

The Environmental Program for
Working Table II of
the Stability Pact for South Eastern Europe

**Regional Environmental Reconstruction
Programme
for South Eastern Europe
(REReP)**

Based on the initial concept developed at the
SEE ministerial meeting held in Skopje, Macedonia,
on March 15-16, 2000

Prepared by:
The Regional Environmental Center for Central and Eastern Europe

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THE REGIONAL ENVIRONMENTAL CENTER
for Central and Eastern Europe

**Regional Environmental Reconstruction Program
for South Eastern Europe**

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1. Executive Summary

As the secretariat for the Regional Environmental Reconstruction Program (REReP) Task Force, the REC relies on its decade of experiences implementing environmental projects in the countries of Central and Eastern Europe to prepare this document on behalf of the countries of South Eastern Europe. This paper describes in detail a *Regional Environmental Reconstruction Program for South Eastern Europe* (REReP for SEE) for implementation within the framework of the Stability Pact for South Eastern Europe.

Priority Components

As agreed upon by the Ministers of Environment of the SEE countries in Skopje, Macedonia, on 15-16 January, 2000, the proposed program consists of the following five priority components:

- 1. Institutional strengthening and policy development**
- 2. Environmental civil society building**
- 3. Emergency Assistance for Combating War Damage**
- 4. Reinforcement of existing cooperative mechanisms and structures and development of regional cross-border projects**
- 5. Support to Priority National and Local Environmental Projects**

1. The **Institutional strengthening and policy development** component will consist of the following activities (see Annex B for detailed project concepts):
 - Development of a Joint Environmental Action Plan for the SEE region, which outlines medium- and long-term priorities for development of environmental management in SEE;
 - Development of a Regional Investment Strategy for SEE;
 - Assistance to SEE governments in Drafting Environmental Laws;
 - Capacity building of Environmental Impact Assessment and Strategic Environmental Assessment policy in SEE countries, as well as Environmental Auditing and Environmental Management Systems in SEE;
 - Development of Economic Instruments in Environmental Policy, with a particular accent on development of Environmental Funds
 - Membership and cooperation with EEA, joint development of a regional monitoring system, and harmonization of information/monitoring systems and methodologies (including bio-monitoring) with EU standards.
 - Strengthening the capacity of the national EPAs and their Inspectorates
 - Development of national information systems
 - Strengthening of the capacities for approximation of environmental acquis
 - Regional strategy for hazardous waste management
 - Regional strategy for cleaner production centers
 - Support for ratification and implementation of multilateral environmental conventions, with a special emphasis on the Århus Convention and those conventions related to biodiversity issues.
 - Establishment of a *Regional Biodiversity Forum*, development of a regional ecological network, and establishment and support of national biodiversity support groups.
 - Institutional Strengthening in BiH of MoE RS and MoE Federation B&H.
2. The **Environmental civil society building** component will consist of the following activities (see Annex B for detailed project concepts):
 - Development of regional environment press center for SEE
 - Development of strategy for implementation of Århus convention
 - Promoting Networking and Cooperation of Environmental NGOs: Establishment of electronic computer networks on national and regional level
 - Development of Balkan center for sustainable development
 - Development and Strengthening of NGOs
 - Assistance to the Development of Environmental Legal Advocacy/Advisory Centers
 - Regional Environmental Emergency Response and Early Warning Center

3. The **Emergency assistance for environmental infrastructure and combating war damage:**
 - Assessment of the war consequences related to the refugee flow to Albania and Macedonia
 - Remediation plan (see list of national priorities and regional context - Annex A)
4. The **Reinforcement of existing cooperative mechanisms and structures and development of regional cross-border projects** component will consist of the following activities (see Annex B for detailed project concepts):
 - Participation in the International Commission for the Protection of the Danube River (see list of Danube River projects - Annex A)
 - Participation of SEE countries in ongoing international processes
 - Implementation of priority cooperative projects with a regional dimension (see list of identified projects - Annex A)
5. The **Support to priority national and local environmental projects** component will consist of the following activities (see Annex B for detailed project concepts):
 - Development or Revision of NEAPs
 - Strategy for development of LEAPs
 - Capacity building of the local municipalities
 - Local sustainable development
 - Elimination of top-priority environmental hazards (see list of identified priority projects - Annex A)

Implementation

As agreed and endorsed by the SEE Ministers of Environment at the ministerial meeting in Skopje, Macedonia, on 16 March 2000, the implementation of the Regional Environmental Reconstruction Program will be facilitated by a special Task Force co-chaired by an SEE country on a rotating basis and the European Commission. The Regional Environmental Center for Central and Eastern Europe (REC) will act as the secretariat for this Task Force.

The regular meetings of the REReP Task Force, as well as those of the Stability Pact for SEE, will offer a high-level framework in which progress can be monitored and activities co-ordinated – both among the SEE countries and within the international donor community. Furthermore, the individual program components will be implemented in cooperation with the institutions already active in cross-border projects in the SEE region.

The national ministries in each of the SEE countries will take the leading role in identifying projects, selecting qualified implementing agencies to carry out these projects and negotiating the terms of financial support for these projects with donors. The Regional Environmental Center for Central and Eastern Europe (REC) as REReP Secretariat will assist in this process to the extent requested, and upon request of the SEE national ministries, the REC may also serve as the implementing agency. In implementation, emphasis should be given to the involvement of the SEE ministries of environment, and other organizations from the region as a matter of priority.

The donors will provide funding to specific projects according to their rules and procedures in a coordinated manner. In this framework, the implementing agencies will be charged with ensuring the monitoring and reporting of the progress and results of the projects. This should include regular reporting to the REReP Task Force and to the public.

Timeframe

The overall implementation of the Regional Environmental Reconstruction Program will be fulfilled over a period of five years. Activities have been broken down into short-term “quick start” projects, which will be implemented in the first two year.

These short-term projects will be followed by medium- and long-term projects that will begin in year three and will build upon the achievements of the initial “Quick Start” activities (see Annex A for “Quick Start” project status).

Total Program Budget

The total budget is estimated at **70 million Euro over 5 years**, apart from the national and local priority projects. The costs for the individual program components are estimated at:

• Institutional strengthening and policy development	11,200,000 EUR
• Environmental civil society building	14,300,000 EUR
• Emergency Assistance for environmental infrastructure and combating war damage	35,000,000 EUR
• Reinforcement of existing cooperative mechanisms and structures and development of regional cross-border projects	9,500,000 EUR
• Support to Priority National and Local Environmental Projects	XXXXXX EUR

“Quick Start” Projects

At the March 16 ministerial meeting, the SEE Ministers of Environment identified a list of “Quick Start” environmental projects which should be implemented within the framework of the Stability Pact for SEE in the short term. These projects have been prepared as a “first phase” of work under the REReP, and are currently prepared to be implemented within a two-year period, beginning in mid-2000.

“Quick Start” Budget

The total budget for the “Quick Start” projects is estimated at **30.2 million Euro over 2 years**. The costs for the individual program components are estimated as follows (see Annexes A and B for further “Quick Start” project information):

• Institutional strengthening and policy development	6,200,000 EUR
• Environmental civil society building	6,200,000 EUR
• Emergency Assistance for environmental infrastructure and combating war damage	7,300,000 EUR
• Reinforcement of existing cooperative mechanisms and structures and development of regional cross-border projects	3,350,000 EUR
• Support to Priority National and Local Environmental Projects	7,150,000 EUR

2. **Introduction**

During the past decade of war, instability and slow post-communist reform in the Balkans, both the societies and the environment of the region have suffered greatly. At this crucial time, when reconstruction efforts are beginning rapidly in South Eastern Europe (SEE), it is essential to undertake a ***cooperative regional approach*** to ensure that reconstruction activities are carried out in the most efficient and effective manner possible and to encourage that all of the countries in the region develop simultaneously and are equally prepared to enter into wider international processes in the future, including movement toward full integration into European Union structures. Coordination of such cooperative activity is at the heart of the Stability Pact for South Eastern Europe.

Environment

Among the issues that are of particular importance to the lives and well-being of the people of the region today, is that of ***environmental management and protection***. This issue is also relevant for the SEE country governments in terms of institutional capacity building and assimilation to the standards of the European Union.

Notably, environment can play an important role in the reconstruction process because environmental issues, which are often transboundary in nature, have historically been ***a means of establishing cross-border cooperation*** and facilitating networks between countries. Additionally, the issue of environment can contribute to the aims of the Stability Pact as environmental cooperation is widely recognized as ***a politically neutral issue*** on which common agreements can be easily formed, and which can contribute to the establishment of transboundary networks and cross-border agreements throughout the SEE region.

