

THE ROLE OF THE REGIONAL ENVIRONMENTAL CENTER FOR CENTRAL AND EASTERN EUROPE AFTER 2004

1. Purpose of the paper

The Regional Environmental Center for Central and Eastern Europe (REC) was established in 1990 at the initiative of the governments of the US and Hungary, and the Commission of the European Communities. In the 12 years of its existence, the REC has been developing with the region and continuously adapting to new circumstances. The 29 signatories to its charter represent a partnership between the highly industrialised market economies of the north¹ and 16 countries in transition from Central and Eastern Europe (CEE).² The forthcoming accession of a number of CEE countries to the EU will present a historical milestone and may require adjustments by the international institutions and organisations active in Europe.

The Board of Directors of the REC has initiated a strategic discussion within the organisation and with the most important stakeholders about the post-accession role of the REC. This paper summarises the views of the Board and the management of the REC, resulting from the extended meeting of the Board on June 7-8, 2002. Its purpose is to stimulate further discussions within and outside the organisation in order to receive feedback from the REC's clients on the future demand for its services, which in turn could contribute to the strategic development of the organisation.

2. Key achievements of the REC in the past

The mission of the REC has been to assist Central and Eastern Europe in solving environmental problems through cooperation among stakeholders — governments, NGOs and businesses — by promoting public participation and the free exchange of information. The aim was to bolster the transition process by supporting environmental democracy, governance and cooperation. After initial years of direct, untied support from the main donors, the REC began working on the basis of cost recovery for its services (while maintaining its non-profit character). In 2001 the turnover of the REC was EUR 9 million. The organisation currently employs approximately 180 staff in 15 countries.

¹ Austria, Canada, Denmark, Finland, Germany, Italy, Japan, Malta, the Netherlands, Norway, Switzerland, the US and the EC (further donors include France, the Flemish government [Belgium], Sweden, New Zealand and the UK, as well as UNECE, UNEP, UNDP and WHO).

² Albania, Bosnia and Herzegovina, Bulgaria, Croatia, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, FYR Macedonia, Poland, Romania, Slovakia, Slovenia, Turkey and Yugoslavia.

The achievements of the organisation can be illustrated with specific examples:

- Throughout its existence, the REC has been an important **donor intermediary for the NGO sector in the countries of CEE** and has contributed to the development of civil society and democracy.
- The REC has assisted DG Environment by organising a **dialogue between Commissioner Wallstrom and NGOs in candidate countries**.
- With the support of the Toyota Foundation, the REC has developed an **environmental education package, first in Poland and now in other countries**.
- The REC participated in the negotiation of the **Aarhus Convention**, has prepared the UNECE guide for the implementation of this convention and plays a major role in assisting with its implementation in candidate and other CEE countries.
- The REC assisted the Commission in preparing the **6th Environmental Action Programme** by facilitating input from, and formulating the key issues concerning candidate countries.
- The REC worked together with DG Environment in developing and managing the **Cities towards EU Compliance Award** to motivate candidate country municipalities for early implementation of the *acquis communautaire*.
- During the Kosovo conflict, the Yugoslav country office of the REC continued its operation, and a few weeks after the end of hostilities, the REC presented the *Report on the Environmental Consequences of the Kosovo War* to the June 2000 Environment Ministers Council of the EU.
- After the end of violence in the Balkans, the REC formulated the **Regional Environmental Reconstruction Programme** that is led by the Commission and funded by numerous donors.

3. Developments in the region

There is a high probability that ten countries (eight of them from CEE) will join the European Union in 2004. This development will trigger a significant change in the environmental sector in these countries, as well as in their international roles. The worst environmental problems from the past have been eliminated and the new issues are increasingly similar to those found in the EU. A major challenge for new member states will be to implement the *acquis* fully according to their commitments during the negotiations. The largest burden will fall on local and regional authorities, which will have to build the environmental infrastructure required and implement the relevant legislation. For the countries, the challenge will be to break out of their current roles as followers and become active contributors to the development of EU environmental policy and to international cooperation.

