

REVIEW OF UNDAFs AND OTHER DEVELOPMENT FRAMEWORKS IN EUROPE

**A DOCUMENTARY REVIEW REPORT FOR THE REGIONAL OFFICE FOR EUROPE OF
THE UNITED NATIONS ENVIRONMENT PROGRAMME**

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Introduction and acknowledgement

Chapter 1 builds on the narrative and template information of chapter 2 and aims to summarise developments at regional and sub-regional level. UNEP's MTS priorities are used to structure information at sub-regional level. The listing of actors and their policies was informed by an analysis of relevant processes in Europe, both at environmental and policy levels.

Chapter 2 offers narrative country profiles based on documentation available, namely completed UNDAFs, major national development policy plans, strategies and environmental assessments. Tables based on pre-designed templates are annexed.

A sub-section on "Gaps and opportunities for environmental work" was included in most country cases as the available literature offered additional information in this regard.

The report stops short of attempting to provide a comprehensive list of all trends and actors at all levels of environmental policy-making. The core "minimum requirement" content is to be found in the annexed country profiles, supplemented by Chapter 1's regional considerations and actor mapping and Chapter 2's narrative profiles.

This desk review reveals that environmental work is taken reasonably seriously in most countries of the region. There is considerable information on environment in UNDAFs and major national policy documents. A number of international and national players, including UNEP, are embracing the challenge of shaping a sustainable approach to environmental management despite the many structural, financial and human resource obstacles that the countries in question are facing.

The report was written with two main audiences in mind: UNEP ROE policy-makers, programme officers and experts, as well as country-level teams and associated experts. The content may also serve as quick induction material for newcomers to the field. Regular updates will be needed to maintain the content's usefulness as an analytical and decision-making support tool.

Two field-based consultants, namely Bogdan Juncu-Lungulescu from Romania and Elena Koritchenko from Russia, did the lion's share of work relative to this desk review. They brought to the task considerable research skills, regional knowledge and environment expertise. UNEP's ROE senior programme staff, under the guidance of DRC in Nairobi, managed the exercise.

Chapter 1 – Regional and Sub-regional Overview

1. Context and scope of analysis

The countries covered in this review are: **Albania, Bosnia and Herzegovina, the Former Yugoslav Republic of Macedonia, Montenegro, Serbia, Turkey** (Southeast Europe), **Belarus, Moldova, Russia, Ukraine** (Eastern Europe), **Armenia, Azerbaijan, and Georgia** (Caucasus).

All the foregoing countries other than Russia and Belarus are UNDAF countries. In all cases the UNCTs undertook a thorough and lengthy joint planning process and completed all the steps required for harmonization of their programmes as the result of the 2003-05 CCA/UNDAF rollout process in the region. At that time the guidelines for CCA/UNDAF did not have environment as a cross-cutting principle. Nonetheless, as illustrated in chapter 2 and in country templates, all UNDAFs in the Europe and CIS region addressed environment, and the content was almost exclusively influenced by UNDP environment work reflected in their Country Programme Document (CPD). UNDP's environment focus in turn has been shaped by the six thematic focus areas of GEF. Consequently GEF projects on biodiversity, climate change, international waters, land degradation, ozone depletion and persistent organic pollutants represent the lion's share of the funding and co-funding of the region's operational activities in environment.

The newly created MTS priorities of UNEP have obviously not influenced the UNDAFs in any way during the 2003-05 CCA/UNDAF round. Nor were they considered by the UNCTs during the current 2008-09 rollout process. However, as the thematic focus of GEF through UNDP CPDs continues to shape the newly elaborated UNDAFs, and as these topics overlap to a certain extent with UNEP's six thematic areas, where possible linkages were made between the environmental content in the completed UNDAFs and UNEP's MTS priorities.

The major national plans and strategies include PRSPs, MDG-related long-term strategies (with horizons until 2015, 2020 or 2023), key sector strategies (agriculture and energy most notably) and EU accession-related economic reform plans. The environment content in PRSPs is significant and is very strongly sector focused. On the contrary, information on country-level achievements relating to MDG goal 7 on environment is hard to find. The country specific targets, indicators and in some cases status up to 2005 (e.g. Georgia, Serbia, Montenegro) are available on UNDP's MDG site. MDG regional report for the Europe and CIS region is available from the WB 2005 progress report and from the UNECE 2007 pan-European Perspective. Both the long-term sustainable development strategies and the EU-accession related plans contain plenty of information on sustainable environmental management and environment policies and standards. Within this desk review, it was not possible to make statements regarding the a.m. plans and strategies implementation. Thus, further validation through field consultations is essential for any follow-up activity.

As to available environmental assessments, they are mainly conducted by UNECE, EEA, OECD, OECD/DAC, UNEP/GRID and the EU.

Most countries are signatories to all the major environmental conventions and MEAs and produce a plethora of national reports. All have action plans at national and local levels (National Environment Action Plan and Local Environment Action Plan) as well as, in many cases, action plans covering environment and health (National Environment Health Action Plan and Children's Environment Health Action Plan).

As to the major players, the main operational assistance (i.e. those bodies possessing environmental projects on the ground) in our region is provided by the three implementing agencies of GEF, other UN agencies, the EC, the EU, RECs and bilaterals. The operational thrust of the UN agencies is heavily influenced by the six thematic focus areas of GEF. Non-operational interventions for countries (i.e. assistance in the area of environmental assessments, analyses, policies, capacity development and data-base management) are mainly led by EEA, OECD, OECD/DAC, the EU, UNECE and UNEP/GRID. In many instances several players

are active in the same thematic area, or geographical area, or type of assistance, because they are in partnership or simply because there is overlap.

Through a desk review of key documents such as UNDAF and national development strategies, UNEP does not figure as an important player in the environment in the region. Reference to UNEP in UNDAF documents is almost exclusively related to UNEP-GEF sub-regional projects. The exception is Albania One UN programme. UNEP is not referred to as having led any major intervention, be it operational or policy-related, in a country-by-country documentary review of this kind. UNEP is still seen as a headquarters-based normative-setting agency by many multilaterals, bilaterals and national actors.

The strictly documentary nature of the review precludes detailed references to politically and culturally sensitive gaps in environmental efforts at country level. In some cases, as the bibliography shows, a considerable number of documents were available, while in other cases there were just a few. The report is the exclusive result of a documentary review and thus the quantity and quality of information reflect the availability and analytical information of the sources consulted.

2. Regional Overview

A. Environmental content of UNDAFs

During the period 2003 – 2005, ten UNCTs of the Europe and CIS region completed a round of the Common Country Assessment and United Nations Development Assistance Framework, i.e. the CCA/UNDAF process and are now in their final stages of the current cycle of UNDAFs. Five of these UNCTs will start the implementation of a new cycle of UNDAFs in January 2010. Russia and Belarus have not officially followed the CCA/UNDAF process, but have been included in the review from the UNEP programme perspective.

The following table illustrates the milestones of the process for each:

Countries	Current UNDAF cycle	Expected Mid-term Review	Expected UNDAF Evaluation	Preparation for next CCA/UNDAF
1. Armenia	2005 -2009	2007	2008	2008/2009
2. Azerbaijan	2005 -2009	2007	2008	2008/2009
3. Bosnia and Herzegovina	2005 -2008	2007	2008	2008/2009
4. Serbia and Montenegro ¹	2005 -2009	2007	2008	2008/2009
5. Macedonia	2005 -2009	2007	2008	2008/2009
6. Turkey	2006 – 2010	2008	2009	2009/2010
7. Albania ² One UN program	2006 -2010 2007 - 2010	2008	2009	2009/2010
8. Georgia	2006 – 2010	2008	2009	2009/2010
9. Ukraine	2006 – 2010	2008	2009	2009/2010
10. Moldova	2007 – 2011	2009	2010	2010/2011
11. Russia	Non-UNDAF			
12. Belarus	Non-UNDAF			

¹ Serbia and Montenegro share the same UNDAF document as at the time they were one single country. Thus for the UNDAF matrix they are reviewed together under S&M, but for their national development policies as two separate countries.

² Albania started its current UNDAF cycle in 2006. As it was chosen to be a One UN pilot in 2007, the UNCT revised the UNDAF and developed a One UN Programme Framework Document covering 2007 - 2010.

As can be seen from the annexed country profile templates, all UNDAF documents followed the Results-based Management (RBM) logic. In UNDAF matrices, the high-level results are at the UNDAF Outcome level. The next downstream chains of results, i.e. the mid-level results, are at levels which some UNCTs term as Country Programme Outcomes and others as Agency Outcomes. The lowest-level results in these UNDAF log frame matrices are called Country Programme Outputs or just Outputs.

While all UNDAF matrices incorporate environment, the level of environmental integration varies between documents. Armenia's UNDAF has the most extensive and the most detailed coverage of environment. In several UNDAF matrices, environment per se appears as an UNDAF Outcome as in the case of Albania, Armenia and Georgia for instance. In many instances, environment is pitched as a mid-level result, i.e. at the level of Country Programme or Agency Outcomes. Many UNDAFs considered environment as a cross-cutting theme and incorporated it into outcomes and outputs of poverty reduction, governance and/or basic social services. The areas of intervention in environment are: policies and principles concerning environmental sustainability and natural resources management (most frequently mentioned), eco-systems, land, water and sanitation, energy, natural disasters, environment and health, climate change, public education and awareness.

However, where the UNDAF Monitoring and Evaluation Framework is concerned (except for Armenia), the UNCTs have not completely succeeded in establishing indicators related to environment, their baselines, sources of verification and risks and assumptions. This regional observation corresponds with the recent United Nations Evaluation Group (UNEG) confirmation that UNDAFs globally could not be assessed for results because of their lack of 'evaluability', for they lacked SMART results and clearly defined baselines and targets.

Another area of weakness for some UNDAFs has been the information concerning allocated funds to implement the stated outcomes and outputs.

The majority of these outcomes and outputs concerning environment reflect a single agency intervention, namely that of UNDP. The remaining outcomes and outputs refer to agency planned results of WHO, FAO, WB, UNIDO, UNEP, UNECE and others.

Except in Albania where UNEP is referred to as the coordinator of the environment pillar of the One UN programme, UNEP is mentioned in the UNDAF documents in relation to UNEP-GEF projects.

B. Environmental content of National Development Policies

Where PRSPs exist, usually a wide range of environmental issues are described in the strategy: e.g. management of natural resources, prevention of environmental pollution, water, land, regional and international cooperation, new requirements in terms of environmental management, monitoring of trans-boundary impact of movement of hazardous and toxic waste and genetically modified organisms, protection of biodiversity, recovery of renewable natural resources, rational and efficient use of non-renewable natural resources, agricultural sustainability, forest management, water treatment, industrial and municipal waste management etc. However costing of policies and of various interventions, incorporating them into the state budget process and monitoring arrangements have still a long way to go.

Agricultural sustainable development, economic development and especially the energy and water sectors, as well as principles of sustainable environmental management are prominent themes in many national plans and strategies. Concrete actions taken by governments since 2003 in the areas of air pollution, water supply and sanitation, waste and chemicals, water resources, biodiversity, integration of environment into key economic sectors and cross-cutting issues can be gleaned from a major report prepared for the Belgrade 'Environment for Europe' conference for South-East and Eastern Europe, Caucasus and Central Asia.

According to the MDG regional report produced by the WB, the region is on track to meet the target of access to safe drinking water, although the picture is complicated by large urban-rural disparities in water

access, quality and reliability. The UNECE pan-European report mentions that water pollution and overexploitation of resources for drinking water and irrigation are causing serious environmental problems.

C. Environmental assessments

In terms of analyses and assessments of the state of the environment, EECCA countries are covered through the EfE process, while SEE countries are covered through the SAP process and by the REC for CEE. Turkey as a member of OECD is part of the Core Set of Indicators analysis, but isn't part of any ongoing formal processes, as in the case of the EfE .

More concretely, as the information in the annexed country templates show, the picture in the area of analyses and assessments of the state of environment looks as follows:

The documentation of significance includes the State of the Environment reports, Environmental Performance Reviews, Strategic Environment Assessment, Country Environment Analysis, regional Outlooks and the Third and Fourth "Europe's Environment" assessment by the EEA. The SoEs and EPRs for most countries in the region date back to between 1998 and 2001. SEAs and CEAs exist for selected countries. The EEA assessments have improved coverage for the non-EU countries especially since the Kiev ministerial conference. REC in Hungary produced a snapshot of five SEE countries that provides good analysis of the current state of environment.

As to database management the key players seem to be the WGEM of UNECE, GRID, EIONET, as well as the data portals of GEO and OECD.

Eionet is a partnership network of the European Environment Agency and its member and cooperating countries. It consists of the EEA itself, five European Topic Centres (ETCs) and a network of around 900 experts from 37 countries in over 300 national environment agencies and other bodies dealing with environmental information. These are the National Focal Points (NFPs) and the National Reference Centres (NRCs).

The WGEM (Working Group of Environmental Monitoring) of UNECE has prepared in partnership with UNEP and others a compendium of 36 indicators along with application guidelines that was presented at the Belgrade Conference.

DEWA/GRID - Europe manages a data portal that encompasses close to 500 variables that are used for GEO and regional outlook publications.

D. Major players

The main operational players in our region are UNDP, WB, ADB, UNEP (almost exclusively sub-regional projects), RECs and bilaterals – though there are differences from country to country. The operational thrust of the 3 GEF implementing agencies is dictated by the six thematic priorities of GEF. It is to be noted that UNDP have an Environment and Energy practice in Bratislava, spend some US\$ 600 million and are very active in the environmental arena.

There are a number of players providing some form of non-operational assistance for EECCA countries, i.e. assistance in the area of analyses, policies, capacity development and data-base management and which are mainly led by the EEA, the OECD, the OECD/DAC, the UNECE and UNEP/GRID. In the area of health and environment WHO/Europe and EEHC are leading the way.

Although in the documents reviewed (UNDAFs, major national development documents) UNEP is not always mentioned as having a major role, the organisation's contribution is recognised through regional and partnership processes such as Environment and Security in Europe, Environment for Europe, the Caspian Convention, and regional outlook assessments .

Please consult annex 4 at the end of this document for further detail on major players.

3. Sub-regional Overview

As can be deduced from chapter 2 and in particular from the environmental content of UNDAFs and major national policy documents, linkages can be made to UNEP plans and especially to the six new medium-term strategic priority areas. The following tables attempt to illustrate this linkage by sub-region:

Linkage to UNEP's Medium-term Strategic Priorities

3.1. South - East Europe

The following table summarises the situation of MTS priority areas, as resulting from the UN and national policy documentation reviewed. Based on the literature consulted, expert ranking of perceived need for international cooperation or support ranges from 1 (lowest importance) to 3 (highest). The arrow indicates cross-thematic linkages.

Country/ cooperation area	Climate change	Ecosystem management	Environmental governance	Harmful substances and hazardous waste	Disasters and Conflicts	Resource efficiency and sustainable consumption and production
Albania	Impact of climate change on energy sector; carbon financing	Mainstreaming of biodiversity into National Strategy of Development and Integration	Legal and regul.mechanism and fiscal incentives to reduce env. degradation	Remediation of hot spots; improve air quality, solid waste mgt		Promote energy efficiency and natural resource utilisation
	2	2	2	2	1	2
Bosnia and Herzegovina		Promote environment management and biodiversity	Strengthen environmental protection institutions	Env.health due to inadequate water and waste mgt and various pollution hazards	Continued risk posed by over 1 mln landmines	
	1	3	3	3	2	1
Former Yugoslav Republic of Macedonia		Sustainable agriculture and forestry; Trans- boundary cooperation strengthened to manage watershed	Improved capacity to implement MEAs/Protocols; approximation to EU env. requirements		Cross-sectoral disaster mgt and prevention mechanisms	
		3	2	1	1	
Montenegro		National strategy and action plan for biodiversity	Harmonization of economic and other sector policies with env. policies		Disaster prevention	Clean production program
		3	2		1	3
Serbia	Air quality and climate change	Improved land, water and forest mgt	Better implementation of EU environmental		Preparedness for natural and man- made	Strengthened capacity for sustainable consumption

			acquis		disasters	and production
	2	3	2		1	2
Turkey	Strengthening national and local capacities to address climate related risks ←	Sustainable mgt of agriculture, fisheries, forests and energy for a pro-poor approach to conservation	Strengthened institutional capacity for environmental governance at local and central level →		Implementing legislation on PCB & PCT and on the control of waste oils	Increased productivity and competitiveness through improved energy efficiency and conservation
	3	3	2		2	2

The environmental management challenges of South East Europe are succinctly captured in a 2007 UNDP report³ and its key findings are summarized below:

“With donor support key successes have been achieved:

- Major progress in institutional development, drafting and adoption of new environmental legislation and capacity building for sustainable development;
- Comprehensive policies and programmes have been developed and adopted in the environment sector (including NEAPs, NEHAPs, waste, water and wastewater master plans);
- International environmental agreements and the EU acquis are playing an important role in the process of environmental improvement in the region;
- Regional cooperation in the environment sector has been strong especially in environmental enforcement and compliance, but needs to be extended to other sectors;
- The NGOs are progressing steadily and are gradually becoming capable of undertaking significant projects and actions, thereby influencing environmental decisions.”

The UNDP report also identifies areas of “mixed success” in the following areas:

- Increased public participation in environmental (and in general) policy making, yet there is much room for improvements both in this area and in particular in the area of access to information;
- Most environmental legislation is in place; although implementation is lagging behind. A step-by-step approach will be needed to gradually comply with the EU standards and norms;
- Climate change — still no national communications on GHG, Kyoto Protocol not ratified;
- Environmental financing — some investments in environmental infrastructure are recorded in the past years, yet very low (and not growing significantly) share of environmental expenditures in state budgets;
- Economic sectors (energy, tourism, transport, agriculture) — there is an evident move towards integration of environmental and sustainable development issues in sectoral policies, yet implementation remains rather slow.

Finally, the report stresses important challenges for the future:

- There is limited success of mechanisms for the integration of environmental aspects into other policies, particularly at the level of strategic documents and in sectors where the link with the environment is clear;

³ UNDP – *Environmental Policy in South-Eastern Europe. Background Document*, Environment for Europe Conference, Belgrade, 2007. (ECE/BELGRADE.CONF/2007/INF/22). The report has a useful Bibliography.