Today, the ***environment of SEE is seriously neglected*** - including post-war damage, insufficient institutional infrastructure, decaying industrial systems, and a legacy of years of unchecked pollution. Additionally, the environmental institutional capacity in the national and local governments is seriously weakened and environmental civil society in SEE is in crisis. This is evidenced by inadequate legal frameworks, little public participation in decision-making, a low number of NGOs, and a lack of public awareness - particularly regarding environmental issues - throughout the region.

Based on the experiences of transition in the current EU candidate countries of Central and Eastern Europe, it is clear that not only are ***short-term environmental investment projects*** readily acceptable and useful to governments and local communities, but that significant medium- to long-term benefits can be achieved if environmental concerns are properly integrated into any reconstruction strategy from the very beginning.

It is imperative that activities focusing on economic reconstruction be carried out with a view to ***long-term sustainable development***, rather than opting merely for short-term solutions. Therefore, adequate funds for environmental projects should be earmarked and environmental impact assessments (EIAs), strategic environmental assessments (SEAs) and viable environmental investment strategies outlining the involvement and responsibilities for domestic institutions, should be developed and followed.

History

The concept of a regional environmental reconstruction program was originally submitted by the *Regional Environmental Center for Central and Eastern Europe* (REC) to the European Commission in September 1999, and was presented by the Commission at the first meeting of the Stability Pact Working Table II on economic reconstruction, development and co-operation in Bari, Italy, on 9 October, 1999.

Inspired by this concept, the Ministers of Environment of the SEE countries met in Skopje, Macedonia, on 15-16 March, 2000, to call for the development of a detailed *Regional Environmental Reconstruction Program* (REReP) for SEE to be implemented under the Stability Pact. At the Skopje meeting, the SEE environmental ministers also endorsed the establishment of a REReP Task Force for South Eastern Europe and named the REC as secretariat.

This paper has been prepared by the REC on behalf of the SEE countries. It sets forth the ***Regional Environmental Reconstruction Program*** for South Eastern Europe, which presents the priorities for environmental activities in the Balkan region as endorsed by the SEE Ministers.

This program has also been designed in part *to assist international donors in coordinating* their environmental reconstruction efforts, in order to prevent duplicity of activities and to maximize efficiency in the process. Toward this end, it is essential that the program be based on the goal of utilizing - to the greatest extent possible - the structures and resources already existing in SEE, rather than importing expensive equipment and personnel. Additionally, the use of technologies and expertise from the countries of Central and Eastern Europe, which themselves are successfully emerging from a period of transition and post-communist rehabilitation, should be given priority as a cost-effective means for achieving program goals.

Finally, building on the ongoing initiatives already underway in the Balkan region and relying on the experiences gained from the EU enlargement process in the CEE region, this program also presents a number of concrete activities that could *contribute to meeting the objectives of the Stability Pact* for South Eastern Europe.

In sum, it is widely recognised that the environment can play a leading role in generating regional stability, and environmental cooperation is viewed as a politically neutral issue which can contribute to the establishment of transboundary agreements and cooperative networks in the SEE region. Based on this understanding, it is envisioned that this *Regional Environmental Reconstruction Program* offers an early concrete step to be taken within the framework of the Stability Pact for South Eastern Europe.

3. Background

In response to the war activities in Kosovo, the Stability Pact for South Eastern Europe was established on June 10, 1999.

The Pact seeks to encourage *stability through support for regional projects* and implementation will be through Working Tables. A South Eastern European Regional Table has been created, chaired by a special coordinator. This group will coordinate the activities of three sub-groups:

- Working Table on democratization
- Working Table on economic reconstruction, development and cooperation
- Working Table on security issues

This paper has been prepared at the direct request of the countries of SEE to develop a comprehensive plan to address the *environmental problems of the South Eastern European region*. It serves as a follow-up to the discussion paper presented by the European Commission to the first meeting of the Stability Pact Working Table on economic reconstruction, development and cooperation in Bari on 9 October, 1999.

This paper describes in detail the program priorities as identified by the country representatives of SEE countries.

4. Program Rationale

Integration into international processes

The activities described in this paper should be considered in the context that the South Eastern European Region will be moving closer to the European Union with the perspective of full integration into EU structures.

Importance of Environment

Strong environmental institutions, infrastructure and standards are important elements of assimilation and integration into the EU structures. Additionally, it is widely recognized that environmental cooperation is a politically neutral issue which can contribute to the establishment of transboundary agreements and cooperative networks, and thus can play a leading role in generating stability in the SEE region.

Environment as Catalyst for Regional Cooperation

The Stability Pact for South Eastern Europe seeks to foster lasting peace, property and stability throughout the region affected by many recent conflicts. Regional cooperation is one of the fundamental instruments to achieve the objective of the Stability Pact. Environmental cooperation can play a very useful role in fostering wider regional cooperation and is now recognized as one of the key regional activities that can contribute to the overall aims of the Stability Pact. Experience from other regions in Europe has shown that it has been possible to reinforce regional environmental cooperation in spite of wider political difficulties. This, in return, has helped to foster wider political dialogue. Thus in South Eastern Europe, regional cooperation in the field of environment can foster greater regional cooperation also in other areas and thereby can contribute to the reconstruction of the institutions, governments and viable civil society in the region.

Geographic Focus

The main geographic focus of the program will be Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Federal Republic of Yugoslavia Macedonia, and Romania. Yugoslavia will be included as appropriate. Other EU countries and candidate countries in the region will play a role in the implementation of the program by sharing their expertise, technologies and experiences in regional cooperation and in the EU accession process.

Environment: quick results and long-term benefits

As the REC's experience in CEE demonstrates, *short-term projects* which focus on the development of environmental institutions and infrastructure are *readily accepted by governments and communities* and can be quickly evidenced as having a tangible, beneficial impact on the quality of life of individuals. The REC, and the many other cooperating environmental agencies that are currently operating in the SEE region, are well-equipped to immediately begin working with SEE governments to implement such projects.

In addition, the integration of environment into the very beginning of the reconstruction process will ensure that all activities will serve to foster the *long-term sustainable development* of the region. Any reconstruction process of the Balkan region must focus on long-term effects if the goal is to develop stable, democratic and pluralistic societies, which are economically viable and which are able to solve their own problems themselves in the long run.

5. Program Priorities

The SEE governments have identified five priority components for the REReP for SEE, each of which consist of various projects. All five components are seen as being interlinked, thus forming a comprehensive approach to addressing the environmental dimension of the reconstruction process in South Eastern Europe. Real, long lasting results will only be achieved if all five components are fully implemented:

- 1. Institutional strengthening and policy development**
- 2. Environmental civil society building**
- 3. Emergency Assistance for Combating War Damage**
- 4. Reinforcement of existing cooperative mechanisms and structures and development of regional cross-border projects**
- 5. Support to Priority National and Local Environmental Projects**

5.1 Institutional Strengthening and Policy Development

The existence of proper, credible and democratic institutions is a precondition for smooth integration of the Balkan countries into the international community. The experiences of other countries in Central and Eastern Europe demonstrate that strong in-country institutions play a critical role in determining the success of foreign-aid programs. Additionally, the experience gathered within the Environment for Europe Process shows that technical measures, such as investment projects, are only successful – even possible – after sufficient management capacity has been established at various levels within the country.

Regional environmental co-operation between the South Eastern European Countries requires that those countries have strong and functioning environmental institutions. The goal of this programme component is to assist the South Eastern Europe Countries in the development of sound environmental legal and policy framework, and strong environmental institutions.

The countries of the South Eastern Europe Region have expressed their wish to learn from the experience that other CEE countries gained during their process of economic transition and integration with international structures. The experiences relevant to the South Eastern Europe Region should be identified and a process of capacity-building and know-how transfer initiated with an objective of developing a functioning legal, institutional and policy framework. Local experts will be involved throughout the entire process in order to develop local capacity.

This program offers a method for institutional and policy development which emphasizes mutually supportive cooperation among SEE countries - also involving the current EU candidate countries of CEE - to develop networks to share information, technology and expertise.

The main general elements of this component are:

1. Assistance in Policy Development

The first element will provide support for the development of environmental policy throughout SEE. In the short-term, an assessment of the current state of policy development will be carried out in each country in order to determine the level of preparation of the national environmental action programs and national environmental investment strategies. Experts will be provided (from the west as well as from neighboring CEE Accession Countries with recent experience in policy development through transition) to review the existing strategies or help develop new ones, and to assist throughout the process of their adoption by the relevant bodies, such as the national government and/or the parliament. A selected list of priority issues per country will be identified and recommendations will be made in terms of the use of relevant policy instruments and in terms of their implementation.