The remaining candidate countries will continue with the reforms that they are undertaking at the moment, i.e. capacity-building at government level, legal transposition and negotiations. In these countries the needs — in terms of the physical clean-up and the development of

government institutions, NGOs and environmental service providers — are still considerable (especially in Turkey). In this process they will benefit from the exchange of experience with the first group.

The countries of South Eastern Europe (SEE) are also on the path to harmonisation with the EU through the negotiation and implementation of stabilisation and association agreements with the Union. The countries affected by recent wars and instability have further to go, as institutional development, legal reform and capacity-building in the environmental sector represent a significant contribution to building democracy and securing stability. These countries can also benefit greatly from the exchange of experience with new member states from CEE.

To the east of the current geographic remit of the REC, sister organisations (so-called “new RECs”) have been set up in Moldova, Ukraine, Russia, the Caucasus and Central Asia. The transition period is advancing in this region, but major environmental improvements remain to be seen, and the lack of progress may raise questions about the shape of future donor assistance to these countries. At the Kiev ministerial conference in 2003, a new environmental strategy for the East Europe, Caucasus and Central Asia (EECCA) will be discussed and will mainly depend on the commitment of the countries themselves. Environmental cooperation with the EECCA will remain a tool for building a long-term relationship with these countries, for achieving global environmental objectives in fields such as climate change and biodiversity, as well as for maintaining security.

4. Future relevance of services of the REC in different groups of countries

4.1 New member states

Promotion of environmental issues and priorities in planning and operations of EU Structural Funds and Cohesion Fund: EU regional policy has earmarked approximately EUR 25 billion for projects and programmes in the new member states until the end of 2006. These funds will be allocated according to national development plans, which specify the priority development objectives that the funds can address. Since 1999, the REC has been working with several candidate countries not only to promote environmental development priorities, but also to integrate environmental concerns into all aspects of the programming, through the use of strategic environmental assessment (SEA). The effectiveness of the plans and programmes assisted by EU regional policy instruments are regularly evaluated, including environmental assessment. The REC will continue to employ its expertise in this area to ensure that the environment remains a priority in regional development. At the same time, the REC will assist local authorities and other final beneficiaries, including the local business communities, in preparing high-quality projects and programmes to improve the absorption rate of the available funding in the new member states. Following the activities related to the Structural Funds and the Cohesion Fund, the REC will also develop close cooperation with the Visegrad 4 countries on a subregional level. This type of cooperation will be developed in other areas of REC operations in the new EU member states, as described below.

Post-accession support on local and regional levels: The main burden of implementing the *acquis communautaire* in the new member states will be carried by local and regional authorities and businesses. They have received limited attention and support for capacity-building so far and the deficiencies of these authorities are widely recognised. While the economically viable businesses in most of these countries have already gone a long way towards becoming more resource efficient, the great majority of companies, especially the very large number of micro, small and medium size enterprises still lack the expertise and financial incentives to adapt sound environmental management practices. The REC has been working with various networks of local authorities, like The Sustainable Cities Campaign, and has been supporting the development of local environmental action plans to set cost-effective priorities for action at the local level. The demand for services on these levels will surely grow significantly after accession, since the great majority of EC funds and nationally planned developments are going to be distributed and managed locally. The REC country offices in particular will be in a good position to respond to these diverse needs. Country-specific demands require the degree of accuracy that the local experience of REC country offices is able to provide.

Good governance and public participation, civil society: Legislation concerning access to information, public participation and access to justice is still being developed even at the EU level. It must then be transposed and implemented in the region, requiring significant efforts on behalf of authorities at all levels and on behalf of enterprises, many of which lack an appreciation for involving local communities in the planning and operational activities that will affect the quality of life of those communities. Because of the attention given to environmental governance and democracy in the transition process, this is an area where good practices are emerging in CEE and can be contributed to the wider EU policy debate in the future. The Baia Mare incident has raised new governance issues, such as investment codes. The REC will continue to be a centre of expertise and excellence on this topic for all of Europe.