- Effective compliance with EU legislation requires a higher level of investment and considerable administrative effort, especially in the areas of waste management and water treatment;
- Only limited success in ensuring that the appropriate institutional set-up is provided around environmental projects, and in ensuring a sufficiently high quality of the proposed projects in the first place;
- Major weaknesses in the country's enforcement capacity need to be addressed before the Acquis can be effectively implemented. Data collection needs to be strengthened in a number of key areas.”

A recent set of country reports issued by the European Union illustrate efforts in strengthening environmental governance at country and regional levels.⁴

3.2. Eastern Europe

The following table summarises the situation of MTS priority areas by country, as resulting from the documentation reviewed. Based on the literature consulted, expert ranking of perceived need for international cooperation or support ranges from 1 (lowest importance) to 3 (highest). Urgent issues receiving enough attention at national level are assigned a “moderate” rank – 2. Arrows indicate some of the most significant cross-thematic links.

Country/ cooperation area	Climate change	Ecosystem management	Environmental governance	Harmful substances and hazardous waste	Disasters and Conflicts	Resource efficiency and sustainable consumption and production
Belarus	1(2)	2	3	3	2	2
<i>Focus areas</i>	Capacity building	Focus on forests and wetlands Build on existing experience in SPAs Transboundary nature protection Biodiversity Soil protection	Mainly enforcement International cooperation MEAs	Nuclear safety Waste management ←→	Chernobyl area	Energy
Moldova	1(2)	2(3)	3	3	1(2)	2
<i>Focus areas</i>	Capacity building, awareness	Urban areas Agricultural areas ←→	Full policy cycle Inter-agency cooperation Planning Corruption Enforcement and monitoring Incorporation Media-specific regulations Monitoring	Pesticides and waste management	Floods	Resources efficiency in production, energy
Ukraine	2	1(2)	3	3	2	2
<i>Focus areas</i>	Biofuels, renewables Market analysis ←	Urban areas Agricultural areas River basins Forests	Continuity (in changing political environment) EU alignment	Pesticides and waste management Nuclear safety	Chernobyl area →	Energy

⁴ See *Key findings of the progress reports on Albania, Montenegro, Bosnia and Herzegovina, Serbia, and Kosovo*, Brussels, 5 November 2008, MEMO/08/672, and *Key findings of the progress reports on the candidate countries: Croatia, Turkey and the Former Yugoslav Republic of Macedonia*, Brussels, 5 November 2008, MEMO/08/675. Both summarise the report *Enlargement Strategy and Main Challenges 2008-2009*, Brussels, 5 November 2008, COM(2008) 674 final.

	<i>Sufficient attention on national level</i>		Regional governance MEAs	Water bodies pollution Air emissions (transport)		
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For most countries in Eastern Europe and the Caucasus, the management of natural resources appears to be a critical issue, either due to its importance in the national economy (e.g. Russia) or due to its scarcity and thus the country's dependence on external suppliers (with the exception of Russia). The challenges of "Resources Management" or "Energy" could constitute primary areas for focused environmental cooperation.

Water management also constitutes an important challenge for the countries in these regions and could represent a specific area for cooperation in itself.

Less politically charged seems to be the issue of the rehabilitation of areas contaminated with radio-nuclides (the Chernobyl area) and nuclear safety, which ranks high for Ukraine, Russia and Belarus and is not directly reflected in the MTS priority areas list. This could constitute a separate cooperation area as well, especially since it is also already recognized by most international partners as such.

As stated by a key Environment and Security publication "...generally global environmental issues such as climate change, biodiversity conservation and unsustainable consumption attract little public attention. At the same time environmental problems causing direct health, social or economic impacts (contamination by hazardous substances, safety of water or land degradation) continue to generate significant public interest".⁵

"Serious environmental issues facing the region include pollution in industrial and mining regions, accumulation of toxic waste, land degradation, and scarcity of safe drinking water. But at the same time the region has significant natural resources which, if wisely used, may support its long-term economic prosperity."⁶

Pollution is recognised as an important problem in urban areas. Accumulation of toxic waste of nuclear origin is a problem for Armenia, Russia and Ukraine. Water management is affected by unsustainable practices and infrastructure challenges.

3.3. Caucasus

The following table summarises the situation of MTS priority areas by country, as resulting from the documentation reviewed. Based on the literature consulted, expert ranking of perceived need for international cooperation or support ranges from 1 (lowest importance) to 3 (highest). Urgent issues receiving enough attention at national level are assigned a "moderate" rank of 2. Arrows indicate some of the most significant cross-thematic links.

Country/ cooperation area	Climate change	Ecosystem management	Environmental governance	Harmful substances and hazardous waste	Disasters and Conflicts	Resource efficiency and sustainable consumption and production
Armenia	1(2)	3	3	3	2(3)	3

⁵ *Environment and Security. Transforming Risks into Cooperation. The Case of Eastern Europe – Belarus, Moldova, Ukraine*, (UNEP, UNECE, UNDP, NATO, REC, OSCE), 2007, p. 32.

http://www.envsec.org/easteur/docs/envsec_eastern_europe.pdf

⁶ *ibidem*.

<i>Focus areas</i>	Mainly adaptation strategies needed	Urban areas Agricultural areas Forests Biodiversity	Full cycle Corruption Enforcement Streamlining EU compliance Env. monitoring, data management incorporation Public participation, civil society Planning MEAs Regional management	Nuclear safety Water bodies pollution Waste management/ disposal Legislation needed	Floods	Water
		←			→	
Azerbaijan	2	1(2)	3	2	2	3
<i>Focus areas</i>	In connection with energy resources management Market analysis	Focus on the Caspian sea Urban areas Biodiversity	All areas, wide incorporation of env. into sectoral policies Expenditures planning MEAs Monitoring	Oil-contaminated areas Air emissions from industry (cities, Absheron area)		Energy resources, environmentally friendly oil extraction Water
Georgia	1	2	3	2	2(3)	3
<i>Focus areas</i>	Mainly adaptation strategies needed Capacity building	Agricultural areas River basins Forests	EU compliance MEAs Monitoring Public participation Financial planning NGOs support Transboundary cooperation	Emissions in cities (transport) Waste management	South Ossetia and Abkhazia	Energy Water
		←			→	

As in the case of Eastern Europe, for the countries of the Caucasus, the management of natural resources is a critical issue (with the possible exception of Azerbaijan for the energy area). “Energy” / “Resource management” could constitute areas of focused environmental cooperation.

Having reviewed sub-region by sub-region, we can now conclude an overall picture of the progress and challenges for the whole region. Herewith they are summarized in the ensuing two tables. The OECD EAP Task force report entitled “Policies for a better environment: progress in EECCA” highlights areas of progress and challenges for Eastern Europe and the Caucasus sub-regions as follows:

Areas of progress	Persistent challenges
Compliance assurance	Waste management
Water supply & sanitation	Biodiversity
Water resources management	Transport
Agriculture	Energy efficiency
	Reform of environmental quality standards gradually recognized

UNECE’s Environment Performance Review Programme also notes that “Critical issues in implementation of environmental policies which recur in a majority of reviewed countries are:

- The lack of political support for environmental improvements
- The weakness of the environmental institutions
- Insufficient financing for environmental priorities

- Fragmented knowledge of the environmental situation and the absence of a roadmap forward
- Difficulties in integrating environmental policy into sectoral policies.”⁷

Environmental challenges and policy responses in Europe		
Type of environmental challenge	Degree of knowledge and control	Management capacity and performance
“Straightforward” but persistent <i>Air and water pollution</i>	We largely know how to solve them and what implementation action is required	Despite progress, problems of this type still persist largely due to the difficulties with working out in practice and at local level how to implement known solutions
“More complex” <i>Biodiversity loss, river basin management</i>		Progress is often not fast enough to keep pace with changes, mainly because of strong cross-border, inter-regional and international cooperation challenges and the need for a diversity of inter-linked actions
“Most complex” <i>Climate change, current patterns of production and consumption</i>	Particularly complex to understand and deal with	Progress is slow since they necessitate changes now without immediate and obvious benefits

Based on *Europe’s Environment. The 4th Assessment*, 2007. p. 16.

4. CCA/UNDAF process for Europe and CIS region

As per a recent document distributed by DOCO concerning the CCA/UNDAF process in the Europe region, four distinct clusters are emerging : (i) EU member States, (ii) EU candidate and potential candidate countries – all of which are also either lower middle income or upper middle income countries; (iii) EU neighbourhood countries – which are also fast growing economies but with a more uncertain mid-term development path; (iv) Central Asia – among which there are two low-income countries and two with fast-growing and resource-rich economies.⁸ This document’s key recommendations are reproduced below:

In order for the CCA/UNDAF to be aligned with the prevailing development environment, a tailored-made process is proposed for three different clusters and none is recommended for two EU member states.

- For EU member states (Bulgaria and Romania) Given that UNICEF, UNDP and UNFPA do not intend to submit new CPDs to their Executive Boards in 2009, it is suggested that no CCA/UNDAF be prepared for these two countries
- EU Candidate and Potential Candidate (BiH, Serbia, Macedonia, Montenegro) countries have been under intense scrutiny in the recent past and have already undertaken a number of analytical and planning processes. It is likely that a CCA would not add much value to the national knowledge, except in very

⁷ *From Intentions to Actions: Overcoming Bottlenecks. Critical Issues in Implementation of Environmental Policies. Highlighted by the UNECE Environmental Performance Review Programme.* UN, New York and Geneva, 2007, p. iii.

⁸ See below the annex : Clustered UNDAF schedule 2008 - 2010

specific issues where the EU processes (linked to the *Aquis Communautaire*) have well known limitations in the area of social development reform. In addition, many countries in this cluster have some political and ethnic issues still simmering. Here the UNDAF process should essentially take the form of a re-positioning the current UNDAF to better ensure its interface and relevance with ongoing government efforts to converge towards EU standards. For Montenegro the current priority is to harmonise the UNICEF and UNDP Programme Cycles. UNICEF is considering presenting a two-year CPD for the period 2010-11 for harmonization purposes. In such a case no UNDAF would be prepared this year. The case of Kosovo is unique. The UNKT is now working on a 'UN Strategic Plan', based on 5 pillars. It is important that this document is finalized soon so that UNKT is well positioned in terms of its strategic response as the situation evolves.

- iii. In EU Neighbouring countries (Armenia, Azerbaijan) there is clearly a need for the UN to position itself as a 'facilitator' and 'knowledge broker'. A focused CCA that for instance analyses policy options and a revised UNDAF with fewer but more strategic results would prove useful to governments that are still in the midst of transition.
- iv. The four Central Asia countries (Kazakhstan, Tajikistan, Turkmenistan, Uzbekistan) undertaking this round of CCA/UNDAF have very different economic opportunities. Two of the poorest and two of the resource-richest countries in the Region are in this cluster. In these countries the international aid situation is very fluid, with various degrees of donor coordination taking hold. A heavy, time-consuming process will certainly put the UN at a disadvantage and should be avoided. UNCTs should be allowed the flexibility to use CCAs and the UNDAF processes as targeted tools for negotiating their leadership position in supporting specific elements of the national development strategies, carefully harmonized with international efforts."

It is clear that the Excom agencies, as leaders of the CCA/UNDAF process, have already taken the lead. UNEP is left to follow the arrangements already made. Furthermore, in the larger UN reform context, Central Asian countries belong to Europe and report to the Regional Directors' Team for Europe. However within UNEP, the UNDAFs of Central Asian countries are handled by ROAP and this desk review consequently did not include them.

Chapter 2 - Country Narratives

1. Southeast Europe

1.1 Albania

1.1.1. Environmental content of UNDAF and national development policies

The initial UNDAF covers the period 2006 – 2010. In 2007 Albania became a 'ONE UN' pilot country and thus the UNDAF was revised to become One UN Programme Framework Document covering 2007 - 2010. In the current 'One UN' programme environment is a separate UNDAF outcome geared towards meeting the environmental requirements of EU accession and the improved protection of natural resources. There are eight country program outcome results mainly focusing on improving the capacities of key ministries and sectors, legal and regulatory mechanisms, alternative energy sources, the remediation of hot spots, as well as public participation.

The monitoring and evaluation matrix provides indicators and baseline information for the above-mentioned UNDAF outcomes. The matrix also indicates estimated cost and funds per outcome and per agency.

The main agencies dealing with environment are UNDP, UNEP, UNESCO and UNICEF.

UNEP was instrumental in the development of the One UN program. UNEP has been entrusted with the coordination and execution of the Outcome on Environment, leading the UNCT 'Environment' Thematic Working Group.

UNEP's Mediterranean Action Program has now been implemented as part of the One UN programme.

Environmental content of national development policies

The National strategy for development and integration 2007-2013 addresses environmental issues in depth and highlights the need to improve policies, standards, legislation and practice of environmental protection:

- Adopt European Community legal standards. This is a requirement of the accession process and the actions required to achieve this have been specified in the National Plan for the Implementation of SAA. New legislation will set interim targets, on the basis of a compliance cost assessment, to create a staged approach to achieving the standards.
- Enforce environmental legislation through strengthening of the Regional Environment Agencies and inspectorates, improvements in the permitting system, and highly visible enforcement against the worst offenders.
- Invest in environmental protection with a view to ensure that European Community standards can be achieved within the next 20 years in the following areas:
 - Wastewater treatment
 - Solid waste management and construction of landfills controlled according to EU standards
 - Closing the existing landfills in urban areas;
 - Rehabilitation of contaminated land and sources of pollution
 - Technological improvement of state owned industries

- In order to promote environmental investment, the government will establish an Environment Fund to ensure initial financing for environmental investment projects.
- Manage environmental resources through a clear command and control legal framework implemented through a well-monitored and enforced permit system. Areas to be targeted are mineral resources, protected zones, soil, flora and fauna protection, water resources and water rights (notably a planning system and the strengthening of river basin authorities).
- Protect forests. This priority includes: encouraging forest and pasture management in the direction of natural conservation, maintenance of biodiversity and development of eco-tourism; rehabilitating degraded forests, to return them to an optimal state; continuing the transfer of forests and pastures to local government units; taking measures against illegal logging.
- Manage fishery resources. This priority includes: increasing the number of new vessels; expanding and improving the fishing port infrastructure with facilities for repairs of boats in all four ports; developing aquaculture; increasing the processing of domestic fish production; strengthening the administrative capacities and coordination at central and local level.
- Improve communication and awareness. The current level of environmental awareness is low, therefore resulting in damaging behaviour by citizens. Attention will be given to measures which provide information for the public, enhance awareness of legal requirements, and promote environmentally friendly behaviour.
- Improve monitoring system. Specifying goals requires monitoring data on emissions and on the state of the environment, which for many issues are not available in Albania. The targets of the NSDI strategy focus primarily on achieving reductions in environmental pressures in order to achieve compliance with emission limit standards.”

According to the UN, Albania has made progress in achieving most of its MDGs and it will likely meet most of the targets by 2015. Exceptions are for access to water and the realisation of gender equality, where significant increases in national attention and efforts are required. However, the initial establishment of conservative national MDG targets may soon require the introduction of new and more *ambitious* targets related to poverty and other indicators, to strengthen the social dimension of the EU accession process.

1.1.2. Country environmental assessments

The UNECE environmental performance review was conducted in 2002 in Albania. UNEP was part of the EPR review team.

Below are the direct excerpts from the 2002 Environmental Performance Review.

“Recently the environment has become one of the Government’s priorities. In 1998 the Committee for Environmental Protection became the National Environmental Agency and its position was strengthened by placing it under the Council of Ministers. This laid the seeds for the Ministry of Environment into which the Agency was transformed in September 2001. The role of the NGOs has increased steadily over the years, although environmental awareness among the general public and the business community is low and NGOs do not yet have an impact on the public and political life of the country.

Albania has to tackle a wide range of environmental problems. The NEAP of 2001 points out some problems that have been identified as the key environmental issues in Albania. Industries using obsolete technology and the fleet of old vehicles with diesel engines are generating much air pollution. Groundwater resources

are polluted by industrial discharges although the condition of the surface water appears better than in the 1980s, mainly due to the closure of factories and the limited use of chemicals in agriculture.

Urban waste and industrial discharges are polluting the soil. Decades of inappropriate land use and unsustainable agricultural and animal farming practices have caused soil erosion and the salinization of arable land.

Polluted “hot spots”, often abandoned industrial sites, have very high concentrations of toxic and carcinogenic substances, exposing the local population to health risks and contaminating the surrounding environment. The lack of organizational measures and a long-term systematic over-exploitation of forest resources are causing deforestation. Biodiversity is affected by deforestation and by the fragmentation of the habitats and the degradation of the ecosystems.”

Finally, REC’s Environmental Snapshot of South Eastern Europe also lists as key issues deforestation, soil erosion and water pollution from industrial and domestic effluents (REReP 2006, p. 11). “Land degradation in different forms is considered a critical point, with erosion the most widespread phenomenon. Yet Contamination of soil by pesticides and chemicals remains relatively low. Forestry and contamination of surface and underground waters are important issues. Further deterioration of urban air quality is expected.” (Idem p. 13)

1.1.3. Gaps and possible opportunities for environmental work

This sub-section aims to identify commonalities or gaps in the main review table and the narrative above, referring to complementary evidence whenever possible. It is expected that by pointing at major processes and documents, decision-making on UNEP engagement at country level would be better informed. “Opportunities” are defined as either major environmental gaps *or* successful initiatives that seem to need further support as per the available documentation. The two main categories, namely technology support and capacity development, of the Bali Strategic Plan are used whenever direct links could be made.

Depending on the availability of information in the reviewed documents, this sub-section was included in most of the country narratives that follow.

The present environmental situation remains grave and much more must be done if Albania wishes to prevent its environmental problems from becoming a serious handicap to socioeconomic development. (REReP p.13)

According to the UN an accessible database system both at the national and regional level is necessary to enforce environmental monitoring.

A recent EU report also summarises sectoral challenges: “Restructuring and privatisation in the energy sector are not accomplished and insecure energy supply continues to significantly hamper the economic development.”

Possible opportunities for environmental work

In the case of Albania, the main documentation priority at this stage is analysing EU integration strategy documents, national development strategies mentioned above, as well as updating the documentation base on UN activities.

Technology support

As identified in the annexed country profile table, one possibly relevant element is GEF's engagement in local development projects.