2. Assistance in Law Drafting

The second element will provide support in reviewing existing environmental laws and regulations and drafting new ones, which will be striving towards approximation with the environmental legislation of the EU. Experts will be provided who will examine the current state of law development in each SEE country, propose a sequence of laws to be adopted and help prepare first drafts.

3. Assistance in Institutional Development

The third element will provide support in reviewing existing environmental institutions, their effectiveness and capacity to deal with the environmental agenda. An assessment of the functionality of the existing environmental institutions will be a first step, followed by a proposal for a new set up, if necessary, and the provision of expert advice throughout their establishment. Particular attention will be paid in reinforcing the implementation and enforcement of environmental legislation, also through network of inspectorates in the region. Furthermore a system of twinning with long-term advisors from Western Europe or the Accession Countries will be established.

4. Reinforce communication in the region

Another activity that will be essential for increasing the capacity of environmental decision-makers in the short-term will be to reinforce the communication between government, NGO's and other stakeholders in the region. This would be done through the dissemination of communication equipment, particularly computers, and by developing expertise in the establishment and use of Information Systems. Priority areas may include environmental information systems for the public and experts, emergency management and disaster warning systems and environmental monitoring systems for air, soil, water and waste. As the recent REC and UNEP/BTF analyses of the effects of the Kosovo crisis have shown, electronic systems for monitoring, are urgently required in many parts of South Eastern Europe.

5. Assistance in Environmental Curricula Development in Universities

The final element, which is envisioned for implementation in the medium to long-term, will provide support to the development of environmental curricula at universities in the SEE countries. Training will be provided to qualified lecturers, including study visits to EU and Accession Countries, and teachers and lecturers will be supplied to selected universities.

Toward these ends, the specific activities that have been identified by the SEE ministers under the **Institutional and Policy Development** program component are as follows:

- To develop a Joint Environmental Action Plan for the SEE region, which outlines medium- and long-term priorities for the development of environmental management in SEE;
- To develop a Regional Investment Strategy for SEE;
- To assist the SEE governments in Drafting Environmental Laws;
- To build the capacity of Environmental Impact Assessment and Strategic Environmental Assessment policy in the SEE countries, as well as Environmental Auditing and Environmental Management Systems in SEE;
- To develop Economic Instruments in Environmental Policy, with a particular accent on the development of Environmental Funds
- To promote membership and cooperation with the EEA, the joint development of a regional monitoring system, and harmonization of information/monitoring systems and methodologies (including bio-monitoring) with EU standards)
- To strengthen the capacity of the national EPAs and their Inspectorates
- To develop national information systems
- To strengthen the capacities for approximation of environmental acquis
- To develop a regional strategy for hazardous waste management
- To develop a regional strategy for cleaner production centers
- To support the ratification and implementation of multilateral environmental conventions, with a special emphasis on the Århus Convention and those conventions related to biodiversity issues.
- Establishment of a *Regional Biodiversity Forum*, development of a regional ecological network, and establishment and support of national biodiversity support groups.
- To particularly assist in the institution building in both entities of Bosnia and Herzegovina

5.1.1 Environmental Action Plan for South Eastern Europe

The objective of an Environmental Action Plan for SEE will be to integrate environmental concerns into reconstruction and development. With this in mind, the SEE Ministers of Environment have identified the priority and “quick start” environmental projects that should be undertaken in SEE in the short-term. Among these projects, special emphasis has been placed on the strengthening of environmental institutions and implementation structures, on promoting regional co-operation in solving environmental problems and on developing a coherent investment strategy, in order to ensure that environmental projects are carried out efficiently and effectively throughout the region.

This list will be expanded by the REReP Task Force over the next five years, as the environmental needs of the SEE region change through the process of reconstruction. The development of this priority list will serve as the Regional Environmental Action Plan for SEE, and the oversight of the implementation of these priority projects by the REReP Task Force and its secretariat, will be a priority over the life of the 5-year environmental reconstruction program.

5.1.2 Development of a Regional Investment Strategy for SEE

The preparation of a broad environmental investment strategy in the field of environmental infrastructure in the region will be launched in the short-term. Modelled on the basis of the recently launched PEPA program (Priority Environmental Investment Program for Accession) for the EU applicant countries, the main objective will be to give assistance to the SEE countries in designing a common cost-effective priority investment strategy and program. Such a strategy would also look at the mobilization of resources for implementation, both nationally and from external sources. The program will include the development of common and country investment strategies and the identification of priority project pipelines.

Priority should be given to those investments linked with the approximation activities, and particular attention will be given to the sectors requiring heavy infrastructure investments under the EU environmental legislation: air, water, waste management and industrial pollution control.

The regional dimension should be considered in the development of the country investment strategies. This would imply the need of a careful assessment of the transboundary and regional dimension of the identified projects (e.g. the Black Sea and the Danube). Additionally, the regional environmental investment strategy will need to be based not only on cost-benefit analyses, but also on human health considerations, as well as the fulfilment of international conventions. An appropriate link with the reinforcement of existing mechanisms and structures for regional environmental co-operation should also be ensured.

As some countries in this region (namely Bulgaria and Romania) will also benefit from EU and other external assistance for environmental infrastructure investments, an adequate link should be established between this program and the program for accession countries (PEPA). Contact with other IFI's and bilateral donors will be an essential component of the environmental investment strategy preparation.

5.1.3 Drafting of Environmental Laws

Strong, functioning systems of environmental laws are essential in each SEE country to provide a framework for all environmental reconstruction activities. Environmental law experts from the CEE countries, the EU and elsewhere will serve the important function of assisting the SEE countries in reviewing their existing laws and providing expertise in drafting and implementing new ones.

Experience has shown that laws related to biodiversity protection are particularly weak in SEE and should be strengthened to facilitate the development of cross-border agreements on transboundary biodiversity “protection areas,” such as those already developing regarding the Danube River, the Black Sea, Ohrid lake, and Lake Prespa.

5.1.4. Capacity building of Environmental Impact Assessment and Strategic Environmental Assessment policy in SEE countries, as well as Environmental Auditing and Environmental Management Systems in SEE

One of the most important instruments of modern environmental protection is the Environmental Impact Assessment (EIA), and the closely linked Strategic Environmental Assessment (SEA). There are many international regulations requiring that EIAs be performed, in order to determine the impact that a

new activity will have on the environment. Additionally, many western governments are embracing the idea that strategically approaching a total development process via an SEA program is the most effective means of ensuring optimal, sustainable development in the long-term.

In an international context, the most important agreement on EIA is the UNECE Convention on Environmental Impact Assessment in a Transboundary Context (Espoo Convention) - which five SEE countries have ratified, as well as most Stability Pact donor countries, including the EC. Regionally speaking, many of the current EIA systems in CEE and SEE are modelled after the EU directive on environmental assessment of certain projects (85/337/EEC).

In the process of reconstruction, Environmental Impact Assessment (EIA) and Strategic Environmental Assessment (SEA) policy will be particularly important for the SEE countries in the short-, medium-, and long-term. In the short-term, it is essential that the SEE governments have sufficient capacity to ensure that emergency and “quick start” Stability Pact investments are conducted with proper integration of environmental concerns. In the longer-term - when these governments are themselves overseeing investment and development activities - it will be essential that there is a strong basis of policy and understanding in place to ensure proper environmental planning into the future.

This sub-component seeks to promote the development of EIA/SEA policy in SEE by first developing EIA/SEA guidelines for SEE, supporting the drafting of EIA laws, providing training for SEE government authorities, and developing regional and national networks of EIA and SEA professionals throughout the region.

Additionally, this program sub-component will employ similar methodology to develop or upgrade national Environmental Assessment /Environmental Management Systems (EA/EMS) in SEE to meet international EA/EMS standards

5.1.5 Development of Economic Instruments in Environmental Policy, with a particular accent on development of Environmental Funds

Integrating environmental concerns into economic development and sectoral policies is widely regarded as a top priority in both developed countries and economies in transition. Experience in both western countries, as well as those in the CEE region, illustrate that in many cases well-crafted domestic economic policies and appropriate investment strategies can serve to improve the environment. The introduction of environmental funds, environmental tax reforms, and the review of existing subsidy policies have also been linked with continued economic restructuring and improved economic performance.