Support initiatives to implement sustainable development: On September 4, 2002 in Johannesburg, the WSSD declared the commitment of governments to implement the Rio principles in the coming decades. As a globally recognised actor, the REC can facilitate the implementation of sustainable development in the CEE region through its work supporting good governance and the development of sustainable societies and economies. Following the WSSD, the implementation of the Sustainable Development Strategy of the European Union (adopted in 2001) was highlighted by the EC as the guideline for the future of the EU. The implementation of this strategy — also meaning, in the wider framework, the implementation of Agenda 21 — will partly depend on legislative and budgetary decision-making, but an important part will have to be implemented through “soft” initiatives including education, Local Agenda 21, the development of Type 2 (cross-sectoral, interdisciplinary and/or international) partnerships, in cooperation with NGOs, the business sector and local and regional authorities. In this context, the REC’s role as the facilitator of networking, stakeholder dialogue and partnership can be fully exploited.

Support to cooperation on transboundary issues: The environment is a suitable area for international cooperation and a source of understanding, contacts and communication. Solving environmental problems will continue to require trans-boundary cooperation also

within the enlarged EU. For this purpose, initiatives such as the Danube and Black Sea Task Force, and the Baltic Sea Commission have been established. They are particularly relevant for the implementation of the framework Water Directive. The REC participates in the work of these and other initiatives in the Carpathians and on the Sava River. The REC can provide a neutral platform for cooperation among countries and among various stakeholders across borders. For example, the REC served as the secretariat of the Sava River Basin Framework Agreement.

Policy think-tank on specific issues, information and resource centre: The number and capacity of organisations dealing with the environment and sustainable development in Europe is relatively limited compared to the role the EU has been playing in driving the global policy agenda in recent years. The REC is already part of global networks of environmental think-tanks and has developed considerable expertise in fields such as access to information, public participation, access to justice, strategic environmental assessment, pollutant release and transfer registers (PRTRs), environmental management for enterprises, biodiversity and climate change. In cooperation with the Commission and other institutions — such as the EEA in Copenhagen and the Joint Research Centers in Ispra, Italy and Seville, Spain — the REC can provide useful input into specific new policy, methodology and procedure initiatives in the EU.

4.2 Candidate countries

In the candidate countries that will not enter the EU in 2004, **efforts to transpose and implement the *acquis communautaire*** will continue. In these countries the capacity of government administrations needs to be strengthened, as does the functioning of the entire environmental sector: local authorities, NGOs and the business community. The set of activities supporting accession efforts has been well developed in recent years at the REC and these countries will benefit significantly from the experiences of new member states.

The largest and most complex candidate country will remain **Turkey**, where the REC has been developing a work programme for the past two years. Turkey has specific needs that must be addressed along the EU accession process, ranging from raising the environmental awareness of the population, through the environmental performance of the business community, to the development of civil society and capacity-building of the government administration.

4.3 South Eastern Europe

In South Eastern Europe, the stabilisation and association agreements with the EU will provide a strong impetus for environmental harmonisation. The needs, which will be similar to the candidate countries some years ago, will continue to be served through the Regional Environmental Reconstruction Programme. An important additional dimension of environmental cooperation in the Balkans is confidence-building and security through the achievement of common environmental objectives. The work in these countries will also strongly benefit from the exchange of experience and the emerging donor role of the new EU member states.

4.4 Global processes and other regions

In the 12 years of its work, the REC has proven to be a successful tool of international environmental cooperation operating at a more practical level than most classical international organisations. At the same time, it is operating freely and independently of the sometimes challenging domestic circumstances in specific countries. Because of this success in the REC's current region, sister RECs have been established in the EECCA and the potential has arisen to use this model in other regions, including Southern and North Africa. With the focus of international cooperation moving to implementation and governance after Johannesburg, the REC can provide useful experience and expertise to the global community by **sharing its transition successes in CEE with other regions**.

In the pan-European context, transition is coming to a close with EU enlargement, and new foundations for environmental cooperation across the continent will be laid at the **Environment for Europe** ministerial conference in Kiev in 2003. The CEE region will be served within the framework of moving towards EU membership, and the focus will shift to SEE and the EECCA. Within the EECCA framework there will be a strong demand for the transfer of experience from CEE countries. The REC can be a resource for expertise when the new member states assume greater responsibilities as donors.

