
- Improve the system of inventory of natural resources.
- Publish regular State of Environment reports, make them accessible for the general public.

## **6.2 Public Participation in Environment Decision-Making**

### **Problems**

- Notwithstanding significant democratisation in the EECCA countries over the last decade, much remains to be done to ensure real public participation.
- Underdeveloped procedures of public participation in environment decision-making,
- Some countries lack mechanisms of public hearings on environmental matters.

### **Planned Actions**

- Promote application of provisions of the Aarhus Convention on Access to Information, Public Participation in Decision-making and Access to Justice on Environmental Matters at the national level, including the ones, pertaining to rights of the public for access to information, access procedures, access limitations and rights of the public for participation in decision-making, to avoid reduction of relevant rights, stipulated by the due national legislation
- Support environmental NGOs, whenever appropriate and possible.
- Strengthen institutional frameworks, existing mechanisms and capacity of governmental agencies in the sphere of involvement of the general public into decision-making on matters of environmental significance.

## **6.3 Environmental Education**

### **Problems**

- Environmental education materials are not well developed and disseminated.
- Capacity of higher education and research facilities is not used adequately.
- Shortage of skilled educators at all education levels.
- Systemic environmental awareness raising is almost non-existent.

### **Planned Actions**

- Establish a network of environmental education information and methodological centres, easily accessible databases to maintain regular exchange of information and experience pertaining to environmental education.
- Develop and implement systems of environmental training for governmental officials, decision-makers and other target groups.
- Develop partnership and cooperation between public authorities and NGOs in the area of environmental education.
- Develop national systems for environmental public information and awareness raising, including the use of social service advertising.
- Introducing education for sustainable development involving all types and levels of education.

## **VII. Identify and Address Transboundary Problems and Strengthen Cooperation within the Framework of International Conventions**

### **Problems**

- Weak national institutional capacity for implementation of bilateral and multilateral cooperation.
- Inadequate financial resources and enforcement capacity for implementation of programs and projects to comply with international conventions and fulfil commitments under inter-state agreements.
- Underdeveloped mechanisms of cooperation between national agencies, local authorities and the general public for implementation of international conventions and agreements.
- Low priority of transboundary environmental problems in national strategies and action plans. The need to develop relevant procedures and mechanisms and to introduce them into national action plans.
- It is necessary to strengthen inter-governmental monitoring of implementation of international conventions/agreements in connection with specific transboundary problems (river basins, regional seas), to develop contacts between sub-regional organisations to avoid duplication of their efforts of. The following initiatives can serve as good examples: the Task Force for the Danube and the Black Sea region (DABLAS); the Baltic, Caspian and Aral Sea cooperation programs.
- Lack of mechanisms for assessment and compensation of transboundary damages.

### **Planned Actions**

- Support and promote accession of countries to transboundary environmental conventions and support of development of new ones with involvement of all affected countries.

- Develop and implement recommendations for compliance and establish an responsibility mechanism.
- Regular identification and analysis of transboundary environmental problems Development of a regularly updated register.
- Develop sub-regional bi- and multilateral action programmes for addressing transboundary environmental problems, development of an agreed framework for addressing a problem by parties involved.
- Establish a task force of international experts for development of a mechanism for assessment and repay of transboundary damages.
- Develop national inter-agency procedures for implementation of bilateral agreements and treaties.
- Implement actions to ensure monitoring of implementation of international conventions and uniform systems for exchange of environmental information between sub-regional organisations.
- Develop recommendations for establishment of mechanisms of responsibility for compliance with international environmental commitments.

## ANNEX

### **IMPLEMENTING THE ENVIRONMENT STRATEGY FOR COUNTRIES OF EASTERN EUROPE, CAUCASUS AND CENTRAL ASIA**

#### An initial list of international organisations and institutions that could support EECCA countries to achieve the objectives of the Strategy

In the table below, an initial list of participating international organizations and institutions that could support the EECCA countries to achieve the objectives of the Strategy is presented. The list is not final, it is open to other organizations, and will be updated according to the needs of EECCA countries, and in accordance with work programs and available resources of International organizations. Their role would be:

1. To provide support to EECCA countries or groups of countries, at their request, in the development of action plans and taking other actions to support implementation of the Strategy. This can be done amongst others through capacity building, the development of good practices, exchange of information, brokering between donors and EECCA countries, facilitating partnerships and building up networks;
2. To provide forums for intergovernmental and interagency exchange of information and for monitoring progress about actions to achieve the objectives of the Strategy and to liaise with the EAP Task Force;
3. To facilitate cooperation with other agencies and other stakeholders that are working with EECCA countries on the same objectives.