In those countries of South Eastern Europe where economic reconstruction and development may proceed quickly in the coming years, there will be many possibilities to seize short-term “win-win” opportunities, such as promoting energy efficiency, and create long-term sustainable signals to the economy through sound tax and spending policies. As experience from developed countries illustrate, failing to anticipate these opportunities often proves to be both environmentally damaging and economically costly later.

This sub-component seeks to actively support the formation of cross-sectoral, high-level working groups to discuss early strategies for green budget reform on the national level and to reinforce these national efforts with the exchange of experience from other countries in CEE and from the west.

5.1.6 Membership and cooperation with EEA, joint development of a regional monitoring system, and harmonization of information/monitoring systems and methodologies (including bio-monitoring) with EU standards

Accession to the EEA is viewed as an important step for the SEE countries in approximating their environmental practices to the standards of the rest of Europe.

Within the framework of EEA accession, SEE countries will aim to achieve the following goals: i) membership and cooperation with EEA, ii) joint development of a regional monitoring system, and iii) harmonization of information/monitoring systems and methodologies (including bio-monitoring) with EU standards.

In order to achieve this, working groups made up of SEE country representatives and EEA representatives will be established which will improve understanding and mechanisms of the EIONET network. Best practices in environmental information collection will be introduced, and the harmonization of methodologies in environmental monitoring to EC standards will be pursued and discussed within the above forum. Mechanisms to improve reporting and dissemination compliant with the Aarhus Convention and in respect to “indicator” monitoring will be examined. This will also provide a useful template for local governments wishing to become part of the EIONET in the longer term.

5.1.7 Strengthening the capacity of the national EPAs and their Inspectorates

Most of the SEE countries have created an environmental protection agency (or equivalent administrative body), which include environmental inspectorates. Today, unfortunately, these EPAs remain weak institutions in all SEE countries, and there is a great need to increase their capacities in the field of law enforcement, pollution and environmental damage control and prevention.

The activities under this sub-component will seek to strengthen these institutions by first assessing the state of these EPAs and inspectorates within in the legal, institutional and professional context. This will be followed by the creation of links with regional networking of other European and regional environmental Inspectorate and of a regional network of inspectorates representing Stability Pact countries. These networks will work together to facilitate information-sharing trainings, publication of training materials, capacity building to implement regulations, and development of environmental information systems (such as PRTRs). Additionally, this sub-component will ideally provide the SEE EPAs and inspectorates with equipment for monitoring and other supplies necessary to realize these goals.

5.1.8 Development of national information systems

National environmental information systems are based upon electronic tools that supports the collection, storage and accessibility of environmental information to decision-makers and increasingly the public. These tools not only contribute to informed and efficient decision-making, but improve the transparency and accessibility of governments and regional multi-stakeholder cooperation. This contributes to EC proposals for a User Friendly Information Society, compliance with the Aarhus Convention, EEA/EIONET integration and European security, critical in the SEE Stability Pact states.

The activities under this sub-component will support the implementation of national information systems within Environment Ministries throughout SEE via an initial needs analysis and regional workshop which would bring together experienced users to discuss best practices and respond to frequently asked questions. This will help identify other priorities and will be followed by an IST implementation and expert forum to exchange know-how and “troubleshoot” in partnership with experienced IT operators, thereby ensuring maximum benefits.

5.1.9 Strengthening of the capacities for approximation of environmental acquis

All SEE Stability Pact countries have committed themselves to harmonizing their environmental legislation with the European Union, with a possibility of future membership in the EU. The EU Environmental Acquis comprises a complex system of more than 300 pieces of legislation which will need to be transposed into the country legislation, implemented and enforced in practice. New institutional mechanisms will have to be developed to carry out these complex tasks. This sub-component has an objective of strengthening the capacity of the beneficiary countries for implementation of EU environmental acquis. Experts from the West and from CEE will conduct an initial needs analysis, followed by trainings and capacity building. workshops, assistance in policy and strategy development., and - ultimately - assistance in implementation..

5.1.10 Regional strategy for hazardous waste management

The problem of hazardous waste management and transport of hazardous waste is a problem common for all SEE countries. *The Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal* is a good basis for dealing with this issue. This sub-component will improve the exchange of experience and expertise in the area of hazardous waste management in SEE with the ultimate goal of drafting a Regional Strategy on Hazardous Waste in SEE. This will be done through regional networking and capacity building., drafting the Regional Strategy., and assistance in implementation..

5.1.11 Regional strategy for cleaner production centers

The basic concept behind the Cleaner Production (CP) is that by replacing out-of-date technologies with new ones, businesses can obtain more profitable production and reduce waste. In addition, the idea of CP includes an understanding that a change of materials used in the process of production, as well as promoting the recycling of materials - can be a benefit to both industry and the environment.

The main objectives of this sub-component are to establish an appropriate institutional and legal framework that will promote the CP concept in the field of environmental management in the SEE region at the level of state administration and local self-government over a five year period. It also seeks to build capacities facilitating CP promotion and implementation by individual entities step-by-step by establishing a system for information sharing, increasing the demand for CP, and providing funds for CP implementation.

In order to reach small and medium-sized enterprises, it is necessary to establish regional CP facilities, supported by the local state administration and local self-government, local industry and other entities in the SEE region. The network of such centres will be able to provide appropriate conditions for channeling of structural funds of the EU in future.

5.1.12 Support for ratification and implementation of multilateral environmental conventions, with a special emphasis on the Århus Convention and those conventions related to biodiversity issues

Multilateral environmental agreements (MEAs) are one of the main means for the fixing of international environmental norms into binding rules. The countries of South Eastern Europe have a relatively low rate of accession to MEAs and face obstacles in implementation due to reduced resources and fundamental restructuring of authorities and enforcement mechanisms.

The objective of this sub-component is to promote, in a coordinated, integrated and focussed manner, the applicability of relevant MEAs to assist in the solution of priority environmental problems in the SEE countries, both regionally and on a country-by-country basis. Biodiversity-related conventions (including CBD, Ramsar, CMS, World Heritage, CITES) have been identified as priorities for the region among conventions in force. Particular projects may include, for example, assistance in implementing National Biodiversity Strategies and Action Plans (NBSAPs). The Aarhus Convention has been identified as a priority convention for support of its ratification and coming into force.

Activities will include an assessment phase, in which SEE countries will be individually assessed to determine the applicability (coverage) and level of implementation of particular MEAs, with attention to employment of global, regional (e.g., UN/ECE), subregional (e.g., Black Sea), and bilateral instruments, efficiency of resource allocation, and identification of problem areas in implementation and compliance. This will be followed by an examination of the links between priority environmental issues, as identified by the recipient countries, and the results of the assessment. One possible outcome of this phase might be recommendations about negotiation of new bilateral or multilateral agreements on particular matters, for example, sub-agreements under the UN/ECE Convention on Protection and Use of Transboundary Watercourses and International Lakes.

To support extension of identified priority MEAs, support may include direct assistance in formulation of domestic legislative and administrative measures, including assistance in drafting; white papers and other reports employing a regional perspective; capacity-building through exchanges of information and experience and subregional conferences; facilitation of contacts with international organizations and institutional arrangements; and response to requests from recipient countries for specified expertise. Activities will be undertaken in close cooperation with convention secretariats and other relevant bodies in order to maximize effective use of resources.

5.1.13 Establishment of a Regional Biodiversity Forum, development of a regional ecological network, and establishment and support of national biodiversity support groups

Many of the biodiversity concerns in the SEE region span national borders. The sub-component seeks to set up a forum that will bring together the main organisations, experts and stakeholders in the region in order to discuss biodiversity issues. The Forum will represent the key meeting point for the identification

and the implementation of a sound common strategy to address conservation issues. It will help to feed into the overall Regional Environmental Action Plan.

The Regional Biodiversity Forum will establish and give support to National Biodiversity Support Groups. These groups will have the double role of bringing the experiences of each country into the Regional Biodiversity Forum and of bringing the recommendations of the Forum to the attention of the relevant stakeholders back in each country. Members of National Biodiversity Support Groups will be put into contact with international networks of experts in their specific fields and will also be able to feed biodiversity issues into NEAPs.

This region-wide collaboration process will allow the identification of possible gaps in the countries in addressing nature conservation and in the actions taken to integrate the necessary economic development. This will allow timely reorientation of ongoing activities as well as the identification of new activities to be implemented, according to the results of the previous phases. The Regional Biodiversity Forum will assure a continuous monitoring of the progress made both at regional and at country level.