Additionally, the One UN programme document stressed that the UN will support mainstreaming environmental management within key economic sectors and related government departments. Special attention will be given to the energy sector where the programme aims to mainstream climate change in the planning process. Complementary action and synergies with Albania's ongoing EU integration agenda will be pursued under the programme led by the Ministry of Environment, Forests and Water Administration.

Capacity development

Despite challenges of governance strengthening and inter-agency coordination, a key recent policy development is the alignment of the MDGs with the National Strategy for Socio-Economic Development (NSSD) and the EU Stabilisation and Accession Process (SAP).

In terms of UN agency work, the programme will support Government to implement key aspects of the National Environmental Strategy, addressing critical capacity constraints acting as barriers to implementation of the strategy. The programme will design and implement targeted interventions to support sustainable development, including policy-level and demonstration components at both the national and local levels.

1.2 Bosnia and Herzegovina

1.2.1. Environmental content of UNDAF and national development policies

The current UNDAF covers the period 2005 – 2008. There is no specific UNDAF result that refers to environment. However, environment along with gender, youth and children is referred to as a key issue to be mainstreamed across the three UNDAF outcomes (governance, social protection, education and health, as well as human security).

UNDAF narrative also refers to the mixed challenges related to the multiple and overlapping transitions and related social exclusion: "the CCA identified the main challenges to be: weak governance, decreasing access to and quality of basic education and health services, inadequate social protection, continued risk posed by over 1 million landmines and unexploded ordinance and poor environmental protection", which is seen as "a result of the lack of environmental policy, legislation and its implementation, poor public participation and unsustainable rural and urban development. These problems are very much interlinked. Poor waste and rubbish collection, inadequate water and waste treatment systems, and various pollution hazards result in serious environmental health problems." (UNDAF p. 5 and 7)

UNEP-GEF is mentioned as having a regional program on National Capacity Self-Assessment (NCSA) that includes Bosnia.

Environmental content of national development policies

The Poverty Reduction Strategy Paper or Mid-term Development Strategy of Bosnia and Herzegovina (2004-2007), which was adopted on 5 February 2004 seems to play a special role. The Paper gives a broad overview of the national economic and social situation in all sectors, including the environment and water. The priorities of the environment sector identified in the Paper, including in its Action Plan, generally follow

those set out in the National Environment Action Plan - NEAP. Most of the measures envisaged in PRSP, however, are short-term. The Paper is considered by the Environment Ministries in both entities as the environmental strategy paper and the expectation is that it will assume this role for a certain time. However, according to some observers, there are differences of opinion between the two entities on the role of the State in environmental protection, and the Paper does not provide sufficient arguments in favour of environmental protection and sustainable development. (UN ECE EPR p. 18). UNDAF mentions: "The MDGs agenda and the PRSP are closely linked in BiH with the approved PRSP document containing some 70% of MDGs related indicators." (p. 7)

European integration – particularly the recent development of a shared European vision across the country's entities – is perhaps the major trend shaping governance processes, including environmental policy-making and implementation, through a relatively tight external conditionality. This is a trend to be found in all countries of Southeast Europe associated to the EU.

One of the European Commission's main assistance objectives is to support the development of an environmental framework in Bosnia and Herzegovina based on the EU body of law, and to facilitate and encourage cooperation between Bosnia and Herzegovina and the other countries of the region as part of SAP." (pp. 58-59)

Yet, a recent EU policy progress report sternly notes that while "Following progress in four key areas set out by the EU in 2005, the Stabilisation and Association Agreement (SAA) was signed in June 2008. However, the lack of consensus on the main features of state building, frequent challenges to the Dayton/Paris peace agreement and inflammatory rhetoric have adversely affected the functioning of institutions, have continued to slow down reforms and have put at risk the achievements made so far." As a result, "the country needs to intensify its efforts in many areas, as free movement of goods, persons and services, employment and social policies, state aids, energy, environment and statistics."

The latest EU progress report summarises the current situation as follows (for more detailed sectoral analyses, see section 4.2.3 of the EU report):

"Overall, Bosnia and Herzegovina's preparations in the field of the environment remain at an early stage. Bosnia and Herzegovina needs to strengthen its environmental protection institutions, in particular at State level. It also needs to mainstream environmental concerns in other sectors. Establishment of a harmonised legal framework for environmental protection, of the State Environmental Agency and of a functioning environmental monitoring system would be significant steps forward. Bosnia and Herzegovina needs to step up its efforts with regard to its obligations under international conventions."

The eight priorities identified in the National Environment Action Plan of 2003 are:

- Water resource management and waste-water treatment;
- Sustainable development in rural areas;
- Environmental management (information system, integral planning and education);
- Protection of biological and landscape diversity;
- Waste and waste management;
- Economy and sustainable development;
- Public health;
- Demining. (UN ECE Environmental Performance Review p. 18 and NEAP - relevant sections).

Mine clearance was also quoted in UNDAF as a sub-item of cooperation under the Human Security outcome area (UNDAF p. 24)

Further documentation review is needed, particularly on the EC 2007 Country Progress Report and the World Bank's Country Partnership Strategy.

1.2.2. Country environmental assessments

In Bosnia and Herzegovina UNEP conducted a post-conflict environmental assessment in 2003.

The UNECE environmental performance review was conducted in 2004. UNEP was part of the EPR review team.

The sustainable development (of rural areas) is threatened by intensive industrialization and accelerated urbanization, which are exerting pressure on natural resources through unplanned construction on agricultural land, indiscriminate forest harvesting and inadequate waste disposal. The management of water resources and waste water is an environmental priority. Rural areas suffer from landmines and the small size of the agricultural plots hinders food production. Biological and landscape diversity suffers from unbalanced spatial management and the unplanned exploitation of natural resources. There is no institutional framework for the management of bio and geo-diversity or the natural and cultural heritage. Legislation is applied inefficiently and only small areas are adequately protected. (UNECE EPR p. 8)

The use of outdated technologies exacerbates the environmental problems. Poverty caused by the dismal performance of the economy combined with poor water quality, food safety and waste management harm public health. In 2003 it was stated that "the country needs a universal health-care policy and strategy." (UNECE op. cit.)

1.2.3. Gaps and possible opportunities for environmental work

The most recent CCA states that "UNCT Working Groups prepared proposals for all windows of the Millennium Development Goals Achievement Fund (MDG-F) and we were successful in the areas of Environment and Climate Change (UNDP, UNEP, FAO, UNV)" (p. 30). Also, it is stated that "The UNCT, in particular UNDP in cooperation with UNEP, is already rapidly expanding its environment portfolio and this will be a key area for continuation into the new UNDAF agreement period." (p. 38)

Regarding the main external processes influencing the development of national policies, UNDAF mentions that "A study by UNDP to safeguard synergies between what sometimes appear as three different processes (MDG, PRSP and European integration) revealed that, despite different timeframes, all three share the same key concerns and goals: Governance/Public Administration reform in particular, poverty reduction and provision of basic social sectors, the economy and the environment." (pp. 7-8)

In an internal 2004 Joint Staff Assessment Report of the Mid-Term Development Strategy, more specific challenges (and possible opportunities) of international support to strategic planning and prioritization processes at national level are outlined, against the systemic challenges of regulatory fragmentation and capacity-development. The document highlights existing and missing policy linkages within two thematic clusters: on the one hand infrastructure, energy and water management and on the other agriculture, forestry and environment. A specific challenge is autonomous policy-development in the relative absence of larger fiscal / social / environmental cost-benefit considerations of major infrastructure, power or water

management projects. To illustrate, the document mentions that “In terms of laying the ground for the better management of the environment, Bosnia and Herzegovina has made significant progress with the adoption of the National Environment Action Plan (NEAP) in 2003, associated environmental legislation and international conventions that entitle Bosnia and Herzegovina assistance to the Global Environmental Fund. The challenge facing Bosnia and Herzegovina now is to develop the necessary institutional capacities to significantly improve environmental management, notably in the area of solid waste.”

1.3 The Former Yugoslav Republic of Macedonia

1.3.1. Environmental content of UNDAF and national development policies

The current UNDAF covers the period 2005 – 2009 based on the Common Country Assessment that was completed in 2004.

Environment is reflected in 1 UNDAF outcome that refers to natural resource and environment protection based on the principles of sustainable development. There are further 16 outcomes and outputs that focus on policy, institution, regulatory and financial capacities for environmental management, sustainable agricultural practices, forest management, environment health, water and sanitation of the poor, strengthening trans-boundary cooperation and implementation of MEAs.

The environmental outcome of UNDAF and its achievement are to be seen in the context of the process of decentralization, which will bring an increased level of environmental responsibilities to the local level, and the process of integration in the EU and the approximation to the EU legislation. Three elements will contribute to the achievement of the environmental outcome of UNDAF: i) good environmental governance at national and local level; ii) integrated water management and trans-boundary cooperation; iii) country obligations related to the ratified environmental conventions.

According to UNDAF (p. 16), UNDP will ensure that the principles of sustainable development are incorporated in strategic documents on the national and local levels. UNDP will strengthen the capacities of national and local authorities to enforce new environmental legislation, enhance their accountability and transparency, and promote public participation in environmental decision-making. Specific UNDP interventions in the area of Environmental Governance will include: support to Ministry of Environment and Physical Planning on debt for nature swaps (which will include assessment of the possibilities, recommendations for the appropriate approach and capacity building); advocacy and capacity building for Clean Development Mechanisms; capacity building for sustainable land management; capacity building on national and local level for new environmental laws and regulations; piloting of renewable energy and energy efficiency projects on the local level; preparedness for emergency response to natural and man-made environmental disasters.

The main idea is to change the general perception of environmental issues as mere problems, and to make environmental management a vehicle for development. Therefore, the links with other areas of the UN system such as governance, decentralization, economic development, and crisis prevention are highlighted and the environment outcome of the UNDAF forms a fully integrated component of the overall document with significant links with all UNDAF outcomes.

The monitoring and evaluation matrix provides indicators and baselines for the above-mentioned results. Estimated funds are given at the agency outcome level.

The main UN agencies involved in delivering the above results are UNDP, WHO, FAO, UNICEF and the World Bank.

Environmental content of national development policies

The National Development Plan 2007-2009 mentions that the environmental infrastructure is a “segment of economic infrastructure”, sometimes called “communal infrastructure”, it comprises: (i) the communal water economy which includes water supply and waste water collection and treatment, as well as (ii) solid waste management, including rehabilitation of industrial hot spots. Water management is mentioned as an important challenge.

The following overall national priority objectives are identified in the second National Environmental Action Plan – NEAP:

- to continue the process of approximation of the environmental policies of the European Union, framework legislation and directive-specific requirements;
- to provide for integration of environmental policies into other sectoral policies;
- to provide for administrative structures needed to ensure efficient environmental management;
- to ensure efficient implementation and enforcement of environmental requirements;
- to encourage a greater sense of environmental responsibility in industry, with environmental service providers and other actors in the field of environment;
- to pave the way for an environmentally sustainable approach which integrates environmental considerations
- into the activities of various economic sectors while simultaneously paying attention to social needs and economic growth;
- to solve important national environmental problems not addressed or covered through the efforts of EU approximation nor through any other international effort; and
- to improve the level of compliance with obligations under regional and global environmental agreements to which the former Yugoslav Republic of Macedonia is party, also implying the country’s active involvement in international systems for environment. (REC – Environmental Snapshot of Southeastern Europe p. 54).

The process of integration of the environment into other sectors is a main principle on which the development of the first NEAP was founded. The second NEAP sets out short- and medium-term goals and actions for environment protection and improvement, observing the terms specified in the National Strategy for the Integration of the Former Yugoslav Republic of Macedonia into the EU, the European Partnership Action Plan and the Programme for approximation of national legislation to the legislation of the European Union. (idem pp. 56-57)

Environmental Priorities in the 2005 European Partnership

Short-term priorities

- To improve the implementation of legislation and environmental monitoring;
- To strengthen the Environmental Inspectorate and other enforcement bodies, to establish a credible enforcement record, and to ensure that fines and
- other sanctions are effectively applied and have a dissuasive effect;
- To strengthen administrative capacity at national and local levels, and to start the preparation of strategic plans, including financial strategies;
- To develop an environmental investment strategy based on alignment cost estimates.

Medium-term priorities

- To integrate environmental protection requirements into other sectoral policies, in particular through the development of environmental impact assessments;
- To increase investment in environmental infrastructure, with particular emphasis on wastewater collection and treatment, drinking water supply, tackling air pollution and waste management. (REC op. cit. 2006 p. 55)

1.3.2. Country environmental assessments

UNECE's Environmental Performance Review of 2002 offers a comprehensive analysis. The EU conducts regular progress reports, tracking the activities, achievements and challenges in the process of EU integration for Macedonia. This document mentions the continued cooperation between the lead government agency (the Ministry of Environment and Physical Planning) with the EEA.

1.3.3. Gaps and possible opportunities for environmental work

Areas of challenge and opportunity were identified in UN planning documents: "Insufficient institutional, legal and administrative capacity to ensure enforcement of environmental rules and regulations represent major challenges, and these are compounded by limited finances and budgets inadequate to the scale of the needs". Fragmented data collection programmes, outdated monitoring equipment and techniques, untrained personnel, and overlapping of responsibilities among ministries require to be addressed urgently at the multisectoral level. There is a limited awareness of the principle of sustainable development and of environmental issues and their economic, health and social impact. The participation by the general public, decision makers and natural resource users in environmental issues is weak." (UNDAF p. 15)

A similar analysis is found in government documentation: While "the Government of Republic of Macedonia is strongly committed to pursue the EU accession agenda.", "(...) the greatest challenge of all remains to be administrative capacity and sufficient resources to implement reforms." (IPA Multi-Annual Indicative Programming Document 2007-2009 p. 5)

In terms of environmental roles and responsibilities at the national level, the Ministry of Environment and Physical Planning (MEPP) holds the legal obligation to create and implement environmental policy, to lead the activities in the area of the environment, and to provide for rational use of space and natural resources. Bodies within the MEPP include the State Environment Inspectorate, the Service for Spatial Information Systems and the Office for Environment. Within the office for environment operates the environmental laboratory which carries out measurements and expert analyses of pollution. According to the Law on Environment, the office will be transformed into the Administration of Environment, becoming a body within the MEPP with additional administrative activities under its competence. Apart from the MEPP, which has the leading role in the field of environment, other ministries also hold direct or indirect competences in the domain of environmental management including the Ministry of Defence; the Ministry of the Interior; the Ministry of Economy; the Ministry of Agriculture, Forestry and Water Economy; the Ministry of Health; and the Ministry of Transport and Communications. Local self-government units are responsible for regulating and performing activities of public interest and local importance, especially in the domains of waste management, integrated environmental permitting, compliance permitting, and inspection supervision. (REC op. cit. 2006 p. 51)

Technology support

The following are direct quotes from the most recent UNDAF: “The UN system will not only promote acquisition of skills, but also their further dissemination and concrete applications for transparent and accountable provision of decentralized public services at local level. The UN system plans to support this process by developing a network of national information and communication (ICT) based training centres in the municipalities and establishing a resource centre for matters related to provision of and access to decentralized public services. It will also provide technical support for local governments and citizen’s groups for the promotion of public sector transparency, accountability (e-governance) through the use of ICT.

Furthermore, by assisting the government in the preparation of a National Assessment Report on Sustainable Development for the World Summit on Sustainable Development and the creation of a national web site for sustainable development, the UN has contributed to an increased use and understanding of the concept of sustainable development by decision makers.” (UNDAF p. 16)

Capacity development

Similar quotes from UNDAF follow: “The UN System has the capacity to create partnerships and alliances, especially around the Millennium Development Goals (MDGs). Examples of these partnerships are the UN-private sector partnerships at municipal level and the establishment of Municipal Trust Funds, and support for NGO/Civil Society and youth development to meet emergency and development needs in the municipalities. Capacity 2015 and Agenda 21 are to be used in country and regional activities that aim to build capacity of local communities in the use of participatory and integrated approaches, which are key to MDG operationalization at the local level.

To counteract the disruption that man-made and nature-made disasters and the lack of timely coordination and management can unleash in a vulnerable human security situation, the UN System will set up a Disaster Management Team within the Resident Coordinator System. The UN Resident Coordinator System will work with Ministry of Interior, Ministry of Self Local Government, Ministry of Defence, Red Cross, Bureau for Educational Development, the crisis management centres, Municipalities, Municipal Gender Committees and NGOs.” (UNDAF p. 5)

1.4 Kosovo (under UNSCR 1244/99)

In relation with Kosovo, the latest EU progress reports notes:

“As regards administrative capacity, the Environmental Protection Agency is now fully staffed and operational. However, the human and financial resources of the MESP and related institutions (both at national and at local level) are still far from sufficient to address Kosovo’s environmental challenges. The Environmental Protection Advisory Board is not yet established. Both vertical and horizontal coordination between all institutions involved in environmental issues need to be significantly improved. Investments in environmental infrastructure will need to be substantially increased, in particular through support from international donors. The responsibility of the municipalities is currently limited due to lack of capacity in both personnel and funding.

Overall, there is limited progress to report in the field of environment, in particular as regards horizontal legislation. Further efforts are still required in most sectors for the transposition, implementation and

enforcement of legislation. The lack of human and financial resources, both at national and at municipal level, remains a problem; the same applies to a lack of appropriate coordination mechanisms between all institutions dealing with environmental protection.” For more detailed sectoral analyses, see section 4.2.3 of the EU report.

1.5 Montenegro

1.5.1. Environmental content of UNDAF and national development policies

The current UNDAF covering both countries was developed in 2004 before the independence of Montenegro. Thus this section on the content of UNDAF applies to both Serbia and Montenegro.

Environment is reflected in 2 outcomes that deal with environmental health, environmental protection policies and management systems at central and local levels. Further 18 outputs focus on activities in the areas of disaster prevention, improved land management, alignment with international agreements, the promotion of sustainable environmental development and sustainable agricultural practices, forest management, natural and cultural environment management and natural resources management.

The monitoring and evaluation matrix has indicators and baselines for the above-mentioned outcomes and outputs. Estimated funds are provided at the UNDAF outcome level.

The main UN agencies involved in environment are UNDP, WHO, FAO, UNEP, UNICEF and World Bank.