With the end of transition, **global, regional and subregional conventions** will play an important role in setting and achieving common policy objectives on the European continent. But their development and implementation present an important challenge for countries with insufficient administrative and other capacities. There will be a growing need for capacity-building related to various conventions and for more or less formal mechanisms for monitoring their implementation. The REC has been playing an active role in the framework of the Aarhus Convention, the Accidents Convention, the Sava River Framework Agreement and others.

5. Institutional development of the organisation

The activities of the REC are **project-based**. In past years the organisation made significant efforts to turn towards a more market-oriented approach, and the benefits of this effort can be seen in its growing revenues and activities.

The REC has been adapting to rapidly changing circumstances throughout its existence and will continue to do so in the future as it plays a role in the very dynamic field of environmental protection and sustainable development. In the past the organisation has worked in close cooperation with many governments, international organisations, NGOs, businesses, academic institutions and others, and this networking will remain an important feature of the REC. In the coming years, the organisation has to focus on **servicing the specific needs of groups of countries**, with specific services as outlined above. These services will address the real needs and developments in the subregions, benefiting from the regional transfer of experience. The **expertise and capacity of the staff** will be further improved in order to continue the process of contributing to the development of environmental quality, involving the CEE perspective on the pan-European level.

The REC owes its existence to the global partnership that was formed to found the organisation and launch its activities. The institutional future and success of the REC is of political importance for **Hungary**, as the host country, and for other CEE countries as the main constituents. Their support to the organisation has been growing and is expected to become even stronger after accession. The REC's relationship with its major global donors — the **EU** (Commission and member states), the **US** and **Japan** — will remain of major importance. This is because the CEE countries will be playing a more active role in international cooperation and because the REC is a successful joint initiative that can also serve as a model for cooperation at the global level. The **legal and governance set-up** of the REC, with the participation of a widening group of countries, and the independence of the Board of Directors, provides a solid basis for adapting to the demands of the future.

6. Conclusions

Despite the approaching end of political and economic **transition** in Central and Eastern Europe, the **demand for environmental cooperation** at local, national, EU and international levels continues to grow. Through 12 years of existence, the REC has proven to be a viable, independent organisation providing services to governments, local authorities, NGOs and businesses. The transfer of experience and expertise, as well as the facilitation of stakeholder cooperation remain important tools for the progress towards sustainable development.

In particular, the REC offers to evolve its key activity areas.

For new CEE member states in the EU, the REC will:

- provide post-accession support to local and regional governments and to businesses for full implementation of the *acquis communautaire*;
- promote good governance and public participation (assistance to civil society);
- support initiatives to design and implement sustainable development;
- work as a policy think-tank on specific issues; and
- act as an information and resource centre for sustainable development with a mission to bridging regions in Europe.

For candidate countries and SAA/SP³ countries, the REC will:

- raise awareness about country-specific issues and solution alternatives;
- promote experience exchange and cooperation among/between countries of Western, Central, Eastern and South Eastern Europe;
- facilitate stakeholder dialogue;
- build capacity at all government levels and in the business community;
- help transpose and implement the EU *acquis communautaire*; and
- support grassroots NGO programmes.

In the context of global processes and other regions, the REC will:

- become a focal point for information on experiences in sustainable development implementation worldwide;

³ Countries having stabilisation and association agreements, signatories of the Stability Pact.

- support policy development in the Environment for Europe process;
- promote the implementation of global, regional and subregional conventions;
- facilitate, within the EECCA framework, the transfer of experience from CEE; and
- disseminate the successes of transition from CEE to other regions.

In the years following the accession of the first group of new CEE member states, the REC's services will be needed in different but interconnected ways within the EU, in the remaining candidate countries, in South Eastern Europe and on the global level. To deliver these services successfully, the REC has to maintain the **close cooperation** that has been developed since 1990 with the CEE countries, the US and Japan, the Commission, other EU member states, international organisations, private foundations and other stakeholders.