Though the initial stage of the forum will identify in more details its own activities, specific areas of discussion have already been identified in: the development of a Regional Ecological Network, the identification of Action Plans for species (including plants) including the identification of important plant and bird areas. The Regional Forum will meet annually and the National Biodiversity Support Groups will meet twice per year.

5.1.14 Institutional Strengthening in BiH of MoE RS and MoE Federation B&H.

In the nascent country of Bosnia and Herzegovina - which today operates under the provisional constitution established by the 1995 Dayton Agreement - the environmental institutions in the country's two distinct entities face enormous obstacles to create, implement and enforce environmental policy.

Problems such as a non-unified legal structure, lack of resources in the ministries and insufficiently trained employees are evident in both entities. This sub-component has been included at the request of the Environmental Steering Committee for BiH in order to address these problems and to support the strengthening of environmental institutions and policies in the country at all levels.

5.2 Environmental Civil Society Building

An active and sustainable *civil society* is requisite of a stable democracy and regional stability and security. Therefore, support to civil society should be at the heart of any reconstruction efforts in SEE. This includes a strong NGO movement, transparent decision-making and open public participation. In general, the existence of a living civil society is viewed as a precondition for a functioning democracy. Therefore, support to NGOs and the development of legislation that supports the process of establishing civil society is of utmost importance for long-term reconstruction and stabilization of the South Eastern European region.

The Role of Civil Society

Among other things, “civil society” serves the essential functions of:

- Advancing democracy, pluralism and diversity in society under the rule of law.
- Promoting and enforcing transparency and accountability in government and the economy.
- Creating alternative institutions for serving public needs.
- Improving decision-making by including a more efficient representation of public and private interests.
- Serving as a link between the individual, the government and the market.

Transparency in decision-making and involvement of the public are key for increasing public support for identified solutions, in the same way transparent objective-setting and dialogue with all concerned parties is important for maintaining donors’ credibility. The scale of reconstruction efforts will inevitably lead to rushed decisions and therefore mistakes. In rebuilding the countries of SEE, these mistakes can have very serious consequences. A maximisation of *transparency* – even if some processes are delayed – will increase dialogue and therefore public involvement in, and support for, viable solutions.

In this respect, the ratification and implementation of the UNECE Convention on Access to Information, Public Participation in Decision-Making and Access to Justice in Environmental Matters (Aarhus Convention) should be one of the core priorities of the SEE reconstruction efforts. The Aarhus Convention makes the link between reconstruction and democratisation. Only through the guarantee of rights to information and to public participation can citizens actually begin to take control of the way their societies develop and deal with problems. The empowerment of the people also requires that there be a fair and efficient system of administration and a working justice system.

It is particularly important that the international community supports the development of civil society organisations from the outset of any reconstruction plan for the Balkans. Without external support, grassroots initiatives will lag behind the development of governmental institutions - resulting in a systemic imbalance, in which nascent institutions have little need to operate transparently and therefore fall quickly into complacency regarding the lack of public review. Additionally, including local networks of experts and ordinary citizens will increase the overall efficiency of international assistance efforts and will produce better results throughout the region by stimulating the identification of common values, the reduction of conflict, and the establishment of fair practices in governance.

As noted earlier, the issue of environment can offer a means for early cooperation in SEE. Toward that end, this component will address civil society which works specifically within the environmental sector. The term *environmental civil society* identifies the activities of individuals and civil society organisations whose purposes relate to the promotion of viable environmental management systems, environmental protection and the sustainable use of natural resources.

The main general elements of this component are:

1. Assistance to NGOs

The importance of the NGO sector as an element of civil society should not be undervalued. The preparation of a civil society is a key element of democracy building and building of stability. The involvement of NGOs in decision-making and their ability to represent alternatives to governmental interests on environmental issues is a key part of the operation of civil society. In SEE, the NGO assistance element seeks to develop and strengthen environmental NGOs through a variety of mutually compatible actions, including:

- NGO grants at varying levels, which allow NGO’s to carry out smaller projects in the region

- Provision of organizational, legal and networking assistance
- Support for capacity building through training and experience-sharing programs
- Development of integrated training publications, curricula and courses.

Additionally, implementing civil society development projects has to go hand-in-hand with research activities, in order to ensure that adequate measures are taken to achieve the expected results. The research will feed into the activities described above so that all projects can be implemented most efficiently using state of the art methodologies.

2. Assistance to the development of cross-border, cooperative NGOs and projects

The second element seeks to change the pattern of limited cooperation in South Eastern Europe, which has culminated in conflicts throughout this region. Projects will be supported which increase not only the cooperation among environmental NGOs in SEE, but also with their counterparts in other CEE countries. Support will be given in the form of:

- cooperative grants
- regional fellowship programs
- support to NGO networking activities (such as holding regional conferences)
- establishment of electronic networks.

3. Assistance to improve and expand environmental information, media and awareness raising in SEE.

This element seeks to promote information sharing, which is an essential part of a viable civil society.

This is envisaged through:

- the training of journalists
- the creation of an Information Network
- the establishment of a visible Information Center at an internet site for environmental information in the SEE region
- the training of NGO's in communication and raising environmental awareness of the public.

4. Assistance for the early implementation of the Aarhus Convention

The fourth element aims at helping central government officials and Local Authorities to build capacities and improve quality of government decision-making through a more strategic institutional and practical approach in light of the possible implementation of the Aarhus Convention. Assistance will be offered for capacity building in the form of regional experience-sharing workshops, local in-country activities and training for government officials and NGO's to discuss practical aspects of building an efficient system of access to information, public participation and access to justice. A network of government officials responsible for public participation as well as a network of NGO's interested in working on this topic will also be developed. The activity will increase interest in the implementation and ratification of the Convention and plans to give practical guidance for future concrete implementation activities.

This element also envisages providing expert support to the SEE countries to:

- To improve the legal framework for access to information and public participation in decision-making in environmental matters
- To produce guides to the Aarhus Convention
- To achieve transparency in reconstruction
- To create pilot projects on public participation generally
- To develop pilot projects on public participation regarding biodiversity conservation

5. Promoting Civil Society as a Concept

The fifth element seeks to promote a wider understanding of the role of civil society among governments, businesses and citizens in SEE. This will be done by first developing recommendations together with government officials, NGO's and experts to establish mechanisms for better access to information and public participation, in order to ensure transparency and openness of governance. Additionally, community development initiatives will be supported by bringing together NGO's and municipalities to develop local action plans, programs or strategies for community development. The aim of these activities is to integrate environmental concerns into these plans, programs or strategies and to develop locally sustainable initiatives led by NGO's or municipalities. Follow-up actions will then be recommended to solve environmental problems in the communities, to identify sustainable options for development, to develop fundraising proposals and to identify future potential funding sources. Businesses should also be involved, especially in the follow-up efforts. These activities will include a multi-stakeholder dialogue and co-operation on issues of common concerns - ultimately the process and

the results will help to build stronger and more sustainable local communities. Finally, since parliaments and parliamentarians play an important role in civil society and environmental protection, an important element of promoting civil society as a concept will be to provide assistance to parliamentarians to deal with environmental issues. On the basis of experience in Western Countries, activities will be promoted which help parliamentarians to better understand environmental issues, thus ensuring an adequate representation of environmental concerns in parliamentary debates.

Toward this end, the specific activities that have been identified by the SEE ministers under the **Environmental Civil Society Building** program component are as follows:

- To develop a regional environment press center for SEE
- To develop a strategy for implementation of Århus convention
- To promote networking and cooperation of environmental NGOs via the establishment of electronic computer networks on the national and regional level
- To develop a Balkan center for sustainable development
- To develop and Strengthen NGOs
- To assist in the development of environmental legal advocacy/advisory centers
- To develop a regional environmental emergency response and early warning center

5.2.1 Development of regional environment press center for SEE

The media is considered one of the most important means to educate and raise public awareness to environmental issues and can play a major role in encouraging acceptance (and even advocacy) of tougher environmental policy. In turn this promotes civil society and sustainable development. However, environmental reporting is poor in the SEE region, owing to a lack of understanding of environmental issues, lack of experienced environmental journalists, and poor access to environmental information.

The goals of this sub-component are two-fold - it seeks first to establish a regional press center for the whole of the SEE region, including local information offices in each of the countries which would gather and distribute environmental information on national and regional level; and secondly to begin a series of in-country training workshops for the media in cooperation with the REC that will educate journalists on environmental issues, and which will provide expert training on how to report on environmental issues. Experienced environmental journalists will be invited to share their know-how and experiences.