UNEP is mentioned in relation to the health action plan, capacity building in sustainable consumption, environment policy alignment with international agreements and local action plans.

Environmental content of national development policies

The following are excerpts from section 4.1.5 of the 2008 Economic Policy of Montenegro on environmental protection and improvement:

“The objective of the policy in this area is the creation of the conditions for establishment of integral protection and enhancement of environment through uniform, comprehensive and overall environmental management as well as gradual harmonization of economical and other sector policies with the environmental policy, adhering to the sustainable development principle at the same time.

The rehabilitation of existing conditions, the consistent conduct of evaluations of impact of investments on environment, the intensification of inspection oversight in all parts of environment and the timely conduction of the measures imposed will contribute to the accomplishment of this objective, as well as the permanent monitoring of the condition of environment quality, strengthening of cooperation with ecological non-governmental organizations, public information outlets and intensified international cooperation.

With respect to the above mentioned, the following will be accomplished:

- The new Law on Environment will be adopted and the legislation framework complied with EU regulations and international conventions’ requirements will be continued, which will lead to the compliance of the regulations at the national level;
- The Law on Nature Protection will be adopted;

- Amendments to the Law on National Parks will be adopted;
- The implementation of the Law on Environmental Impact Assessment, the Law on Strategic Environmental Impact Assessment and the Law on Integrated Prevention and Control of the Environment Pollution will start in January 2008, which is important for the pre-accession programme;
- The implementation of the National Strategy for Sustainable Development will continued;
- The implementation of the international agreements and conventions in the environmental area which Montenegro has accessed to will be continued, as well as the cooperation with relevant international organizations and cooperation within regional initiatives;
- The justification of accession to the international agreements and conventions, which have not been implemented so far, as well as international organizations where Montenegro has not participated so far;
- National strategy of Integral Management of Coastal Area of Montenegro will be adopted;
- The second phase of the premise of the Agency for Environmental Protection will be completed and the conditions will be created for efficient actions of this institution;
- The possibility of establishing an eco fund will be reviewed with the introduction of environmental protection fees. In accordance with the Law on the Fund, these funds will be directed to the environmental protection, energy efficiency and use of renewable energy sources;
- The program of monitoring of the environment will be adopted for 2008, in accordance with the standards of European Environment Agency (EEA);
- Rehabilitation of the existing industry polluters will be improved (KAP, mine dumpsite in Mojkovac, Thermo Power Plant in Pljevlja and other);
- The second phase of the Project for rehabilitation and reclamation of lead and zinc mine dumpsite in Mojkovac;
- The projects for integral management of drainage basins of the Tara and Lim rivers and eco-system of the Skadar Lake;
- New areas will be protected in accordance with new Spatial Plan of Montenegro according to the determined dynamics;
- National strategy for biodiversity will be prepared with the Action Plan as well as the first national report;
- The Project "Implementation of air quality monitoring system in Montenegro" will be accomplished as part of the bilateral cooperation with Italy;
- Italian Ministry for Environment, Land and Sea will finance international scientific project "Integral system for managing drainage basin of River Bojana and coastal zone of Montenegro" in the amount of €3.2 million;

- Bjelasica & Komovi Region will be enhanced through the Fund for Sustainable Local Development within the Project of Austrian-Montenegrin partnership for the regions of five municipalities of the North;
- The realization of the project “Geographic Information System for the environment” will be continued;
- The implementation of the project “Progress of monitoring of transposition of EU directives in the area of environmental protection” will be continued;
- The activities on the preparation of the National plan for implementation of Stockholm convention will be continued;
- The activities on the accomplishment of the Program for Clean Production in Montenegro will be continued, including the establishment of the National Center for Clean Production;
- The implementation of the National program for eliminating substances that damage ozone layer as well as the Plan for final elimination of chloro–fluoro–carbon (CFC). The purpose of the document is the elimination of substances that damage ozone layer in Montenegro;
- Aarhus Convention and ESPO convention will be ratified;
- The realization of the projects within the Stability Pact – Regional Environmental Reconstruction Program (RER-eP) will be continued;
- The structure at the national level will be established defining the activities for improvement of efficient realization of the recommendations given in the Report on environment conditions prepared by United Nation Economic Commission for Europe (UNECE);
- Emerald network in Montenegro will be established.”

A recent EU policy progress report noted that “progress in transport, energy, environment, and information society remains uneven” and that “progress is not satisfactory with regard to statistical system development.” The full version of the report also mentions that “Overall, some progress has been achieved in terms of alignment with the European standards. Further efforts are needed, however, particularly on implementation and enforcement. Particular attention needs to be paid to strengthening administrative capacity and to establishing effective inspection services. Further efforts should be put into raising awareness of environmental protection issues. Overall, environmental protection, in particular in coastal areas and national parks, is a cause for concern.” For more detailed sectoral analyses, see section 4.2.3 of the EU report.

For further content see the annexed country profile table.

1.5.2. Country environmental assessments

The UNECE Environmental Performance Review was conducted in Serbia in 2003 and in Montenegro in 2007.

1.6 Serbia

1.6.1. Environmental content of UNDAF and national development policies

Environmental content of UNDAF (consult 1.5.1. above as Serbia and Montenegro share the same UNDAF document)

Environmental content of national development policies

The Poverty Reduction Strategy Paper highlights the following areas as needing urgent attention:

- Sustainable access to improved water sources and access to improved sanitation
- Ensuring environmental sustainability
- Sustainable use of land
- Sustainable management of forest resources
- Preservation of biodiversity

A recent EU policy progress report notes that, despite “divisions between political parties on key policy issues”, “Serbia has good capacity in its public administration”, “regulatory bodies performed well under difficult conditions” and “European integration structures were strengthened and the National Programme for EU Integration was adopted” in 2008.

The full version of the report also mentions that “There has been little progress in the area of environment. Administrative capacity has improved following the creation of a separate Ministry for Environment Protection. The number of employees at the ministry has increased, in particular in the departments dealing with European integration and horizontal legislation. Local environment development plans have been prepared in a number of municipalities. Environment protection inspectorates have been re-organised, allocated more resources and provided with specific training. Training activities on environmental law have been provided for judges and prosecutors. However, institutional capacity and technical and human resources at the local level are still insufficient, as is coordination with the central level. Judicial enforcement of environment legislation still needs to be strengthened.

The Water Directorate within the Ministry of Agriculture, Forests and Water continues to be understaffed and its institutional capacity is inadequate. Coordination between the Environment and Agriculture ministries needs to be improved. The Environmental Protection Agency is fulfilling its tasks in the areas of data collection and cooperation with the European Environment Agency. Its performance is improving, but the Agency still lacks the capacity to ensure proper implementation of the integrated monitoring strategy.

Resources allocated to environmental protection from the budget have been increased, but they still remain low. The Fund for Environmental Protection is active in the co-financing of projects, especially in the field of waste management, sanitation and air quality monitoring.

A National Sustainable Development Strategy was adopted, following a wide consultation process. It is structured around three pillars: knowledge-based sustainability, socio-economic conditions and environment and natural resources. It identifies priority actions and includes a preliminary estimate of financial needs and priorities.

Overall, Serbia is moderately advanced in the area of environment, including in some areas of horizontal legislation. However, some sectors are not sufficiently regulated. Legislation enforcement at all levels has

still to be ensured. There is still no legal or institutional framework for water quality.” For detailed sectoral analyses, see section 4.2.3 of the EU report.

For further content see the annexed country profile table.

1.7 Turkey

1.7.1. Environmental content of UNDAF and national development policies

The current UNDAF covers the period 2006 – 2010 based on the Common Country Assessment that was completed in 2005.

Environment is reflected in 1 outcome and 5 outputs. These results focus on activities in the area of environmental governance through implementation of MDGs, WSSD, UNFCCC, Energy efficiency and conservation.

The estimated resources are given by agency and by outcome. Indicator and baseline information is available.

The main UN agencies involved are UNDP, UNIDO, WHO and UNICEF.

UNEP is not mentioned in the UNDAF document.

Environmental content of national development policies

The preliminary National Development Plan & Long-term Strategy 2001-2023 highlights effective environmental governance in terms of capacity and instruments.

The Rural Development Plan 2006 has as its strategic objective 4 “Protection and Improvement of Rural Environment” with the following priorities:

- Priority 4.1: Improvement of Environmental-Friendly Agricultural Practices
- Priority 4.2: Protecting Forest Ecosystems and Sustainable Utilization of Forest Resources
- Priority 4.3: The Management and Improvement of Protected Areas

The sectoral chapter on environment contained in the most recent EU progress report is reproduced in full below.

“In the field of horizontal legislation, some progress can be reported. The Environmental Impact Assessment (EIA) directive has been transposed to a large degree. However procedures for consulting the public and trans-boundary consultations are not fully aligned.

Turkey has not yet signed the Kyoto Protocol and Turkey is not a party to the Espoo and Aarhus Conventions. The Emissions Trading Directive has not been transposed. A greenhouse gas emission trading scheme has not yet been established. Transposition of the Strategic Environmental Assessment (SEA) Directive is at an early stage. There has been no progress on transposition of the *acquis* on environmental liability, public participation and public access to environmental information. Nor has Turkey yet started negotiations on the memorandum of understanding with on its participation in the Community civil protection financial instrument.

In the case of air quality, Turkey has made good progress in alignment with the air quality framework legislation and daughter directives. Progress has also been made on the sulphur content of liquid fuels in domestic heating systems. The administrative capacity for regional air quality has been improved by establishing a clean air centre in Marmara. No progress has been made on legislation related to the *acquis* on emissions of volatile organic compounds, on the sulphur content of certain liquid fuels or on national emission ceilings.

Some progress can be reported on alignment with the waste management *acquis*.

Implementing legislation on polychlorinated biphenyls (PCB & PCT) and on the control of waste oils has been adopted. Furthermore, restriction of use of certain hazardous substances in electrical and electronic equipment and on restoration and management of extractive industry sites has been adopted. Alignment in this area is well advanced. However, Turkey does not have a national waste management plan. Progress on end-of-life vehicles and waste electrical and electronic equipment has been very limited. No progress has been made regarding the directives on landfill.

There has been little progress in the area of water quality. An amendment was made to the legislation on prevention of water pollution. However, the overall level of alignment remains low. The institutional framework for water management is not organised on a river basin basis. Trans-boundary consultations on water issues are at an early stage.

Limited progress can be reported on nature protection. Turkey has aligned with the *acquis* regarding establishment and management of zoos. However, the level of harmonisation and implementation remains very low. The continuing loss of habitats is a cause for concern. The list of potential Natura 2000 sites has not yet been compiled. A framework law on nature protection and implementing legislation on birds and habitats have not yet been adopted. A national biodiversity strategy and action plan have been prepared, but not yet adopted by the government.

No progress can be reported regarding industrial pollution control and risk management. Turkey has aligned with some provisions of the Seveso II Directive and with the Large Combustion Plants and Waste Incineration Directives. However, overall transposition and implementation remain very low. Introduction of an integrated permit system is at an early stage.

There has been limited progress in the field of chemicals. The legislation on dangerous chemicals has been amended. Overall, the level of transposition remains low. The capacity for effective implementation is insufficient.

No progress can be reported on genetically modified organisms.

Progress has been made in the field of noise. Following adoption of the implementing legislation Turkey is approaching full alignment with the *acquis* in this area. However, preparation of noise maps and action plans is at an early stage.

Some further progress has been made in the area of administrative capacity. A substantial number of staff was recruited and trained by the Ministry of Environment and Forestry (MoEF). A new department for implementation of the environment programmes under IPA has been established in the Ministry. The Directorate-General for State Hydraulic Works is now affiliated to the MoEF. However, no progress has been made on establishment of a national environment agency. Responsibilities, such as inspection activities and nature protection, are not clearly defined. Administrative capacity needs further strengthening, including coordination between the relevant authorities at all levels.

Mainstreaming of environmental protection into other policy areas and ensuring that new investments comply with the environmental *acquis* are at an early stage. Some of the existing legislation, such as the Mining Law, which includes gold mining, and the tourism legislation, are causing major damage to natural areas.

Conclusion

Turkey has made progress in the area of air quality and good progress on strengthening administrative capacity at central level. Some progress can be reported on waste, water and nature protection. However, the overall level of alignment remains low. Turkey has made no progress in the areas of industrial pollution and risk management and GMOs. Limited progress can be reported on chemicals. Delays in establishment of the EIA are hampering further improvements in implementation and enforcement.”

1.7.2. Country environmental assessments

The main available assessment is OECD’s Environmental Performance Review of 1999.

For further content see the annexed country profile table.

2. Eastern Europe

For most countries in Eastern Europe and the Caucasus, the management of natural resources appears to be a critical issue either due to their importance in the national economy (e.g. Russia) or due to their scarcity and thus the country’s dependence on external suppliers (with the exception of Russia). Therefore the challenges of “Resources Management” or “Energy” (stand alone or clustered) could probably constitute the target for more focused environmental cooperation strategies. Water management also constitutes an important challenge for the countries in these regions and could represent a specific area for cooperation in itself. Yet, the critical challenge for any policy-level decisions remains defining “resources” and “sustainable / regenerative use of resources” in each particular country context, which is fundamentally a matter of national political choice.

Less politically-charged seems to be the issue of the rehabilitation of areas contaminated with radio-nuclides (the Chernobyl area) and nuclear safety, which ranks high for Ukraine, Russia and Belarus and is not directly reflected in the MTS priority areas list. This could constitute a separate cooperation area as well, especially since it is also already recognized by most international partners as such.

A key documentary reference for this region is OECD’s 2007 Review of EECCA Strategy, referred to in Annex 2 of this report.

2.1 Belarus

2.1.1. Environmental content of UNDAF and national development policies

Belarus is a non-UNDAF country. Generally, environmental issues are given significant attention in the country. They are to a large extent incorporated into the main national strategic documents, with broad reference to MEAs. The main challenge is the gap between policy-making and implementation.

National Development Plan priorities
<u>National strategy for social and economic development 2004-2020:</u> <i>Environmental governance:</i> equal access to environmental services, human-centered approach, preventive approach, awareness raising, improvement of economic instruments in environmental management, EIA and SEA legislation and implementation <i>Resources efficiency:</i> increased water use efficiency and resources conservation in view of global climate change, construction of waste water treatment plants; better use of soils, mineral resources: improvement of relevant legislation, geologic surveys, complex processing; optimization of forest exploitation; use of local and new energy sources. Necessity to increase resources and energy efficiency is also mentioned in Chapters dedicated to specific industries strategies. <i>Sustainable consumption:</i> introduction of eco-labeling <i>Biodiversity:</i> increase of protected areas to 9-10% of the national territory and creation of ecological networks, integration into pan-European system, monitoring system and inventory upgrade Biotechnology: research, inventory, legislative basis development <i>Climate change:</i> continuous reduction of GHG emissions (NO_x and SO_x) through technological improvements, establishment of a national system for emissions and sequestration assessment, increasing of sequestration capacity Ozone depletion: phasing out of ozone depleting substances used in agriculture and industry, develop technologies for those substances recycling Ecosystems management: economic development accounting for ecosystems bearing capacity, capacity restoration, improvement of city environment as top priority <i>Hazardous materials:</i> establishment of safe hazardous waste collection, storage, transportation and disposal system, state support for alternative materials use and low-waste technologies

The major achievement of strategic environmental management has been the creation of the National Action Plans on the Rational Use of Natural Resources and Environmental Protection (the first one for 2001-2005 and the current one for 2006-2010 – see annexed country profile table) and the National strategy for sustainable social and economic development 2004-2020. International cooperation is viewed as one of the

main priorities of national environmental policy. Another strategic aim is bringing national legislation in line with European norms and standards.

The proclaimed strategic goals of environmental policy are environmental security and creation of favourable living conditions for the population. Objectives of the national environmental policy for the next 5 years are as follows (based on NAP RUNR):

- mitigation of human impact on environment ;
- creation of an environment that is favorable for the population's health, especially in large cities;
- rational use of resources, including savings ;
- establishment of a network of protected areas with optimum parameters ;
- innovations for low-waste and energy efficient technologies –their creation and adoption ;
- development of environmental monitoring systems ;
- waste management ;
- high quality potable water ;
- international cooperation and experience sharing ;

Among the main environmental issues for the Republic of Belarus are: rehabilitation of the areas contaminated with radio-nuclides after the Chernobyl catastrophe, management of forests and wetland ecosystems, and related aspects of environmental governance including environmental monitoring.

Quality of the environment is broadly mentioned as one of the key components of national security and population well-being.

The main natural resources of the country are water and forests as well as soils which need efficient non-depleting management. Furthermore, the country does not have enough energy resources to meet its own needs. Though at the moment Belarus receives natural gas from Russia at reduced tariffs, the situation is not completely sustainable; searching for alternative energy sources and energy efficiency improvement are essential for both the economy and the environment as well as for strategic reasons.

The country has a long track-record of nature/ecosystems conservation which should be further supported and developed.

2.1.2. Gaps and possible opportunities for environmental work

This section is mainly based on data from national environmental authorities. The overall environmental situation in the country is slowly improving due to changes in the economic structure and improved environmental management. The most problematic area is soil quality which is still deteriorating especially in drained wetlands. Air quality in cities is another environmental/health concern. Water quality in certain rivers/lakes is also deteriorating due to non-compliance in waste water management by industrial and municipal enterprises.

As noted above, national legislation is very environmentally oriented. However the issue of implementation is uneven. The main environmental principles stated in the National strategy for social and economic development are not sufficiently incorporated into the sectoral strategies. The objectives stated in strategic documents are not supported by national programmes/financing in most cases. Assessment of implementation efficiency thus needs further in-country research.

As for specific problems, further improvement is urgently needed in the areas of atmospheric emissions (particularly from transport), water management, industrial and domestic waste and soil protection against degradation and contamination.

The environmental situation in Belarus in the recent 5 years has improved mainly due to the increase of state environmental expenditures to a level of up to 2% of GDP (EBRD 2006). These investments were mainly directed at energy efficiency improvement in different sectors, including environmental education. Ecosystems management was enhanced due to cooperation with neighbouring countries and international organisations such as UNDP.

In terms of cooperation, Belarus is closely connected to the Russian Federation and Ukraine. This cooperation is natural due to the common governance structure of those countries in the past, a legacy which still influences their approaches to environmental governance, as well as their legislative and management systems. The countries also share a number of common or similar environmental problems and challenges, with the Chernobyl catastrophe being the most significant amongst them.