The EECCA RECs and REC for CEE (RECs) will have an important role to play in supporting implementation of the Strategy, particularly in the areas of information, participation and education.

| Key objective of EECCA Strategy                   | Areas for Action                                  | Facilitator                                      | Cooperating Institutions                                                                       |
|---------------------------------------------------|---------------------------------------------------|--------------------------------------------------|------------------------------------------------------------------------------------------------|
| 1 Improve Environmental Legislation and Policies  | Improve Environmental Legislation and Policies    | OECD <sup>6</sup> /EAP TF and UNECE <sup>7</sup> | UNDP <sup>8</sup> , UNEP <sup>9</sup> , World Bank REC's                                       |
| 2 Pollution Prevention                            | 2.1. Urban Air Pollution                          | WHO-Europe <sup>10</sup> and UNECE               | UNEP, EEA <sup>11</sup>                                                                        |
|                                                   | 2.2. Municipal water and sanitation               | OECD/EAP TF, WHO-Europe                          | UNEP, EBRD <sup>12</sup> , UNECE, World Bank                                                   |
|                                                   | 2.3. Waste and chemicals Management               | UNEP (SBC <sup>13</sup> )                        | OECD, UNECE                                                                                    |
| 3. Natural resource management                    | 3.1. IWRM <sup>14</sup> (river basins & seas)     | UNECE and UNEP                                   | UNDP, World Bank GEF <sup>15</sup> , EEA                                                       |
|                                                   | 3.2. Biodiversity & ecosystem protection          | UNEP with Council of Europe                      | UNDP, RECs, EEA                                                                                |
| 4. Sectoral integration                           | 4.1. Overall sectorial integration of environment | OECD and UNDP                                    | UNEP, World Bank UNECE, RECs, EEA                                                              |
|                                                   | 4.2. Energy sector                                | UNECE                                            | World Bank, OECD, UNDP                                                                         |
|                                                   | 4.3. Transport sector                             | UNECE                                            | UNEP, OECD, ECMT <sup>16</sup>                                                                 |
| 5. Financial resource mobilisation and allocation |                                                   | OECD/EAP TF                                      | UNDP, PPC <sup>17</sup> , UNEP, RECs, World Bank, EBRD, UNECE                                  |
| 6. Information, participation and education       | 6.1. Env monitoring and Information management    | UNECE                                            | UNEP, ECOForum <sup>18</sup> , RECs, EEA                                                       |
|                                                   | 6.2. Public participation                         | UNECE, RECs, UNDP                                | UNEP, ECOForum, OSCE <sup>19</sup>                                                             |
|                                                   | 6.3. Education                                    | UNECE                                            | UNEP, UNDP, UNESCO <sup>20</sup> RECs, ECOForum                                                |
| 7. Transboundary issues and the Conventions       |                                                   | UNECE, UNEP                                      | Secretariats UNCBD <sup>21</sup> , UNFCCC <sup>22</sup> , UNCCD <sup>23</sup> (tbc) UNDP, RECs |

<sup>6</sup> Organization for Economic Cooperation and Development

<sup>7</sup> United Nations Economic Commission for Europe

<sup>8</sup> United Nations Development Programme

<sup>9</sup> United Nations Environment Programme

<sup>10</sup> World Health Organization-European Office

<sup>11</sup> European Environment Agency

<sup>12</sup> European Bank of Reconstruction and Development

<sup>13</sup> Secretariat of the Basel Convention

<sup>14</sup> Integrated water recourse management

<sup>15</sup> Global Environment Facility

<sup>16</sup> European Conference of Ministers of Transport

<sup>17</sup> Project Preparation Committee

<sup>18</sup> Coalition of European Environment NGOs

<sup>19</sup> Organization for Security and Cooperation in Europe

<sup>20</sup> United Nations Educational, Scientific and Cultural Organization

<sup>21</sup> United Nations Convention on Biological Diversity

<sup>22</sup> United Nations Framework Convention on Climate Change

<sup>23</sup> United Nations Convention to Combat Desertification