The free services offered by the regional press center would include the following activities: a preliminary analysis of journalists existing reporting habits and main constraints to environmental reporting; the collection of information on critical hotspots, legislation, policy, local, national and regional state of the environment monitoring data; provision of NGO literature and educational resources; a question and answer information service, accessible via web, email, tel, fax, personal visit; a bi weekly environmental tip-sheet for journalists summarising breaking news stories regarding the region; and a directory and online database of Stability Pact countries' environmental experts.

5.2.1 Development of strategy for implementation of Aarhus Convention

The implementation of the Aarhus Convention, which is expected to enter into force in 2001, is considered to be a priority for many SEE countries. Albania, Bulgaria, Croatia and Romania are already signatories to the Convention and FYR Macedonia has acceded to it. An active campaign is underway in Bosnia and Herzegovina to accede to the Convention. Yugoslavia may be eligible to accede to the Convention in the next few years. Successful strategies for implementation of the Convention in the SEE countries will require certain legislative changes, strengthening capacities of government officials at the central and local level and NGOs, and providing assistance in the practical implementation of the Convention. Activities will provide a regional framework for assistance to the SEE countries according to their needs in developing and implementing successful strategies at national level and a forum for discussion and exchange of experience at the regional level.

Possible activities under this sub-component could include, among others:

- **Building capacities for the implementation of the Aarhus Convention and relevant national legislation**

Activities could include regional experience-sharing workshops on practical aspects of building efficient system of access to information, public participation and access to justice, training for central and government officials and NGOs as well as promotion of the best practices through pilot projects

- **Involving NGOs into the process**

Activities should be undertaken to strengthen the capacity of regional NGOs in the scope of implementation of the Aarhus Convention. To that end workshops, roundtables and other forms of meetings should be organised throughout the SEE countries.

- **Strengthening the capacity of media/journalists/editors/publishers**

Media/journalists/editors/publishers should be assisted in identifying the key issues related to the environmental rehabilitation of the region and thus raising the environmental civil society building.

- **Improving the legal framework and practices of access to information, public participation in decision-making and access to justice in environmental matters**

Support will be given to government officials and local experts to identify concrete legislative measures to be taken and develop the necessary legislative acts.

- **Guides and other publications**

Implementation of the Convention could be facilitated through developing local language guides and publications addressed to the needs of different stakeholders including NGOs and central and local government.

- **Application of the principles of the Aarhus Convention in the regional reconstruction process**

The activities are needed to promote the application of the Aarhus principles by the countries that ratified the Convention. The activities are needed to promote the Aarhus Convention principles which should lead to ratification in the remaining SEE countries. To that effect the SEE countries that have already ratified the Convention should be encouraged to disseminate and share experience from the implementation of the Convention in their respective countries.

- **SEE participation in various international initiatives under the Aarhus Convention**

The activities under this project should enable the SEE countries to participate in various international initiatives and their follow-up activities under the Aarhus Convention such as non-compliance mechanisms, development of PRTR systems and activities under other task forces.

5.2.3 Promoting Networking and Cooperation of Environmental NGOs: Establishment of electronic computer networks on national and regional level

Mirroring the cooperation among Environmental Ministries in South Eastern Europe, the cooperation and networking among environmental NGOs in SEE also needs development. Platforms for cooperation such as umbrella organisations, regular meetings or computer networks hardly exist. With this sub-component, assistance is envisaged to be given to SEE environmental NGOs, to increase their networking and cooperation, but also their cooperation on a regional, CEE level and to allow them to fully participate in the building of environmental policy on the European level. A special emphasis will be given to ensure a good flow of information and cooperation with respect to issues of regional importance such as infrastructure projects and transboundary biodiversity issues:

The following activities are envisaged: Selecting of lead NGOs in each SEE country by an independent expert body; Providing equipment to lead NGOs (server etc.); Providing equipment to national and regional NGOs (e.g. modem) if needed; Training courses on electronic networking; Exchange programs with other networks in CEE/EU; Providing coverage of network experts (WEBmaster etc); upgrade of hardware/software during implementation period.

5.2.4 Development of Balkan Centers for Sustainable Development

Improved understanding of sustainable development can help strengthen policymaking and encourage public acceptance of tougher environmental regulations.

This sub-component's main goal is to establish a network of national sustainable development centers in each of the SEE Stability Pact countries that would facilitate the work of National Commissions of Sustainable Development (where such structure exist, and to facilitate establishment of such structures in the countries, where they don't exist). These centers will investigate the national priorities in the countries of the region – environmental, social and economic - in respect of the principles of Sustainable Development, and will provide educational workshops on sustainable development issues, monitor

progress towards sustainable development, and promote development of regional sustainable development, starting with pilot regions.

Services provided by these centers will be based upon a preliminary analysis of major stakeholders' (national and local governments, NGOs, media) environmental and information needs. With respect to information dissemination, centers will demonstrate and promote compliance with the Aarhus Convention. They will therefore also encourage public participation in the development of national sustainable development strategies.

5.2.5 Development and Strengthening of NGOs

The involvement of NGOs in decision-making and their ability to represent alternatives to environmental issues is a key part of the operation of civil society. This activity would seek to develop and strengthen environmental NGOs through a variety of mutually compatible actions.

- **Grant support to NGOs**

Financial support for NGOs would be provided. This would be given at various levels to support the various strata of the NGO movement and on various earmarked topics to encourage and support their activities on key issues. It is envisaged that funds would be available locally, nationally and regionally (to support regional co-operation).

- **Organisational Support for NGOs**

NGOs require support for their operations. This is targeted around support to improve their external operating environment. Elements would look at support to NGO service centres - to make best use of available resources; to enable networking conferences and co-operation among NGOs - with an element towards involvement in the stability pact through three regional conferences; and towards long-term viability or sustainability issues.

- **Capacity Building for NGOs**

NGOs also require support at different levels for their internal development. This is best delivered through various capacity building initiatives. Training would look to help the grassroots NGOs; support the capacity building of younger environmentalists (NGOs and students); and concentration on training programmes on crucial NGO management skills.

The programme would need to be comprehensive and the elements would be integrated to support one another. This will represent an important five-year investment into the development of civil society in SEE.

5.2.6 Assistance to the Development of Environmental Legal Advocacy/Advisory Centers

Support for lawyers or their organisations to set up and operate environmental legal advisory service centres, with the aim that such centres will become sustainable institutions in the future. The project will build upon similar experience in CEE and NIS countries to strengthen the capacity of environmental civil society in the use of legal tools for environmental protection and public participation in environmental decision-making. The centres can also provide assistance in legal matters relevant for the operation of NGO's such as registration, organisation, taxation, etc. The initiative should also include studies of successes and failures in the CEE and NIS regions, with particular attention to start-up and to sustainability. A part of the activity of the centres will be to test the application of the Aarhus Convention, which recognises that the rights and opportunities provided in connection with access to information and public participation must be backed up by legal and institutional guarantees.

5.2.7. Regional Environmental Emergency Response and Early Warning Center

While not a traditional civil society activity, this sub-component has been added at the request of the government of Romania in order to promote the development of early response and early warning systems, as well as public awareness relating to these issues throughout SEE.

Taking into account the outdated industrial installations in the SEE region as well as the increased risk from the pollution accidents such as occurred recently in the Tisza river basin (the accidents in Baia Mare and Baia Borsa) this sub-component will likely focus on key issues concerning the reinforcement of the Accidental Emergency Warning System (AEWS) throughout SEE, including improvement of the operational mechanisms of the AEWS and the particular communication of information using the Internet. Additionally, this sub-component seeks to identify mechanisms for a rapid transfer of information to the public.

5.3. Emergency Assistance Programme for Environmental Infrastructure and Combating War Damage

The main general elements of this component are:

1. Assessment of war damages in a wider regional context

The many conflicts that have shaken the SEE region over the last decade have had a large environmental impact, not only at their epicenters, but also in indirect ways throughout the region. For example, the movement of displaced people has had a lasting effect on infrastructure and landscapes throughout the region, as has the transboundary movement of chemical and other pollutants. An assessment of both the direct and indirect damages of the wars in SEE is needed in order to clearly prioritize the needs for environmental remediation efforts.

2. Assessment of the feasibility of remediation measures throughout the region

Before any emergency investments can be implemented further planning and feasibility work is needed. Under this activity a priority programme will be prepared for emergency investments for the whole region looking at the environmental impacts of the many conflicts that have recently occurred in the region. Feasibility of each priority project will be assessed and necessary preparations for investment decisions will be made.