Belarus is demonstrating only moderate willingness to cooperate with international partners on environmental issues as well as to adopt European norms and standards. This can provide one of the platforms for further interaction in the environmental field. Cooperation on multiple levels, including individual companies, research institutions and NGOs can provide better involvement of the national stakeholders into environmental management improvement.

Possible opportunities for environmental work

The main environmental challenge for Belarus is to bridge the “implementation gap” in all spheres including assistance towards MEAs compliance which is already formally incorporated into the national legislation and strategic documents. This involves inter alia capacity building of national authorities and assistance in resources allocation and planning.

Policy-making processes need improvement in terms of better transparency and stakeholders participation which can be best achieved by the UN, which “has established itself as a trusted partner for the Government of Belarus and enjoys a reputation for quality and transparency” (UNDP country programme document, 2005). This involves “(...) fostering a three-way dialogue between the Government, the private sector, and NGOs” (ibid).

The feasibility of moving towards European norms is a topical question and needs further investigation.

Ongoing activities of UN and other partners on large and trans-boundary ecosystems management (see country profile table) need to be continuous. A closely related option is to explore opportunities for cooperation and sustainable development at local level.

Among more local issues is overall waste management system improvement at all levels.

As a cross-cutting issue, improved data quality and statistical tools are crucial to proper decision-making and progress assessment (UNDP country programme document, 2005). Chernobyl area restoration is another cross-cutting issue already receiving significant attention which needs to be updated and continued.

Based on the most recent reviews of the country’s experience, UNDP proposes the following guiding principles for cooperation:

- All activities will be nationally executed, primarily with Belarusian expertise. International expertise will be used primarily for project design, short specific inputs, and monitoring and evaluation, if required.
- A programmatic approach will be favoured.
- Implementation of all programmes and projects will rest on partnerships among government institutions, civil society organizations, and, increasingly, the private sector. Decentralization and rationalization of UNDP activities will be promoted, given that the local and regional levels are increasingly recognized as appropriate levels for regulation and good governance in modern economies.
- Coordination among United Nations organizations and support to synergies in programming will be provided.
- Civil society will be more broadly engaged and will participate in projects and programmes to ensure sustainable development.
- UNDP funds will be used as a catalytic tool, and a resource mobilization strategy will be developed.
- A results-based approach will be applied to all programme activities.
- All programmes and projects will have strong advocacy components.
(Country strategy papers)

As for environmental issues, the points (c), (d), (e), and (h) are particularly relevant and need targeted efforts.

2.2 Moldova

2.2.1. Environmental content of UNDAF and national development policies

The current UNDAF covers the period 2007 – 2011 and is based on the Common Country Assessment that was completed in 2006.

Environment is reflected in 2 outcomes and 4 outputs. These results focus on activities in the areas of compliance with international/EU standards, prevention and mitigation of disasters, environmental monitoring system, and civil society participation.

The monitoring and evaluation matrix provides indicators and baseline information for the above-mentioned UNDAF outcomes. The matrix also indicates estimated cost and funds per outcome and per agency.

The main UN Agencies involved are UNDP, UNEP, WHO and World Bank.

UNEP is mentioned in the output concerning the environmental management system's compliance with MEAs. UNEP's contribution is estimated at 300,000 USD.

Environmental content of national development documents

The National Strategy for Sustainable Development 2000-2020 highlights all the key issues that the country is facing as follows:

Environmental governance

- European integration by adjusting national policies so that they are more closely aligned with European norms.
- Rational use of the environment, restoration of the regenerative capacity of natural resources, integration of the ecological factor into the process of socio-economic decision-making by means of adequate resource costs and pollution payments.
- The system of institutional structures and natural resource management leverage: laws and technical norms (allowances, prohibitions, and standards), services provided and inspection, through which direct responsibility and behaviour of beneficiaries of natural resources are tracked. It is necessary to review the legislation taking into account both the direct and local effects of polluting and degrading regenerable resources.
- Reform of the institutional system based on principles of managing natural resources and protecting the environment.
- Market economy leverage: payments, fees, direct and indirect taxes, stimulating or prohibiting prices; rejection of all forms of subsidies and facilities for purchasing certain polluting materials (pesticides, fertilisers) and usage of certain natural resources; tax reorientation (not its growth) through reducing income taxes, including taxes on salaries and establishing certain taxes for resources used and for polluting the environment.

Ecosystems management

- Conservation of the main ecosystems, amelioration of the environment within settlements.
- Maintenance of agricultural exploitation to ecologically optimal limits.
- Complex interdisciplinary development plans for territories.

Resources efficiency and sustainable production and consumption

- Extended waste recycling, and promotion of low raw material and energy consumption technologies.
- Restructuring the material and energy supply sectors with the aim of consumption reduction and loss elimination.
- Efficient valuing of all categories of available resources: human, natural, material, and energy.
- Energy consumption model change; increasing consumer energy efficiency: launching a set of measures directed toward all forms of energy conservation and introducing an adequate economic instrument.
- Revision of the agricultural production structure in accordance with soil quality, internal and external market requirements, and imperatives of environmental protection.
- Moldovan agricultural specialisation in the large-scale production of ecologically pure goods.

- Maximised use of alternative energy sources.
- Directing the transition to a de-centralised energy system, based on modern renewable resource technologies (solar, wind, waste, etc.), and alignment with European norms of environmental protection.
- Energy efficiency in production, transport, energy supply and distribution.
- Support of research and information regarding technologies for renewable energy source use.
- Launching specific educational and training programs for consumers aimed at energy consumption.

The PRSP covering 2008-2011 highlights research and development related to farming and renewable energy, soil fertility and anti-erosion measures, forest protection and a mapping database on the natural productivity of lands.

Moldova's main goals are recovery from economic depression as well as moving towards joining the EU. The National Development Strategy (NDS) seeks to move the country closer to European integration. This process includes adjusting national policies so that they are more closely aligned with European norms, including environmental management.

Moldova has given relatively low attention to environmental matters. The most significant challenge for the country is sustainable agriculture in broad terms including soil protection, agricultural landscapes management and environmentally-friendly techniques, and pesticides management.

2.2.2. Country environmental assessments

The UNECE Environmental Performance Review was undertaken in Moldova in 2005.

The foundations for environmental policy in the phase of transition to a market economy were established by the Law on Environmental Protection (1993), the Concept of Environmental Protection of the Republic of Moldova (1995), the National Environmental Strategic Action Programme (1995), and the National Environmental Action Plan (1996) and the National Environment and Health Action Plan (2001).

The Concept of the Environmental Policy of the Republic of Moldova was developed in 2002 including significant effort to create a national concept of incorporation of environmental issues into all spheres of governance. However implementation of this concept is very weak.

In specific areas, recent developments (over the last 5 years) include:

- The National Plan of Stockholm Convention, approved in 2004.
- The Government's Strategy for Sustainable Development of the Forest Sector for the years 2003-2020.
- The National Strategy for Biodiversity, approved by the Government.
- The Government's Program for Processing New Lands and Increase of Land Fertility for 2003-2010.

- The signing of the joint EU-Moldova Action Plan (2005) containing environmental and sustainable development objectives and which prepares the Republic of Moldova for the introduction of EU requirements.
- Pilot projects on environmental networks based on Natura2000 principles.
- SEA capacity building supported by OECD, REC, UNECE, and ENVSEC

The main national authority responsible for environmental policy is the Ministry of Ecology and Natural resources as well as the National Environment Fund and the Moldovan State Ecological Inspection.

2.2.3 Gaps and Possible opportunities for environmental work

As in most countries of the region, the main problem of environmental governance in Moldova is the “implementation gap” resulting from weak institutional capacity and ill-formed policies. As the UNDAF documents indicate:

“There is a need for strategic planning and inter-governmental coordination to address the rights of disadvantaged population groups. The legislative framework is mostly a normative asset and suffers from poor enforcement and monitoring. There is weak participation by civil society and the private sector in the formulation of laws and policies. Economic activities are also undertaken without due consideration of environmental regulations and impacts, thereby compromising already fragile water and soil resources”.

The Common Country Assessment (CCA) also highlights pressing human development challenges.

Achieving the goals of economic and social development is currently given highest priority in the country. The UNDAF provides a framework to address the mentioned challenges, describing three collective priorities for the UN System, in its cooperation with Government and civil society partners:

- Governance and participation
- Increasing access to quality services
- Regional and local development.

The document further states:

“Each of these priority areas of cooperation will make a strategic contribution to the achievement of the Nationalized Millennium Development Goals (MDGs), and they are aligned closely with the Economic Growth and Poverty Reduction Strategy (EGPRS) and the EU-Moldova Action Plan”.

...

“A critical assumption of this UNDAF is that, by concentrating the lion’s share of UN agency resources on these three priorities, the UN system and its partners will make a substantial and strategic contribution to the achievement of the EGPRSP, the nationalized MDGs, and the policy priorities of the EU-Moldova Action Plan”.

It is therefore important to give due attention to linking environmental quality to those priority areas and to focus on cross-cutting issues. However as at 2005 (ECE EPR), those links were very weak and in most cases non-existent. Environmental legislation is either not aligned or sometimes excessive.

The document stresses the role of inter-agency synergy and thorough planning of UN activities given the mix of limited resources and multiple challenges confronting the country.

The ECE Environmental performance review of 2005 highlights the considerable lack of media-specific regulations as well as the very weak coordination between existing laws and approaches. The 2005 EU-Moldova Action Plan envisages the adoption of additional legal acts for key environmental sectors, based on EU environmental acquis.

2.3 Ukraine

2.3.1. Environmental content of UNDAF and national development policies

The current UNDAF covers the period 2006 – 2010 based on the CCA completed in 2005.

Environment is reflected in 1 outcome and 2 outputs. These results focus on activities in the areas of compliance with international/EU standards, improved policy and practices related to environment and energy services, as well as bio diversity.

The resource envelope is clearly indicated per agency and per outcome; however information concerning indicators and baselines are absent.

The lead UN Agency is UNDP. UNEP contribution is recognized as technical assistance with regard to international conventions.

Environmental content of national development policies

The only available reviewed document is the National Strategy for Regional Development 2006-2015 and it emphasises the following as challenges faced in environmental management:

- Disasters and conflicts - Incentives for innovations including those aimed at prevention of human-made disasters, state support for disasters management, floods protection
- Environmental governance- The introduction of ISO 14000 requirements to the communal sector
- Resources efficiency - The promotion of energy efficiency with a focus on the petrochemical sector (for selected regions), and water resources management enhancement (for selected regions and large river basins)
- Ecosystems management- International cooperation for environmental protection in fragile trans-boundary ecosystems

In recent years Ukraine has shown significant interest in a number of environmental issues involving international cooperation. One of the main challenges to national security and economic development is a stable energy supply. Currently the country depends on gas supplies from the Russian Federation and is actively searching for alternative energy sources. Ukraine is actively investigating opportunities for use of renewable energy sources, including biofuels. This challenge was highlighted in the governmental action programme “Towards the people” (2005), the Rural development programme (2007), the National strategy for cooperation with the IFIs (2006), and the National strategy for regional development (2006). The challenge has been also recognised by partners such as EU (the EU/EC-Ukraine neighborhood and partnership strategy and ENP Action Plan) and EBRD (Country assistance strategy, 2007). A closely related challenge is ensuring nuclear safety at working NPPs as well as rehabilitation of the Chernobyl area.

Another important trend is moving towards the European Union. Though accession is not an issue at the moment, the government is aiming to achieve possible broad compliance with EU norms in different areas. In the environmental realm it is reflected by such strategic documents as the National strategy for state statistics enhancement, the National strategy for cooperation with the IFIs as well as programmes on national and sub-national levels supported by international partners.

The ongoing environmental target programmes are defined by the Ministry of environment:

- Formation of the national environmental network for 2000-2015.
- Development of the mineral resources base till 2010.
- Protection of the Black and Azov seas
- Implementation of the Convention on the Prohibition of the Development, Production, Stockpiling and Use of Chemical Weapons and on their Destruction, 1999-2008
- Environment health improvement in the Dnieper basin and potable water quality improvement
- The state R&D programme for geodetic activities and national mapping development for 2003-2010
- The national complex programme for WSSD decisions implementation, 2003-2015
- The programme for elimination of production and use of ozone depleting substances for 2004-2030
- The state environmental programme on environmental monitoring (launched 2007)

...and by the Ministry of Emergencies:

- Recovery of the areas affected by the Chernobyl disaster 2006-2010

Additional activities towards achieving the environment MDG: development of air pollution norms in agreement with EU requirements, issuance of guidelines regarding the determination and approval of tolerable pollution levels for industrial sites, development of ecological requirements for gas stations, and continued localization of pollution monitoring.

All these processes need proper monitoring/assessment and provide opportunities for support and cooperation.

The challenges inherent in the implementation of the above mentioned policies and programmes need closer investigation in order to define the scale and areas of the “implementation gap” as well as practical opportunities for its bridging.

2.3.2. Country environmental assessments

The UNECE Environmental Performance Review was performed for Ukraine in 2006.

Another development in the area of environmental governance is SEA capacity building supported by OECD, REC, UNECE, and ENVSEC. The Inter-sectoral commission on environmental education was established and the Concept on environmental education approved in 2001. A law on an environmental network was passed in 2005.

2.3.3. Gaps and possible opportunities for environmental work

Based on the EU Country strategy Paper (CSP), as at 2007:

“Ukraine faces significant challenges as regards environment protection. Air pollution is becoming a health and social problem. Water quality is affected by pollution and existing waste water collection and treatment infrastructure needs to be upgraded and new capacity constructed. Waste management is an important challenge, including prevention, collection, treatment, recovery and final disposal. As regards nature protection, deforestation and illegal logging are important issues”.

Ukraine is also affected by trans-boundary and global environmental issues, such as the use and protection of shared waters and climate change (ibid).

The Ukraine National Strategy for the Environment covers the period 1998-2008 and has been the basis for developing sectoral programmes on a number of environment issues.

According to the EU CSP, the environmental legislation in Ukraine can be assessed as follows:

“Environment related framework legislation is in place in many areas but still needs further development. Implementing legislation is not yet fully developed and applied. Ukraine faces difficulties in the implementation and enforcement of environmental legislation due to lack of administrative capacity and insufficient resources, especially at regional and local levels”.

At the national level, the 1998 Government Policy on Environmental Protection, Use of Natural Resources, and Environmental Safety is still being implemented (1998-2008). It serves as a basis for the development of sectoral environmental programmes. The development of the programme is important for the continuity of the environmental performance improvement process at national level.

Possible opportunities for environmental work

In terms of partners, the current UNDAF proposes that “to support the efforts needed to become a modern, democratic and European state” an effective interaction between the United Nations Country Team (UNCT), the Government of Ukraine, non-resident UN Agencies, civil society stakeholders, academics and the international community” is to be pursued.

At national level, a first major governmental agency to be considered is the Ministry for Environmental Protection of Ukraine. In September 2003 the Ministry of the Environment and Natural Resources was split into the Ministry of Protection of the Natural Environment of Ukraine and the State Committee for Natural Resources. The former is in charge of environment protection, the latter of rational use of natural resources. During 2005 the State Committee for Natural Resources was liquidated and its staff and functions were transferred to the Ministry of Protection of the Natural Environment. The Ministry of the Environment and Natural Resources has branch offices at regional level, called State Departments for Environment Protection. The Government established an interdepartmental commission on environment monitoring in 2001 and the

Ministry of Emergencies and Affairs of Population Protection from the Consequences of the Chernobyl Catastrophe.

Other implementing governmental bodies also have notable power to influence the environmental situation with their decisions. They are the Ministry of Agricultural Policy, Ministry of Culture and Tourism, Ministry of Health, Ministry of Education and Science, Ministry of Economy and European Integration, and the Ministry of Housing and Municipal Economy. Further relevant actors actively participating in the national policy-making process are the State Committee for Energy Conservation, the National Agricultural Chamber of Ukraine, the Rural Development Institute, the Ukrainian Agrarian Confederation, the Association of Producers of Organic Products «BIOLan Ukraina», and the Federation of Organic Farming of Ukraine.

According to the documentation reviewed, in the area of environmental governance, improvements in the short term are essential to progress towards “Transparent and sustainable governance and management of natural and biodiversity resources promoted through regional cooperation in line with international conventions (including conventions related with global warming); environmental justice strengthened through capacity building of state institutions and civil society organizations” (Output 3.3 of UNDAF). The main national partners in this process are the Ministry of Environmental Protection, governmental authorities on forestry and natural resources, the Ministry of Justice as well as NGOs (policy formulation and programme implementation). The output could be better achieved if supported by international experience, in particular EC (policy formulation through ENP AP, Danube Delta monitoring); UNECE, ICPDR, Espoo, Ramsar, Bern conventions (Danube Delta monitoring); GEF (technical assistance and funding); WB, UNEP (technical assistance); SDC, TACIS. The embassies of Japan and of Austria (technical assistance, funding and programme coordination) have also shown interest in supporting the above activity.

The closely related objective of improved policies and practices related to environment and energy services, particularly at the level of local authorities additionally needs the involvement of municipalities and can be best supported by GEF, WB, EC, UNEP (joint programming, technical assistance and funding).

Technology support

The EBRD country strategy paper (2007) provides a detailed insight into opportunities for cooperation and financing to achieve environmental performance improvement in specific sectors of the national economy. Since the main national environmental priorities relate to a large extent to improvement of energy efficiency of all economic activities, innovative technologies are essential for sound results. Besides technology transfer, market and local conditions analysis are key for success in this area.

Assistance in achieving compliance with the recognised standards (such as ISO14000 and 9000, OHSAS) falls under priorities of the State target programme for machine-producing industry development for 2006-2011.

Capacity development

Analysis of strategic documents (both national and those relating to international cooperation) indicates that for the mid-term assistance strategies, more emphasis could be placed on MEAs implementation. In the short-term mainly the Kyoto protocol compliance is to be promoted.

3. Russia

3.1. 1. Environmental content of national development policies

Russia is a non-UNDAF country. The following table summarises the environmental issues highlighted in some of the key national policies and documents.

National development priorities	
General priorities: <i>National sustainable development concept of 1997</i>	Biodiversity <i>Climate change</i> and Ozone layer depletion <i>Ecosystems</i>: desertification prevention, forests conservation, development of protected areas network, marine and transboundary ecosystems management <i>Hazardous substances</i>: safe demolition of chemical and nuclear weapons
Long-term priorities (till 2020)	
To be implemented at the national level: <i>National long-term strategy of socio-economic development 2007-2020</i>	<i>Resource efficiency</i>: Energy efficiency increase, rational use of natural resources incl. water, mineral resources, biological resources; Sustainable development of rural areas and soil assessment and protection <i>Climate change</i> and use of renewable energy sources, protection from floods, decrease of unit emissions of air pollutants; <i>Hazardous substances</i>: Decrease of per unit waste formation in industry, waste recycling <i>Environmental governance</i>: Environmental monitoring enhancement; Funding of environmentally-friendly innovations International cooperation to manage environmental challenges
To be implemented at the sub-national level: <i>National strategy of regional development 2005-2020</i>	<i>Resource efficiency</i>: Energy and resources saving technologies financing <i>Ecosystems management</i>: Environmental health enhancement, increase of territory for nature conservation

	<i>Disasters and conflict:</i> Damaged areas restoration <i>Hazardous substances:</i> Waste management plans development (on regional level)
Mid-term priorities: <i>National mid-term strategy of socio-economic development 2005-2008</i>	<i>Resource efficiency/governance:</i> Differentiated taxation of resources use; Clear allocation of authority and responsibilities in the area of resources management, introduction of commercial-type relationship in the area of natural resources exploitation, elimination of excessive administrative burdens on resource-exploiting companies Strengthening of the State's role in supervision over resources use Economic change towards high energy and resources efficiency <i>Ecosystems management</i> : Ensure sustainable management of ecosystems Formation of favorable environmental conditions for population <i>Disasters and conflict:</i> Rehabilitation of the territories with damaged environmental components <i>Environmental governance:</i> Setting norms for environmental impacts including introduction of Euro-3 and Euro-4 standards for mobile emission sources Introduction of environmental assessment of economic activities and economic instruments Spatial development planning accounting for environmental protection needs and preservation of wilderness areas

Environmental issues are included in the Mid-term and Long-Term programmes of socio-economic development of the Russian Federation. These strategies are implemented through target programmes (see the annexed country profile table). Similarly, environmental impact is not viewed as a significant factor for development planning (UNDP 2007, country strategy for 2008-2010).

Based on national assessments (see references), international sources and personal expert observations, the main environmental challenges are: air pollution in big cities, in particular from automotive transport; all components of the waste management cycle; local problems with water management and water quality; the

low energy and resources efficiency of the national economy; the low level of public awareness and participation in environmental affairs.

The issue of global warming needs special attention and research in a country that stretches over a variety of biotic zones and covers the largest permafrost area in the world. Specific adaptation measures for each region are needed in this situation. However this issue is not given priority in national environmental programmes.

The implementation gap is large, particularly due to recent significant changes in the resources management and environmental control systems. The declared goal of moving towards decentralisation of environmental governance is not yet sufficiently supported by practical activities at regional and local levels.

The main implementing national agency is the Ministry of Natural Resources and Environment. It is important to note that this structure is widely criticised since both nature exploitation and protection are controlled by a single administrative body. There are also unarticulated plans to re-establish the environmental agency/ministry/committee as a stand-alone body. However this is highly dependent on wider political and policy dynamics.

The other important national actors in the environment field are: the Ministry of industry and energy, the Ministry of emergency, the Ministry of regional development, the Ministry of health, the Federal hydro-meteorological service, the Federal service for technical, nuclear and environmental supervision, the Federal service for nature use supervision. Regional authorities play increasingly an important role in the process of environmental governance. However this role is in turn dependent on the level of commitment of regional (provincial) authorities, which varies significantly from province to province.

Interregional experience sharing among national actors could be a powerful tool for capacity building and innovative development. However such experience is only very limited at the moment, and opportunities for resources pooling, learning and experience-sharing are not yet used and even recognised.

The framework national legislation was passed and has been effective since 2007. These include the Water Code, the Forest Code as well as amendments to the Federal law on nature protection of 2005.

Norms, guidelines and regulations are still missing in some areas. The new legislation also provides space for regional initiatives on environmental governance. Few provinces have shown willingness to use those opportunities. Regional capacity building programmes can offer a solution to this challenge.

Environmental quality is recognized as one of the pillars of population well-being. The main strategic priorities with regard to environment include:

- Energy efficiency increase, and the rational use of resources including water, mineral resources, biological resources ;
- Climate change and use of renewable energy sources ;
- Protection from natural disasters (floods);
- Decrease of per unit waste formation in industrial processes, waste recycling ;
- Sustainable development of rural areas and soil assessment and protection ;
- Environmental monitoring enhancement ;
- Funding of environmentally-friendly innovations ;
- International cooperation to manage environmental challenges.

However environmental considerations are only to a very limited extent incorporated into sectoral development strategies.

3.1.2. Gaps and possible opportunities for environmental work

A number of Memoranda of Cooperation were signed between UNEP and Russia and at the moment a new cooperation programme is being developed.

The 2005-2007 Programme of Cooperation emphasised the following areas for UNEP support:

- Water, marine environment and regional seas
- Arctic
- Chemicals
- Biodiversity and protected areas management
- Climate change awareness

As mentioned above, the main current trend in the national environmental management system is streamlining the use of natural resources. Further capacity building programmes/demonstration projects for resource users might be useful for better adaptation to the new legislative environment. Considering changes in environmental trends and governance structure since 2004 (when the above mentioned programme was developed), the following updates to the programme can be proposed:

- More focus on environmental governance strengthening, particularly at the regional and local levels, and the introduction of economic instruments into resources management practice;
- Waste area added;
- Public participation mechanisms promotion;
- Based on the UNDP country partnership principles, cooperation should build on national priorities. Priorities of national development in regard to the environment are reflected in the set of national and regional target programmes (see the list of national programmes in the annexed country profile table). However the practical implementation of such programmes is often hampered by the lack of financial resources.

Based on UNDP's conclusions on further cooperation with Russia (UNDP country programme for 2008-2010), it is anticipated that:

"As some bilateral donors reduce assistance, funding will increasingly rely on national resources. Engaging responsible private sector actors will be a key challenge".

Based on the lessons learnt from past experience and recent assessment of the national situation, UNDP has developed a programme on cooperation with the Russian Federation on environmental issues. Based on this programme:

"UNDP will continue to design innovative and sustainable financial mechanisms for biodiversity conservation and energy efficiency, and to promote eco-friendly public-private partnerships, as well as to support national efforts in monitoring ecological standards".

"UNDP will assist sub-national authorities with environmental projects, using them as an entry point to encourage balanced resource exploitation and environmental conservation".

The following strategies are proposed:

- Biodiversity conservation;

- Integration of biodiversity considerations into economic activities, in part by promoting incentives for the private sector to engage in biodiversity conservation;
- Development and transformation of domestic markets for renewable energy, energy-efficient products and services, and sustainable transport;
- National action on climate change, including low-emission technologies, greenhouse gas emission reduction, and carbon finance mechanisms, through the Millennium Development Goal Carbon Facility;
- Poverty reduction at the subnational level through micro-credit facilities. Post-Chernobyl recovery efforts will continue in the Bryansk oblast.

For Post-conflict recovery and development the following strategies are proposed:

- Training and advisory services for aspiring entrepreneurs and SMEs, establishment of business incubators and microfinance facilities, and investment promotion activities;
- Granting farmers access to microcredit, new agricultural technologies and agro-marketing;
- Enhanced effectiveness, accountability and transparency of governance structures at the level of the republic, districts, and municipalities;
- Mine action in Chechnya, which remains one of the most heavily mined areas in the world.

4. Caucasus

As in the case of Eastern Europe, for the countries of the Caucasus, the management of natural resources is a critical issue (with the possible exception of Azerbaijan for the energy area). “Energy” / “Resource management” could thus probably constitute areas of more focused environmental cooperation.

4.1 Armenia

4.1.1. Environmental Content of UNDAF and national development policies

The current UNDAF covers the period 2005 – 2009 based on the Common Country Assessment that was completed in 2004.

Armenia’s UNDAF has the most extensive and the most detailed environment coverage of all countries. Environment is reflected in 2 UNDAF Outcomes, in 16 Country Programme Outcomes and further in 28 Outputs. The monitoring and evaluation framework of the UNDAF results matrix shows the same level of comprehensiveness detailing impact, outcome and output indicators for each of the 16 country programme outcomes with baselines, sources of verification and risks. The partnering agencies are mentioned for each country programme outcome and the resource framework table clearly indicates the contribution by respective UN agencies. As a results matrix the Armenia UNDAF could be given a top mark as the logical framework information is duly completed at every level of result.

Economic Equity and Environmental Governance are the two higher-level results which aim to address environment as both a cross-cutting and as a stand-alone issue.

At the upstream level, the UNDAF outcomes refer to an effective national disaster response system and to the introduction of sustainable development principles into government growth strategies.

Individual eco-system issues of particular importance, such as the conservation and management of Lake Sevan and the Kura-Araks river basin, are highlighted in specific outcomes.

An appreciable number of outcomes and outputs cover public participation, public education and awareness raising in such areas as the monitoring of environment policies, environmental health hazards and land degradation.

Funding mechanisms for environmental protection and the management of natural capital such as water and bio-diverse resources are also present in 2-3 outcomes.

With respect to the UN, UNDP is the lead agency for most outcomes and outputs. Other UN agencies include UNIDO, UNICEF, WHO, FAO, UNESCO, UNECE, WFP and UNEP. The resources framework matrix shows the amounts in USD contributed by various UN agencies as follows. The lion’s share goes to UNDP and UNEP projects that are almost exclusively GEF-funded.

UNDAF OUTCOMES	OUTCOME IV: Environmental Governance Promote environmentally sound technologies and effective management of natural resources in accordance with the MDGs and PRSP.
UNDP	8,000,000
UNHCR	
UNICEF	100,000
WFP	65,000
UNFPA	
UNDPI	
WHO	70,000
FAO	690,000
UNEP	3,350,000
UNIDO	500,000
ILO	
TOTAL	12,775,000

Other partners implementing the UNDAF are listed as follows. Information regarding their financial contribution is not given in the UNDAF.

State Institutions: National Assembly, Prime Minister's Office, Ministry of Nature Protection, Ministry of Finance and Economy, Ministry of Health, National Council for Sustainable Development

Civil Society: Academic and Research Institutes, Mass Media, Yerevan State University, Business Associations, National NGOs and CBOs, World Wildlife Fund

Donors: DFID, Earth Council, EU, OECD, SDC, USAID, WB, Government of Netherlands, GTZ, IFAD, JICA, KFW, OECD, SDC, SIDA, OSCE

UNEP engagement in the country: as per the UNDAF matrix, UNEP – GEF has been involved for the outcomes specified below and the total UNEP budget for the UNDAF assistance is estimated at 3,350,000 USD.

Outcome 4.4 - Public institutions combat environmental health hazards effectively.

Support to the National Environmental Health Action Plan, in particular, programmes aimed at developing and enforcing safe environmental standards (jointly with WHO, UNICEF, UNFPA, UNDP, UNECE)

Outcome 4.6 - Bio-diverse resources are managed and conserved effectively.

Assistance with protecting natural ecosystems and landscapes, in particular, programmes targeted at forests, especially protected areas and other regions with rich bio- and agro –diversity (jointly with FAO, UNDP, UNECE)

Outcome 4.9 - Public institutions combat land degradation and desertification effectively.

Assistance with preventing land degradation and combating desertification, in particular, programmes aimed at promoting sustainable land management and agricultural practices in remote and impoverished communities (jointly with FAO, UNDP, UNECE, UNCCD)

There is a UNIDO/GEF project called "Enabling Activities to Facilitate Early Action on the Implementation of the Stockholm Convention on Persistent Organic Pollutants (POPs) in the Republic of Armenia".

Environmental content of national development documents

The Poverty Reduction Strategy paper that was developed in 2003 and revised in 2008 views environment as a resource upon which most of the population is heavily dependent. Thus the efficient management of resources (e.g. forest, water, prevention of land degradation and desertification; soil use efficiency in agriculture, improvement of the ecobalance of Lake Sevan) is underlined as a means to reduce poverty. Attention is also drawn to issues of municipal and hazardous industrial waste. The revised PRSP-2 continues the same thread and mentions environment among its priorities.

Regional and international cooperation, new requirements in terms of environmental management, monitoring of trans-boundary movement of hazardous and toxic waste and genetically modified organisms, protection of biodiversity and agricultural sustainability are described as areas requiring further work including forest management, water treatment, industrial and municipal waste management (including nuclear waste). PRSP-2 also mentions the European Neighbourhood National Policy (2006) and the Kyoto Protocol.

The Agricultural Sustainable Development Strategy covering the period of 2007-2015 refers to sustainable consumption by increasing local goods consumption, and by promoting organic food and agriculture. Efficient use of water resources, land quality improvement, prevention against salinisation, better management and pressure mitigation of pastures and grasslands are highlighted. The Ministry of agriculture along with the International Centre for Agricultural Research in Dry Areas (ICARDA) and the Millennium Challenges Corporation are leading its implementation. Conventions on Biological diversity (1993), Biological Safety, Cartagena Protocol (2004), and Combatting Desertification are considered in this strategy.

Another notable plan is the Energy Development Strategy in the context of Economic Development in Armenia for 2005-2025. Promotion of alternative energy sources and energy saving are at the heart of the strategy. The government of Armenia, the Energy Ministry, "ArmRosGasProm", and the Public Services Regulatory Commission are the leading agencies. References are made to the 1992 UN Environment and Development Conference (the Rio Conference or the Planet Earth Summit), Agenda 21 "Global Sustainable Development Action Plan", the 2002 Johannesburg Sustainable Development Summit, as well as the 98/93/EC Directive.

4.1.2. Country environmental assessments

The major national environmental assessment was undertaken in 2000 under the auspices of the UNECE Environmental Performance Review. UNEP/GRID led the 2002 Caucasian Environmental Outlook and in 2007 co-published with EEA "Sustainable Consumption and Production in EECCA and SEE Countries" that among others covers Armenia.

Many thematic assessments were conducted (e.g. environmental pollution and product charges) by OECD, UNDP, EEA, ENVSEC, and others. Also a plethora of laws, regulations, and programmes exist in the spheres of ecosystems management, hazardous substances, resources efficiency, and energy. All the relevant information is available in the country template.

4.1.3. Gaps and possible opportunities for environmental work

A series of environmental conditions contribute to the social and economic problems facing the country and negatively impact the general health of the population and threaten the future viability of the economy. These factors, which are the result of weak institutional, administrative, regulatory and enforcement mechanisms, include distorted and inefficient exploitation of natural resources, energy instability, massive forest-cutting, extensive pollution of air, water and land, and inadequate waste disposal systems. (UNDAF, p.3)

Among specific sectoral problems, water resources management - including potable water quality - is one of the most urgent issues to be addressed. This can be viewed as a cross-cutting issue significantly affecting social as well as the economic situation country-wide. The situation as at 2005 can be described as follows (based on UNDAF assessment documents):

“Although Armenia has sufficient water to cover demand both now and in the foreseeable future, water resources are distributed unevenly across the country. More than 200,000 people are living in areas where water shortages seriously inhibit regional development while others live in areas where flash flooding occurs regularly, causing serious damage. The availability of drinking and irrigation water is limited in most areas of the country as a result of broken infrastructure and insufficient resources for electricity and maintenance”.

The same issue is highlighted by the EU CSP (2007), and the EBRD CSP.

Other areas of concern are as follows:

- Poor land management and the lack of advanced technology have resulted in wide-scale land degradation and contamination.
- Massive and unlawful cutting during the energy crisis of the early 1990s caused extensive damage in heavily forested regions, resulting in deforestation, landslides, erosion and soil degradation.

Most industrial enterprises are unable to manage their waste adequately, leading to high levels of pollution, including of hazardous contaminants, in municipal landfills. Landfills have not been planned or maintained properly, and their capacity is not sufficient. There are no disposal facilities for hazardous waste. Stocks of obsolete pesticides constitute an important environment problem (EC Neighbourhood Policy).

As of 2005, land and resource management were still treated as economic problems and public participation in setting environmental policies remains limited. In addition, most efforts in conservation and protection seemed aimed only at meeting obligations under international conventions and treaties rather than at building a national strategy (UNDP country action programme).

Possible opportunities for environmental work

In order to enhance strategic planning, implementation and enforcement of environment legislation, the strengthening of administrative capacities at national, regional and local levels constitutes an important

challenge for Armenia, including with regard to coordination between relevant authorities (as per EU Neighbourhood and Partnership papers). The country's institutional and administrative capacity requires further strengthening, in particular as regards strategic planning, implementation and enforcement of legislation. A fully operational Caucasus Regional Environment Centre could well assist in promoting environmental awareness and protection by providing a forum for cooperation between all stakeholders (ibid).

The UN identified environmental management as a key area for cooperation, recognizing the importance of the sustainable use of natural resources and programmatic synergies in this area.

Technical support

One of the main areas for potential technical support is environmental monitoring system improvement including the establishment of databases, monitoring equipment, sampling methods etc.

Systems of environmental norms and standards are still under development. Advice on increasing their effectiveness and aligning them with internationally recognized standards is essential. Regional and local environmental data collection systems need major improvement. Self-monitoring and reporting to authorities for individual enterprises should be promoted.

Translation of main guidelines into Armenian and of the main national documents into Russian and English is clearly needed. Terminology needs development and aligning with the international standards (such as ISO14050). Better data sharing mechanisms with UNEP and other UN structures could be established.

Institutional support

There is a need for improved coordination between the secretariats of environmental conventions. At the same time the capacity of the Department for International Agreements and Policy of the Ministry of Environment should be improved.

National environmental legislation needs major streamlining and coordination.

Specialists involved in national environmental monitoring systems need training and professionalized learning development support.

4.2 Azerbaijan

4.2.1. Environmental content of UNDAF and national development policies

The current UNDAF covers the period 2005 – 2009 based on the Common Country Assessment that was completed in 2004.