3. Remediation at identified environmental “hot-spots” of war damage.

An assessment of the environmental consequences of the Kosovo conflict has been carried out by the UNEP/Habitat Balkan Task Force. While the assessment concluded that the conflict “did not cause an environmental catastrophe” affecting the South Eastern Europe Region as a whole it did identify a number of environmental ‘hot spots’ that pose an immediate threat to human health and some may pose a threat to neighbouring countries. The four ‘hot spots’ are located as follows:

- The petrochemical plant at Pancevo
- The Zastava car plant at Kragujevac
- The Novi Sad oil refinery
- The Bor copper mine and smelting plant

4. Facilitation of priority environmental infrastructure investments in the region

Conflicts in the region have led to severe under-investments into infrastructure. Well targeted investments for improving environmental infrastructure in selected towns of the region will be identified and implemented.

Toward this end, the specific activities that have been identified by the SEE ministers under the Emergency Assistance Program for the **Environmental Infrastructure and Combating War Damage** program component as follows:

- Assessment of the war consequences related to the refugee flow to Albania and Macedonia
- Remediation plan (see list of national priorities and regional context - Annex A)

5.3.1 Assessment of the war consequences related to the refugee flow to Albania and Macedonia

Sub-component to be developed and implemented by UNEP/BTF.

5.3.2 Remediation plan (see list of national priorities and regional context - Annex A)

Sub-component to be developed and implemented by UNEP/BTF.

5.4 Reinforcement of existing cooperative mechanisms and structures and development of regional cross-border projects

Existing mechanisms and structures have in the past proved an important tool to foster cooperation in South Eastern Europe and to promote regional environmental projects and attract funding from international sources. However cooperation in the region has proved difficult due to a number of reasons. It is therefore proposed to provide support for some of the existing mechanisms and structures in the framework of this Regional Environmental Reconstruction Program.

The main general elements of this program component are:

1. Assistance for participation in ongoing international processes (such as ICPDR, BSEP, and EEA)

A first essential element in the promotion of regional cooperation in SEE, is the inclusion of SEE representatives in the international processes that are already underway in the region. This includes providing resources for SEE country governments to appoint Focal Points and representatives to participate in international bodies such as the International Commission for the Protection of the Danube River (ICPDR), and the Black Sea Environmental Programme (BSEP), which have both existed in SEE since the early 1990's. Additionally, the accession countries of the South Eastern Europe region (namely, Romania and Bulgaria) have worked closely with the European Environment Agency (EEA) for several years in the context of PHARE. It would be desirable to widen this co-operation to the whole South Eastern Europe region to ensure coherent monitoring of environmental information.

2. Encouraging Participation of Environmental Authorities in International Activities

It is expected that in the next 5-10 years, the representatives of the countries of the region will have difficulties participating in important international events due to a lack of funding. This activity will serve as a support to enable senior environmental officials to participate in relevant international activities. The ability of each country to cover their travel expenses will be reassessed at periodic intervals.

3. Assistance in implementing UNECE and other international conventions

The countries in South Eastern Europe have signed a number of international conventions but the implementation is lacking behind. This goes for the Aarhus Convention on public access to information, the Bucharest Convention for the protection of the Black Sea, the International Convention for the Protection and Sustainable use of the River Danube as well as the conventions and protocols signed under the auspices of the United Nations Economic Commission for Europe (Transboundary air pollution convention, Espoo convention on Environmental Impact Assessment, the convention on transboundary waters and lakes etc.). In the context of existing regional bodies under these conventions work has been going on to support the implementation of the Conventions, but further support may be needed in order to fulfil the task.

4. Assistance in implementing projects with cross-boundary dimensions

It will be most beneficial to fostering regional stability if projects that have a transboundary dimension are given priority and particular support. Examples of such projects are the multi-country cooperative efforts that are already underway regarding Ohrid Lake and Lake Prespa.

Toward this end, the specific activities that have been identified by the SEE ministers under the **Reinforcement of Existing Cooperative Mechanisms and Structures and Development of Regional Cross-Border Projects** program component as follows:

- To assist SEE countries to participation in the International Commission for the Protection of the Danube River (ICPDR) (see list of Danube River projects - Annex A)
- Participation of SEE countries in ongoing international processes
- Implementation of priority cooperative projects with a regional dimension (see list of identified projects - Annex A)

5.4.1 Participation in the International Commission for the Protection of the Danube River (ICPDR)

The international co-operation for the protection of the Danube River started in 1991 and was then formally completed with the adoption of the International Convention for the Sustainable Use of the Danube River in 1994. The administrative and managerial difficulties that were experienced in the first

years of existence of the Convention seem to have been overtaken by its entrance into force on 22 October 1999. This led to the setting up of the Permanent Secretariat with a decisive and essential contribution from the European Commission.

Present Member States of the European Union, candidate countries and third countries seem to be committed to the protection of the Danube River and to the application of the Convention. This has to be seen in the global and wider framework of the EU acquis on water management.

In order to secure the effective implementation and enforcement of the International Convention, the NGO's could play a relevant role. In this context, the Danube Environmental Forum could offer a wide platform of non-governmental organisations to create a common approach in the environmental protection of the Danube River.

The support to the International Commission for the Protection of the Danube River should include actions aiming at assisting in the environmental improvement of the Danube River while promoting the EU environmental acquis on water management; improving working relationship among the countries of Central and Eastern Europe and the other countries of the South Eastern Europe region; making the International Commission for the Protection of the Danube River the catalyst for the environmental co-operation among the countries of the region

5.4.2 Participation of SEE countries in ongoing international processes

It is expected that in the next 5-10 years, the representatives of the countries of the SEE region may have difficulties in attending important international events due to lack of funding. This activity will provide financial support to enable senior environmental officials to participate in relevant international activities.

A basic and ongoing component of this project will be to ensure that the appropriate persons are kept informed of upcoming international events with adequate lead time to prepare and apply for the travel funds. A regularly updated Environmental Events Database service will be created and maintained, accessible via electronic means or by post.

It is envisaged to establish a fund to provide financial assistance for representatives from SEE countries to participate in ongoing international events. This fund will cover the expenses of travel, allowances, and accommodation for two representatives from each SEE country for attending up to 10 meetings each year. The project will continue over a five year period, with the ability of each country to cover their officials' travel expenses will be reassessed at periodic intervals.

5.4.1 Implementation of priority cooperative projects with a regional dimension (see list of identified projects - Annex A)

It will be most beneficial to fostering regional stability if projects that have a transboundary dimension are given priority and particular support. For this sub-component the Minister of Environment of the SEE Stability Pact countries have identified and proposed a list of priority cooperative cross-border projects. This list is attached in full in Annex A.

5.5 Support to Priority National and Local Environmental Projects

- Development or Revision of NEAPs
- Strategy for development of LEAPs
- Capacity building of the local municipalities
- Local sustainable development
- Elimination of top-priority environmental hazards (see list of identified priority projects - Annex A)

5.5.1 Development or Revision of NEAPs

National Environmental Action Plans (NEAPs) provide a powerful tool for effective environmental policy planning and implementation. Very good experience was realized through the preparation and implementation of NEAPs in Central and Eastern Europe within the framework of the Environmental Action Programme for CEE. This project will build on that experience through:

- *Regional networking and capacity building.* A network of senior policy-makers will be established and regular workshops on environmental policy making and implementation will be organized. A possibility of merging this networking activity with the network of senior policy makers in EU environmental acquis will be studied to avoid duplication and to maximize the impact.
- *Assistance in developing new NEAPs.* Assistance will be provided to countries without a NEAP to develop one and to integrate in effectively into the country's existing environmental policies and mechanisms.
- *Assistance in revising existing NEAPs.* Assistance will be provided to revise the existing NEAPs to adjust to new developments and objectives in the region.

5.5.2 Strategy for development of LEAPs

The overall goal of this sub-component is to build capacity at community level to address/solve environmental problems by promoting widespread implementation of Regional and Local Environmental Action Programs (R/LEAPs) in the SEE countries.

The specific goals include:

- raise awareness at the local level about the benefits of LEAP process;
- build in-country capacity of individuals who can provide assistance to local projects;
- provide on-site assistance to regional/local governments.

In order to initiate a wide LEAP Support Program in countries with little or no prior LEAP experience, the following activities are proposed:

- identify in-country partner to co-manage the project or establish an in-country coordinating body;
- determine scope of LEAP program (on the basis of the existing needs, national priorities, country administrative division, etc.);
- secure support and participation of Ministry of Environment and other key national institutions;
- secure and train in-country technical assistance (LEAP Support) team;
- prepare in-country training materials;
- select demonstration regions/communities;
- provide assistance to demonstration projects;
- document and evaluate results of demonstration projects;
- establish a support mechanism for other regions/communities to develop R/LEAPs (guidance materials, training, technical support for individual projects, economic incentives, etc.).