Environment is not dominant at the higher level of UNDAF results, i.e. at the UNDAF outcome level and notably in the UNDAF outcome that deals with the transparent management of oil. However, it is reflected at the country programme level both as a stand-alone and as a cross-cutting theme. Country programme outcome 2.9. is devoted to meeting commitments to Conventions on Biological Diversity and to Combat Desertification. Sustainable management of key habitats/species and of international waters as well as a waste cleanup programme are mentioned as results to work towards, whereas environment per se, along with gender, is to be mainstreamed in environment information and environment policies under country programme output 2.4. An indicator and baseline are provided for these results. Estimated funding and resource mobilisation targets by agency for these results are not available.

UNDP has the lead role for the above-mentioned. Outputs along with partners such as the Ministry of Environment and Natural Resources, GEF, bilateral donors, NGOs, the State Statistical Committee and others.

UNEP is not mentioned in the UNDAF although UNEP-GEF has a regional programme in the area of ozone depletion that includes Azerbaijan.

Environmental content of national development documents

The Agricultural complex development strategy for 2006-2015 highlights improved water use efficiency through rehabilitating irrigation and drainage systems.

The National Programme on Environmentally Sustainable Socio-Economic Development and its 2003-2010 action plan covers environmental protection and effective use of natural resources, global environmental issues, industrial installations, agriculture and tourism, education, science and culture.

The SPPRED Progress Report (2004) defines the challenges of maintaining environmental sustainability as the economy expands. There is a need for greater monitoring and control of pollution levels. SPPRED is addressing the shortage in the household drinking water supply and inadequate water quality (especially in rural areas) through the rehabilitation of infrastructure in a number of regions, with the help of the donor community. A national forest rehabilitation plan, adopted in 2002, has been implemented to meet the SPPRED objective of creating and expanding forestry areas. The authorities consider that institutional capacity for monitoring environmental problems and developing an effective regulatory framework should be at the core of SPPRED activities.

Environmental problems are particularly acute in large economic centres such as Baku, Sumgait, Ganja and Ali- Bayramli. Water resources, land, air, flora and fauna have been negatively affected by the Soviet inheritance and also the economic difficulties of the 1990s.

The same report defines links between poverty and specific environmental problems as follows:

Water: Water sources are decreasing, while water consumption and supply remain wasteful. Only 50% of the population has piped water. Rivers and lakes are polluted to various degrees. Clean water is becoming a privilege of the rich. This leads to the increased risk of infection through polluted water for the poorer sections of the population.

Land: Degradation of land surface leading to soil erosion and salinisation is affecting the ability of the rural population to use the land to generate income. Use of harmful chemical fertilisers means that they are absorbed into the soil and ultimately penetrate into the food system, with negative impact on population health. 130 years of oil production on the Absheron Peninsula around Baku has left some 33,000 hectares of oil-contaminated lands.

Forests: Forest and woodlands are currently at risk. In particular, insufficient energy provision to the regions has given rise to harmful use of woodland resources. International experience shows that creating opportunities for participation of communities and user groups in managing these resources can help reverse this process.

Air: Emission of toxic pollutants into the air is mainly caused by power plants, industry and transport. Health outcomes for the population living in the Absheron peninsula are negatively affected, since 70% of such units are located there.

Ecosystems: The livelihoods of large sections of the population are connected to economic activities around the Caspian Sea (e.g. oil or fishing industries). The Baku bay area can be considered virtually dead from a biological point of view. Initiatives are needed to protect the Caspian Sea from further pollution through limitations on fishing and the prevention of biomass reduction, which in turn will adversely affect the livelihood of many coastal inhabitants.

Azerbaijan's high biodiversity results from its location at the convergence of three bio-geographic regions (Europe, Central Asia and Asia Minor). The Caucasus Mountains area has been identified by the World Wide Fund for Nature (WWF) as a Global 200 Ecoregion, and by Conservation International as one of the world's 25 biodiversity "hotspots" (the only one in the ECA region). The Caucasus ecosystem profile identified deforestation, overgrazing and hunting as the three greatest direct threats to biodiversity. Underlying causes include poverty in rural areas, the end of wood importation from other countries, the collapse of natural gas supply systems, political insecurity and the presence of large numbers of internally displaced people. (WB CSP 2007-2010).

4.2.2. Country environmental assessments

The major national environmental assessment was undertaken in 2003 under the auspices of the UNECE Environmental Performance Review. UNEP/GRID led the 2002 Caucasian Environmental Outlook and in 2007 UNEP co-published with EEA "Sustainable Consumption and Production in EECCA and SEE Countries" that among others covers Azerbaijan.

An appreciable number of small-scale and specific assessments (e.g. EIA on radioactive waste) exist, drawn up by agencies that are listed in the country template.

4.2.3. Gaps and possible opportunities for environmental work

Since environment is not outlined as an area for cooperation with the UN institutions, for short-term cooperation it might be more feasible to focus on incorporation of environmental issues into other policies/strategies with particular attention to the oil and energy sector and beyond – i.e. into resources management policies or programmes. Then the mid- and long-term strategic task would be a timely review of the existing situation, establishing a more solid basis for cooperation on environmental issues including biodiversity, nature protection, as well as monitoring and awareness raising, amongst other areas.

Based on the EC assessments, the most urgent need for support is in the following areas:

- Implementation of multilateral environmental agreements, in particular the UN Framework Convention on Climate Change and its Kyoto Protocol and UN-ECE conventions.
- Water quality improvement, including the relevant component of the EU Water Initiative. nature protection (in particular the fight against deforestation), and
- Waste management.

Issues of secondary priority are:

- Prevention of industrial risks,
- Remediation of environmental damage linked to oil and gas extraction

- Cleaning up of areas affected by hydrocarbons or chemical pollution.
(European Neighborhood and Partnership Instrument, Azerbaijan CSP)

The assessment of needs for international support by the World Bank (Country strategy 2007-2010) makes more emphasis on climate change issues and determines the framework for cooperation as:

“Improving environmental management and furthering the climate change agenda, by cleaning up legacy pollution, reducing carbon emissions, and promoting biodiversity; supporting more sustainable natural resource management in selected areas; and strengthening natural disaster management”.

4.3 Georgia

4.3.1. Environmental content of UNDAF and national development policies

The current UNDAF covers the period 2006 – 2010 and is based on the Common Country Assessment that was completed in 2005.

Environment is reflected in 2 UNDAF Outcomes, in 4 Country Programme Outcomes and further in 17 Outputs. The monitoring and evaluation framework of the UNDAF results matrix shows outcome and output level indicators with baselines, sources of verification and risks. The partnering agencies are mentioned for each country programme outcome, however the resource framework is absent, thus information on funding for these results is not available.

At the upstream level the UNDAF outcomes refer to reducing risk and impact of man-made and natural disasters as well as making progress towards environmental sustainability through national- level institutional and capacity-building work.

Further outcomes and outputs support activities in natural resources monitoring, awareness raising of decision makers in sustainability, support to legal and policy framework, and inclusion of local NGOs and CBOs.

UNEP is mentioned in outcome 5 for capacity building in natural resources monitoring. Key UN agencies responsible for outcomes in environment are UNDP, UNECE, WHO and FAO.

Environmental content of national development documents

According to the Economic Development and Poverty Reduction Program objectives, the Ministry of Environmental Protection and Natural Resources has determined the following main targets:

- Integration of environmental activity into the process of social-economic development of the country
- Strengthening the legislative basis in the environmental field
- Improvement of ecological expertise

In relation to MTS thematic areas the following links could be made:

General: the need to establish various environmental funds, Debt for Environment Swap mechanisms, spatial planning, public awareness, allocation of rights and responsibilities of the

central, regional and local government bodies, expansion of international relations and participation in global environmental issues

Resources management: the taxation system for usage of natural resources and environmental pollutants will be reformed. Regional and local programs of hydro resources management

Climate change: clean development mechanism participation, mitigation planning

Ecosystems: improvement of quality of surface water and of atmospheric air in the cities. - Protection of the Black Sea

Hazardous chemical substances: solution of problems in the field of management of hazardous chemical substances

EU/EC-Georgia neighbourhood and partnership strategy and ENP Action Plan 2007-2013 has a number of areas that overlap with UNEP's MTS priorities:

Environmental governance: regional cooperation in the Caucasus, Black Sea and Caspian Sea basins. Establishment of a Strategy on Sustainable Development

Development of legislation and basic procedures for adoption of adequate standards for air and water quality, waste management and nature protection

Implementation of multilateral environmental agreements, in particular the UN FCCC and its Kyoto Protocol, and the UN-ECE conventions

Development of civil society, information, monitoring and assessment

Ecosystems management: support of activities linked to the EU Water Initiative and other regional initiatives intended to protect the Black Sea

Regional aspects of protection and sustainable management of forests, regional cooperation concerning regional seas

Resources efficiency: energy saving and renewables (Eastern trans-national/regional programme). Georgia's state energy policy in the natural gas sector starting from 2008 highlights a shift towards utilization of hydro energy resources

Disasters and conflicts: mostly political issues mentioned

4.3.2. Country environmental assessments

The major national environmental assessment was undertaken in 2003 under the auspices of the UNECE Environmental Performance Review. UNEP/GRID led the 2002 Caucasian Environmental Outlook and in 2007 UNEP co-published with the EEA "Sustainable Consumption and Production in EECCA and SEE Countries" that among others covers Georgia.

An appreciable number of small-scale and specific assessments (e.g. environmental governance in Georgia by Green Alternative in November 2006) have been drawn up by agencies that are listed in the country template.

4.3.3. Gaps and possible opportunities for environmental work

Critical environmental issues for the country include:

- Deforestation
- Energy sustainability
- Water quality and water resources management
- Conflict areas restoration
- Waste and hazardous substances management
- Soil degradation and agricultural sustainability

The MDG report states:

“Georgia has demonstrated its adherence to principles of environmental sustainability by integrating them into national policies and programmes. However, the weakness in implementing and monitoring these commitments remains a considerable impediment for a successful turnaround of the loss of environmental resources”.

This is a problem common to most CIS countries and needs deeper investigation involving in-country research. Enforcement of environmental laws and lack of public participation remain the most significant problems of the environmental governance system in the country as of 2008 (HDR, UNDP 2008).

Special attention should be definitely paid to the areas of conflicts in the country including South Ossetia and Abkhazia which need not only political resolutions but also post-conflict environmental restoration. To a large extent this issue is not reflected in the UNDAF documents.

As of 2006, waste management remained a serious challenge, including all stages of the waste management cycle (prevention, collection, and treatment), recovery and final disposal. Stocks of obsolete pesticides constitute an important challenge. There is no overall government strategy on waste management. No actions on this issue are reported since then.

Despite significant improvements and major restructuring of the governance system, institutional capacity building is essential for proper financial planning, management and finance distribution in the environmental sphere.

Only moderate attention seems to be given to climate change issues.

Possible opportunities for environmental work

As recommended by the 2005 TACIS evaluation report, in supporting capacity building systematic efforts should be made to consult and engage partners at all levels or embed interventions within existing relevant national programmes (see Conclusions and Recommendations included in the TACIS Evaluation Synthesis report, Volume 1, 28 October 2005).

International assistance on trans-boundary environmental governance strengthening has already proved effective for ecosystems management as well as for overall contacts strengthening and should be continued.

The first NEAP was developed in 2000 for a 5 years period. The next development of the NEAP was reported to start in 2005. Only a small part of the first NEAP recommendations was implemented, mainly due to shortage of adequate resources (EC 2006). No data on the next NEAP seems available since that report, an

issue that requires further research. The existing NEAP and related documents may be viewed as a starting point for cooperation (with necessary updates). Local environmental/resources management action plans need to be developed and their implementation supported for practical introduction of the national priorities.

Continued work on fulfillment of the national obligations under different MEAs is needed (which is currently done by UNDP). Significant effort was put into forestry management and the necessary legislative base developed. Though positive changes are already observed, implementation support is essential for sound results. Cooperation with existing NGOs is another promising area.

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Annex 2 – Extended summary of EECCA Strategy progress report⁹

Strengthening environmental legislation, policies and institutions

- **Planning and legislation.** EECCA planning and legal frameworks are still largely unsystematic and lack coherence. Priority-setting and strategic planning are weak. Numerous thematic strategies have been formulated, but often in an unco-ordinated way and largely driven by donor support. They lack targets, financial plans and evaluation arrangements. Lawmaking practices now include broader stakeholder consultations and clearer transitional provisions, but the development of implementing regulations remains slow.
- **Policy Instruments.** The idea of reforming excessively stringent environmental quality standards has finally become politically acceptable. Progress is taking place in environmental permitting but not so much in environmental impact assessment. The old system of pollution charges, mainly geared to raising revenues, remains largely unreformed. Some inspectorates have been strengthened and compliance promotion efforts are underway, but compliance assurance strategies remain unbalanced.
- **Institutions.** Environmental institutions in most EECCA countries show signs of improvement, but from a low base and at a slow pace. Re-structuring is too frequent and often lacking strategic direction. Internal fragmentation still hampers the adoption of integrated approaches. Relations with non-governmental stakeholders are improving. Budgetary resources generally are increasing.

Protecting health by fighting pollution

- **Air Quality.** Policy frameworks are relatively well developed but implementation mechanisms are not described in sufficient detail. There has been no significant progress in reform of ambient standards or in air quality monitoring. Many countries have increased rates for air pollution charges, but they remain generally too low to have an incentive effect.
- **Water Supply and Sanitation.** Institutional and legislative frameworks have improved in many countries. Little progress has been achieved in transferring financial resources to, or improving institutional arrangements at, the local level. The role of private sector operators is evolving rapidly in some EECCA countries.
- **Waste and Chemicals Management.** Progress is taking place at waste policy development level, but is not accompanied by action plans and effective legislation, including for hazardous waste. International support is facilitating progress in chemicals management. There are no systematic procedures and plans to clean up contaminated land.

Managing natural resources for sustainable development

- **Water Resources Management.** The transition to a governance system based on integrated water resources management (IWRM) is in progress in most EECCA countries. There is little progress on the integration aspects. Institutional weaknesses and resource constraints hinder the implementation of action plans. Awareness-raising has focused on politicians and water professionals; it remains limited among water users. Progress in water pricing is uneven. There are no significant improvements in water quality monitoring.
- **Biodiversity Conservation.** The basic legal and planning framework is in place. The extent of area under protection has increased in half of the countries. Significant efforts are being made to improve the management of protected areas. High-nature value farmland has not received much attention. Most countries have explicitly identified invasive alien species as a threat to biodiversity.

⁹ *Policies for a Better Environment. Progress in Eastern Europe, Caucasus and Central Asia. Summary for Policymakers.* EAP Task Force, OECD, 2007, pp. 7-16.

Little progress has been made in improving biodiversity information, but some is being made in raising awareness.

Using sectoral policies to enhance environmental quality

- **Overall aspects of environmental policy integration.** Inter-ministerial working groups are common but not universal. Most countries include environmental targets in sectoral strategies, but those strategies do not undergo strategic environmental assessment. Environmental units are common in ministries dealing with natural resources, less so in those dealing with pollution. Strategic Environmental Assessment has been introduced in the region, usually as part of international projects.
- **Energy.** Surprisingly little progress has been made in energy efficiency, given the energy intensity of EECCA economies. Policy frameworks to promote renewable energy are still in their infancy. Some countries are moving quite strongly in terms of pricing policies for energy services. The potential for improving the environmental performance of energy operation remains largely untapped.
- **Transport.** The use of economic instruments to influence transport demand, modal share and fuel choice remains limited. Leaded petrol has not yet been fully phased out. European vehicle emission standards are being gradually introduced, but not much progress has been made in tightening fuel quality standards. Negative trends in public urban transport have not been reversed.
- **Agriculture and Forestry.** Development of agriculture advisory services still has far to go, especially in natural resources management. There are good practices in soil, nutrient, water and salinity management, but scaling up remains a challenge. Integrated pest management, organic farming and timber certification are expanding. Progress is being made in combating illegal logging.

Financing environmental improvements

- **Expenditure trends.** Environmental expenditures have slightly increased in almost all countries in absolute terms. As a share of GDP and total government expenditure the evolution is mixed. Sectoral allocation of resources is dominated by wastewater management.
- **Sources of finance.** User charges represent the largest source of environmental finance. Private industry is a major contributor to expenditures in air pollution control and waste management. There is progress in managing inter-governmental transfers, not so much in tapping local capital/financial markets. Carbon finance is a promising financing mechanism, but EECCA countries are not exploiting its potential. International assistance represents a small fraction of total environmental expenditure in EECCA. The structure of this assistance is changing – multilateral assistance is now six times that channelled through bilateral donors.
- **Expenditure management.** Most public resources in the environmental sector are still spent without clear programmatic frameworks. Cost estimates to support policy development remain unavailable. Environmental funds manage modest resources, risking inefficient use due to high administration costs.

Making better decisions: information and public involvement

- **Information management.** The state of information management remains critical, as EECCA countries continue to struggle with every step of the environmental information chain. Although environmental indicators exist, they are hardly used anywhere for policy analysis or linked to policy targets. Much progress has been achieved in website-based communications.

- **Public participation.** National legal and regulatory frameworks for public participation have continued to be developed. While there are still significant gaps in the implementation and enforcement of legislation, NGOs and the public have now more rights to participate in environmental decision-making. Real public participation practices are emerging.
- **Environmental education.** Many national programmes and plans include support for environmental education, but public resources available for environmental education and education for sustainable development are very limited. Environmental education is well established in the education systems. Non-formal education activities are carried mostly by NGOs, often with donor support. A transition to education for sustainable development is taking place.

Addressing transboundary issues in a co-operative way

- **Multilateral environmental agreements.** The rate of ratification of the more recent UNECE conventions and protocols, in particular protocols signed at the Kiev Ministerial Conference, has been slow. EECCA countries provide very limited domestic funds for the implementation of conventions, depending almost exclusively on external assistance. Not all EECCA countries report to the conventions, information often arrives late and many reports are of poor quality, making thorough assessment of implementation impossible.

Barriers blocking the way

The low level of **financial resources** available is a common constraint to achieving progress in the different environmental policy areas. But lack of finance is not always the most important barrier blocking the way.

Environmental authorities in most of the region suffer from severe **institutional and organisational weaknesses**. These weaknesses are often related to public administration practices inherited from the Soviet era. Additional weaknesses include a shortage of skills related to the functioning of market economies; a poor understanding of the role of information management in policy development and implementation; weak horizontal and vertical inter-institutional co-ordination; as well as low environmental awareness of the public and economic agents.