The project will build on the existing REC's capacity (Guide to Implementation of LEAPs in Central and Eastern Europe, developed by the Institute for Sustainable Communities in cooperation with the REC) and the LEAP Support Teams established by the REC. A typical LEAP Support Team consists of 2-3 persons from Central and Eastern Europe with the extensive LEAP experience, available to provide LEAP assistance in other countries in the region. The availability of the Central and Eastern European LEAP Support Teams will be especially crucial on the stage of building the in-country LEAP capacity in the countries covered by the project.

5.5.3 Capacity building of the local municipalities

The overall goal of the project is to strengthen the capacity of local governments in project preparation.

The specific goals of the project will be to:

- assist local governments in identification of bankable environmental projects and potential funding sources;
- provide technical assistance to projects' packaging: development of pre-investment studies (including engineering designs and financial analyses) for selected projects (minimum 30 projects packaged);
- implement a series of training courses (incl. Training of trainers) on project preparation.

In order to achieve those objectives, the project will undertake the following activities:

- establish a project implementation office in a recipient country;
- set criteria (in close consultation with national environmental agencies) for the selection of projects;
- set procedures for projects identification, selection of consultants for technical assistance, etc.;
- maintain close contacts with projects proponents (local governments) and involve them in major project development decisions;
- hire local consultants (when necessary, foreign consultants to cooperate with local consultants) for projects' packaging;
- establish locally based steering committees to guide projects preparation;
- establish mechanisms for identification of funding sources (e.g. donor conference, periodical submission of set of projects to funding institutions);
- undertake activities to strengthen institutional capacity of local governments in projects packaging (e.g. workshops on selected elements of project packaging).
- assume overall responsibility for the project management.

5.5.4 Local sustainable development

The main difficulty in practically all South Eastern European countries is how to reconcile social, economic and political affordability with the bankability of municipal environmental infrastructure projects. A major problem is that many, if not most, municipalities are not considered yet as credit-worthy by banks. Many municipalities do not have yet the necessary institutional or managerial capacities to make optimal use of various financing possibilities, including private public ones. Only a few countries have promulgated legislation enabling operation of public utilities on a concessionaire basis.

The main objective of the project is to promote the introduction of realistic financial plans for a waste water treatment, drinking water supply and solid waste decommissioning for small and medium-sized municipalities. The financial support might involve private sector investments assisted by soft loans or revolving funds.

The programme shall

- Establish intermediaries to assist municipalities of smaller size in implementing and financing environmental projects;
- Improve the institutional and legal framework;
- Support small and medium-sized municipalities through development of financial skills;
- Creating economies of scope for other projects in the region of South East Europe through a regional network.

The project will be implemented by different groups such as IFI's, National Ministries and NGO's and will be managed by a project manager on a regional level. The first meeting will be a scoping meeting on a basis of draft report. The scoping meeting will select specific demonstration zones and a final inception report will contain the detailed project proposal. The inception report will include the establishment of a forum in each selected demonstration zone. The envisaged partners include: national association of municipalities ; national water associations; representatives of the municipalities in the demonstration zones; local politicians; technical and financial expert; potential investors and sponsors; local banks; IFI's; members of NGO's and inter-governmental organisations. It is intended to work in close cooperation with the SECI and Stability Pact Business and Advisory Councils, as well as with Netherlands Management Co-operation Programme.

The budget for the scoping meeting and the preparation of an inception report amounts to 33,000 EURO. The total costs of the overall programme depend on the scope including the number of participating countries and demonstration zones. The preliminary choice of a demonstration zone in Romania is Bistrita Country including the cities of Bistrita, Nasaud and Talmaciu. Interest to participate has been expressed by other countries of South East Europe. It must be emphasised that the costs of infrastructure construction should not be borne from the budget of REReP, but from other sources (private sector investment or credits, e-g. by the EIB or EBRD). They can be estimated to be about 2 millions for each demonstration zone. In case that 3 demonstration zones will be established this will require credits/investments amounting to about 6 millions Euro.

The most important link is with the project RENEUR (Regional Network for Efficient Use of Energy Resources) proposed by ECE. It is intended to establish both formal (procedural) and substantive links with that project. The project is also related and will contribute to the proposal 1.2. (Development of a Regional Investment Strategy).

In the initial phase UN/ECE will provide the overall programme co-ordination. The inception report will propose where the programme coordination will be located in the medium term. ECE long-term role can be that of hosting the programme co-ordination unit. In any case ECE is ready to participate in the steering and advising the execution of the programme.

5.5.5 Elimination of top-priority environmental hazards (see list of identified priority projects - Annex A)

Each of the six SEE countries that participated at the 15-16 March, 2000 ministerial meeting in Skopje, Macedonia, have identified one top-priority domestic environmental hazard that needs immediate remedial attention. The list of these projects is in Annex A.

6. Implementation arrangements

The program components presented in this paper are envisaged to run for a five year period - with short-term “quick start” projects initiating in the first two years followed by medium-and long-term projects in years three through five.

The implementation of the Regional Environmental Reconstruction Programme will be facilitated and coordinated by a special Task Force co-chaired by a SEE country on a rotating basis and a representative of the European Commission. The REC will serve as the secretariat to facilitate the activities of this REReP Task Force. The regular meetings of both the REReP Task Force and the Stability Pact for SEE will offer the high level framework in which progress can be monitored and activities coordinated with other areas of activity of the Stability Pact. The Stability Pact for SEE will also serve as the framework for resource mobilisation.

6.1 Institutional and policy development

The facilitating institution of this Programme Component will be the European Commission and the Regional Environmental Center for Central and Eastern Europe (REC), in order to ensure that policy development in the region is linked to the overall priorities of accession for the CEE countries and the tighter co-operation with the other countries of South Eastern Europe.

6.2 Environmental civil society building

The Regional Environment Centre (REC) has proved itself a useful facilitator throughout the conflict and its follow-up with its representatives on the ground throughout the SEE region. The informal meeting of environment ministers in Helsinki in July 1999 called for the REC to play a central role in the Regional Environmental Reconstruction Program. Based on its decade of experience in promoting the development of civil society in CEE, the REC can play an especially central and positive role in the program component of Environmental Civil Society Building.

6.3 Emergency assistance for combating war damage

The Commission will be the facilitating institution for the Emergency Assistance for Combating War Damage component in cooperation with UNEP. It remains to be seen how and when activities can be carried out in the Federal Republic of Yugoslavia. A wider assessment of damages from previous war activities and actions to combat these damages will also be needed.

6.4 Reinforcement of existing mechanisms and structures

The reinforcement of existing mechanisms and structures will be carried out in close contact with the institutions already active in these co-operations. This implies that, among others, the International Commission for the Protection of the Danube River, the Secretariat for the Black Sea Environmental Programme, the European Environmental Agency, UN/ECE, and NGOS such as WWF and IUCN should be involved together with the European Commission.

6.5 Support to Priority National and Local Environmental Projects

Priority projects will be identified by each SEE country and presented to donors for their consideration. The donor network of the EBRD, World Bank and EIB in Central and Eastern Europe will provide expertise and financing for such projects.

7. Budget

Total Budget

The total budget is estimated at **70 million Euro over five years**, apart from the national and local priority projects. The costs for the individual program components are estimated at:

• Institutional strengthening and policy development	11,200,000 EUR
• Environmental civil society building	14,300,000 EUR
• Emergency Assistance for Combating War Damage	35,000,000 EUR
• Reinforcement of existing cooperative mechanisms and structures and development of regional cross-border projects	9,500,000 EUR
• Support to Priority National and Local Environmental Projects	XXXXXX EUR

Donor countries and institutions are invited to consider funding the various components and elements of the programme. Specific budgets for each element of the program have been prepared for presentation for the Funding Conference of the Stability Pact in March (please see Annex A for detailed budgets).

“Quick Start” Budget

The total budget for the “Quick Start” projects is estimated at **30.2 million Euro over 2 years**.

The costs for the individual program components are estimated as follows (please see Annex A for detailed budgets):

• Institutional strengthening and policy development	6,200,000 EUR
• Environmental civil society building	6,200,000 EUR
• Emergency Assistance for environmental infrastructure and combating war damage	7,300,000 EUR
• Reinforcement of existing cooperative mechanisms and structures and development of regional cross-border projects	3,350,000 EUR
• Support to Priority National and Local Environmental Projects	7,150,000 EUR