Environmental authorities also face **structural and political constraints**. These include the lack of strong drivers for environmental improvement (and the subsequent low profile of environment on national policy agendas); a poor governance context; the challenge of decentralising responsibilities in a fiscally-responsible manner; concerns about the competitiveness and social impacts of environmental policies; decreasing donor co-ordination; and a common perception among top policy-makers that environmental protection is a hindrance to economic growth, rather than a necessary element to ensure socio-economic development over the long term.

Moving forward – An agenda for the future

Although there is no single roadmap for accelerating progress in environmental management across EECCA countries, a number of key, common areas for action can be identified:

- **A clear vision** of where each EECCA country wants to go and how it can get there – this will require setting clear objectives and targets, making the case for environmental issues to be included in national development plans (and donor country programmes), and establishing alliances with finance and line ministries to support “win-win” sectoral reforms.

- **A step-by-step approach to reform** – this will require setting clear targets, sequencing actions and adopting a reform pace that is commensurate with each country’s political, economic and technical restrictions.
- **A stronger focus on implementation** – this will require linking planning, budgeting and monitoring processes; developing secondary legislation (implementing regulations); improving inter-sectoral co-ordination and monitoring the contribution of line ministries to national environmental objectives; and empowering sub-national environmental authorities.
- **A new environmental management approach built around providing real incentives** to encourage producers and consumers to improve their environmental performance in the most cost-effective manner – this will require streamlining regulation, stepping up enforcement and emphasising demand management.
- **An improved institutional framework** – this will require institutional stability, clarification of responsibilities at sub-national level, removal of incentives with perverse effects for staff, and more robust and policy-relevant information systems.
- **A comprehensive approach to environmental financing** – this will require considering the role of all potential funding sources and policy actions needed to leverage them (public expenditures, incentives for private investments in pollution abatement, user charges for environmental services, private investments in infrastructure, clean development mechanism, donor assistance) and building the capacity to mobilise and manage them.
- **A strategic investment in skills** – this will require paying particular attention to building capacities in environmental economics, financial and human resources management, policy integration and public/stakeholder relations, as well as strengthening the capacities of sub-national actors.
- **A stronger engagement of stakeholders** – this will require understanding industry concerns, and the role of NGOs as both watchdogs and agents of action at local level, and the potential of mass-media for promoting good environmental behavior
- **A more supportive international co-operation framework** – this will require efforts on the part of EECCA countries to motivate, co-ordinate and make efficient use of donor support, and also more strategic and sophisticated approaches to co-operation on the part of donors.

Annex 3 – Clustered UNDAF schedule for Europe and CIS region

CLUSTERED UNDAF

SCHEDULE

2008 - 2010

(From second half of penultimate year)

COUNTRY (1st YEAR OF CYCLE)	YEAR DUE	GNI p.c. RANK	LOW U5MR MIDDLE INCOME	CLUSTER	UNDAF DRAFT DUE	RECOMMENDATION
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Year 2008

Bulgaria (2010)	N/A	UPPER MIC	YES	EU Member	N/A	
Romania (2010)	N/A	UPPER MIC	YES	EU Member	N/A	
Macedonia (2010)	2009	LOWER MIC	YES	EU Candidate	Dec-08	
BiH (2010)	2009	LOWER MIC	YES	EU Potential	Dec-08	
Montenegro (2010)	2009	UPPER MIC	YES	EU Potential	N/A	Postponed to allow for harmonization of UNICEF and UNDP programme cycles
Serbia (2010)	2009	UPPER MIC	YES	EU Potential	Dec-08	
Kosovo (2010)	2008		NO	EU Potential	?	
Armenia (2010)	2009	LOWER MIC	NO	ENP	Dec-08	
Azerbaijan (2010)	2009	LOWER MIC	NO	ENP	N/A	Postponed for 1 year. Request from Government expected
Kazakhstan (2010)	2009	UPPER MIC	YES	BRIC+/CA	Dec-08	
Turkmenistan (2010)	2008	LOWER MIC	NO	CA	Dec-08	
Tajikistan (2010)	2008	LOW INCOME	NO	CA	Dec-08	
Uzbekistan (2010)	2008	LOW INCOME	NO	CA	Dec-08	

Year 2009

Turkey (2011)	2010	UPPER MIC	YES	EU Candidate	Sep-09	
Albania (2011)	2010	LOWER MIC	YES	EU Potential	?	
Russia (2011)	N/A	UPPER MIC	YES	BRIC+	N/A	

Belarus (2011)	N/A	LOWER MIC	YES	ENP	N/A	
Ukraine (2011)	2010	LOWER MIC	NO	ENP	Dec-09	
Georgia (2011)	2010	LOWER MIC	NO	ENP	Dec-09	
Kyrgyzstan (2011)	2010	LOW INCOME	NO	CA	Dec-09	
Year 2010						
Moldova (2012)	2011	LOWER MIC	NO	ENP	Dec-10	

Annex 4 – Main actors for the Caucasus and Eastern Europe

Country	Main actors					
	National				Regional	Main donors
	Governmental		NGOs and civil society	Research institutes		
	Primary	Secondary				
Armenia	National Assembly, Prime Minister’s Office, M. of Nature Protection, M. of Health, National Council for Sustainable Development, State Water Committee, Water Resource Management Agency, Bio-resources Management Agency, ArmForestry, Hydro-meteorological Department (including the Climate Change Center), Geological Department, Environmental Impact Monitoring Centre, National Council for Sustainable Development	M. of Energy, M. of Finance and Economy, M. of Territorial Administration, M. of Social Affairs, The National Statistical Service, M. of Education and Sciences, Offices of Regional Governors, M. of Urban Development, Local Authorities,	World Wildlife Fund, “Armenergo” – national energy system operation	Yerevan State University Scientific cooperation partners: Academies of Sciences and scientific centers of Russia, Hungary, China, India, Italy, Romania, Iran, USA, Ukraine, Belarus, Georgia, and UK. Support of scientific research in Armenia: NATO, Copernicus, ISTC, and etc.	REC Caucasus, Bi-lateral co-operation environmental programmes with Georgia, Iran and the Russian Federation	DFID, EU, FAO, Government of Netherlands, GTZ, IFAD, JICA, KFW, OECD, SDC, SIDA, USAID, WB, EBRD GEF/UNDP, UNEP, UNECE, UNIDO, OSCE, OECD/EAP Task Force, EU TACIS ENVSEC
Azerbaijan	M. of Ecology and Natural Resources, its forestry and fisheries departments, 20 specialised departments, subordinated research-oriented agencies, regional environment and natural resource departments.	M. of Agriculture, M. of Economic Development, M. of Education, M. of Fuel and Energy, M. of Health, M. of the Interior, M. of Justice, M. of Transport, the State Committee for Architecture and Construction, the State Committee on Land and Mapping, the State Committee on		REC-Caucasus	“Environment for Europe” process the Caspian Environment Programme Eastern European, Caucasus and Central Asia component of the EU Water Initiative The Europe and North Asia Forest Law Enforcement Governance (FLEG) process	UNDP, EC, TACIS the World Bank (incl. its Monetary Fund) The Asian Development Bank (ADB) EBRD OSCE Office in Baku ENVSEC Germany (German Federal M. of Economic Development and Cooperation) Critical Ecosystems

		Land Improvement and Irrigation, the State Statistical Committee, the State Oil Company of Azerbaijan, Municipalities Enterprises for forest protection and regeneration			Ecoregional Conservation Plan for the Caucasus Caucasus Protected Areas Fund	Partnership Fund the MacArthur Foundation, Japan, the USA, Canada, Sweden, the United Kingdom, Switzerland and Turkey, France.
<i>Georgia</i>	Commission on sustainable development of Georgia M. of Environmental Protection and Natural Resources State Forestry Service Environmental Inspectorate State Agency for Protected Areas	M. of Economic Development M. of Agriculture M. of Labour, Health and Social Protection M. of Finance	NGO Green Alternative CDM National Council The Georgian association of environmental and biological monitoring WWF	Georgia Tech Research Institute University of Georgia National Institute of Environmental Health Sciences	Caucasus environmental NGO network Caucasus Protected Areas Fund Protection of the Black Sea Against Pollution (the Black Sea Commission), Danube-Black (DABLAS) Sea Task Force, the EECCA regional component of the EU Water Initiative, a regional Europe and the North Asia Forest Law Enforcement Governance (FLEG) process Caucasus Regional Environmental Centre (REC).	Municipal Development Fund– with the WB support UNDP, GEF OSCE EBRD, WB TACIS, ENVSEC US EPA and Millennium Challenge Georgia KFW Finnish environmental M. and the Institute of Environmental Protection German Federal M. of Economic Development and Cooperation Critical Ecosystems Partnership Fund and the MacArthur Foundation
<i>Belarus</i>	M. of natural resources and environmental protection M. of healthcare, M. of forestry, M. of emergencies, M. of energy, The national environmental fund	M. of statistics and analysis, M. of transport, M. of communal services, M. of agriculture, M. of industry, M. of finance, M. of economy.	“Green network” alliance of environmental NGOs Ekopravo “Ecoline” NGO	Academy of science – Institute for problems of natural resources exploitation and ecology; International state ecology university	Cooperation with Russia and Ukraine on Chernobyl-related issues. Cooperation with Poland on transboundary ecosystems	UNDP, UNEP and GEF WHO, UNECE the World Bank. EC/TACIS, OSCE Sweden (SEPA) Germany (Bavaria

					management and protected areas	Federal M. of Environment). Russia. Danish EPA OECD (Environmental Directorate) ENVSEC
<i>Moldova</i>	M. of Ecology and Natural Resources (MENR) National Environment Fund Moldovan State Ecological Inspection	M. of Agriculture and Food Industry of Republic of Moldova M. of Economy and Commerce M. of Finance M. of Foreign Affairs and European Integration M. of Health M. of Industry and Infrastructure M. of Local Public Administration M. of Reintegration of Republic Moldova	NGO BIOS, Youth Environmental NGO „SalvaEco”		Russian Federation, Ukraine, Czech Republic, Poland and Romania	GEF, EC/TACIS, UNDP and UNEP and the Regional Environmental Centre of the Republic of Moldova (REC-Moldova) The Government of Netherlands USAID, TACIS, SIDA, DFID, Soros Foundation, Japan, Poland WB, EBRD ENVSEC European Environment Agency OSCE
<i>Russia</i>	M. of natural resources and ecology, M. of industry and energy, M. of emergency, M. of defense, Federal hydro-meteorological service, Federal service for technical, nuclear and environmental supervision, Federal service for environmental management supervision, Federal sanitary and epidemiology service.	M. of regional development, M. of economic development and trade, M. of transport, M. of healthcare and social development, M. of finance, Federal service for customers rights protection, M. of education, M. of agriculture	Environmental Council WWF-Moscow, Centre for wildlife protection, socio-environmental union, Bellona (north-west),	Moscow State University, Russian Academy of Science – Institute of Geography, Russian Geography Society	Cooperation with Georgia, Armenia, Azerbaijan in the Caucasus region, with Ukraine and Belarus – on Chernobyl, in the Black sea basin (DABLAS, the Black sea commission), in the Baltic region (HELCOM)	UNDP, Northern dimension, NEFCO, EBRD, WB, IFC, EU – TACIS, GEF/IBRD, SIDA, DanIDA
<i>Ukraine</i>	M. for Environmental Protection with branch offices at regional level (State Departments for	M. of Agrarian Policy of Ukraine M. of Culture and Tourism of Ukraine	Association of Producers of Organic Products		Russia. Moldova, Romania - Carpathian convention and	EU countries: Germany, Sweden, the United Kingdom, Denmark, Poland and the Slovak

	Environment Protection), Commission on environment monitoring The State Environmental fund M. of Emergencies and Affairs of Population Protection from the Consequences of Chornobyl Catastrophe	M. of Health M. of Education and Science of Ukraine M. of Economy of Ukraine State Committee for Energy Conservation M. of Economy and European Integration M. of Housing and Municipal Economy	«BIOLan Ukraina» Federation of Organic Farming of Ukraine National Agricultural Chamber of Ukraine Rural Development Institute Ukrainian Agrarian Confederation		cooperation under protected areas network, exchange of regional, Moldovann and Romanian, expertise in biodiversity conservation and protected areas management Danube-Black Sea (DABLAS) Task Force, International Commission for the Protection of the Danube River (ICPDR), The Eastern Europe, Caucasus and Central Asia regional component of the EU Water Initiative The EU-Ukraine Working Group on Climate Change Regional Environmental Centre (REC) – under way	Republic. EC: International Atomic Energy Agency, UNDP ENVSEC, WHO TACIS European Investment Bank (EIB) Government of the Netherlands IFC, OSCE, EBRD British Department For International Development (DFID) Canadian IDA EECONET Action Fund FAO, GEF OECD Swiss Agency for Development and Cooperation (SDC) Swiss Cooperation Office in Ukraine Government of Sweden/SIDA Turkey International Co- operational agency (TICA) U.S. EPA Red Cross World Bank Government of Japan
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Main actors for South East Europe and Turkey

	Main actors		
	Governance	Civil society	International
Albania	Ministry of Environment, Forestry and Water Administration (MOEFWA) Ministry of Agriculture, Food and Consumer Protection (MAFCP) Ministry of Public Works, Transport and Telecommunications Regional, municipal and communal authorities	See REC's directories at www.rec.org/REC/Databases/databases.html	EU / EC Energy Community Regional Environment Reconstruction Programme for South Eastern Europe - REReP Regional Environmental Center for Central and Eastern Europe - REC Regional Cooperation Council – RCC
Bosnia and Herzegovina	Bosnia and Herzegovina Presidency Council of Ministers Ministry of Foreign Affairs Ministry of Foreign Trade and Economic Relations Ministry for Economic Integration		
Former Yugoslav Republic of Macedonia	The Ministry of Environment and Physical Planning Ministry of Agriculture, Forestry and Water Economy Ministry of Health Ministry of Economy Local self-government units		
Montenegro	Ministry of Environmental Protection and Physical Planning Office for Sustainable Development Ministry of Health, Labour and Social Welfare The Ministry of Agriculture, Forestry and Water Management		
Serbia	Ministry of Internal Affairs and Public Administration The Ministry of Transport, Maritime Affairs and Telecommunications Ministry for Economic Development		
Turkey	Ministry of Environment and Forestry Ministry of Energy and Natural	CSOs: Eurosolar, WWF Turkey, Turkish Technology Development	

	Resources Ministry of Agriculture and Rural Affairs Ministry of Industry and Trade SPO National Climate Change Commission National Sustainable Development Committee State Meteorology Institute Government research institutions: TUBITAK, KOSGEB	Foundation, TOBB. Chamber of Industry, Chamber of Environmental Engineering, Middle East Technical University	
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ABBREVIATIONS and ACRONYMS

ADB	Asian Development Bank
BRIC	Brazil, Russia, India and China
CCA	Common Country Assessment
CCPP	Common Country Programming Process
CDM	Clean Development Mechanism
CEA	Country Environment Analysis
CEE	Central and Eastern Europe
CIS	Commonwealth of Independent States
CPD	Country Programme Document
CSP	Country Strategy Paper
DAC	Development Assistance Committee
DEWA	Division of Early Warning and Assessment
DOCO	Development Operations Coordination Office
EAP	Environmental Action Programme
EBRD	European Bank for Reconstruction and Development
EC	European Commission
EEA	European Environment Agency
EECCA	Eastern Europe, the Caucasus and Central Asia
EEHC	European Environment and Health Committee
EfE	Environment for Europe
EGPRS	Economic Growth and Poverty Reduction Strategy
EIA	Environmental impact assessment
EIONET	European Environment Information and Observation Network
ENP	European Neighbourhood Policy
ENVSEC	Environment and Security
EPA	Environmental Protection Agency
EPR	Environmental Performance Review
ETC	European Topic Centres
EU	European Union
FAO	Food and Agriculture Organisation
FLEG	Forest Law Enforcement Governance
GEF	Global Environment Facility
GEO	Global Environment Outlook
GHG	Green House Gas
GMOs	Genetically Modified Organisms
GRID	Global Resource Information Database
IFC	International Finance Corporation
IFIs	International Financial Institutions
IPA	Instrument for Pre-accession Assistance
ISO	International Organization for Standardization
KFW	Kreditanstalt für Wiederaufbau
MDG	Millennium Development Goals
MEAs	Multilateral Environmental Agreements
MIC	Middle Income Country
MoEF	Ministry of Environment and Forestry
MTS	Medium Term Strategy
M&E	Monitoring and Evaluation
NAP RUNR	National Action Plans on the Rational Use of Natural Resources
NDS	National Development Strategy
NEAP	National Environmental Action Plan

NEHAP	National Environment Health Action Plan
NEFCO	Nordic Environment Finance Corporation
NFP	National Focal Point
NGOs	Non-governmental organisations
NRC	National Reference Centres
OECD	Organisation for European Co-operation and Development
OHSAS	Occupational Health and Safety Advisory Services
OSCE	Organization for Security and Co-operation in Europe
PCB	Polychlorinated Biphenyls
PCT	Polychlorinated Terphenyls
PRSP	Poverty Reduction Strategy Paper
RBM	Result Based Management
REC	Regional Environmental Centre
ROAP	Regional Office for Asia and Pacific
ROE	Regional Office for Europe
SDC	Swiss Agency for Development and Cooperation
SEA	Strategic Environment Assessment
SEE	South Eastern Europe
SMART	Self-Monitoring, Analysis, and Reporting Technology
SOE	State of Environment
SAP	Stabilisation Association Process
TACIS	Technical Assistance for the CIS
UNCT	United Nations Country Team
UNDAF	United Nations Development Assistance Framework
UNECE	United Nations Economic Commission for Europe
UNDP	United Nations Development Programme
UNEG	United Nations Evaluation Group
UNEP	United Nations Environment Programme
UNFCCC	United Nations Framework Convention on Climate Change
UNICEF	United Nations Children's Fund
UNIDO	United Nations Industrial Development Organisation
USAID	United States Agency for International Development
WB	World Bank
WGEM	Working Group on Environment Monitoring
WHO	World Health Organization
WSSD	World Summit on Sustainable Development
WWF	World Wildlife Fund