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**FROM INTENTIONS TO ACTIONS: OVERCOMING BOTTLENECKS
CRITICAL ISSUES IN IMPLEMENTATION OF ENVIRONMENTAL
POLICIES HIGHLIGHTED BY THE UNECE ENVIRONMENTAL
PERFORMANCE REVIEW (EPR) PROGRAMME**

Addendum

**CASE STUDIES ON IMPLEMENTATION OF ENVIRONMENTAL POLICIES IN
COUNTRIES REVIEWED UNDER THE UNECE ENVIRONMENTAL
PERFORMANCE REVIEW PROGRAMME**

submitted by

the UNECE Committee on Environmental Policy

through the Ad Hoc Working Group of Senior Officials



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ASSESSMENT AND IMPLEMENTATION

**IMPLEMENTATION OF MULTILATERAL ENVIRONMENTAL AGREEMENTS AND
FINDINGS OF UNECE ENVIRONMENTAL PERFORMANCE REVIEWS**

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I. STRENGTHENING POLITICAL SUPPORT FOR ENVIRONMENTAL IMPROVEMENTS

A. National Environmental Strategy of Serbia: positive aspects and drawbacks

1. The National Environmental Strategy (NES), which was developed with the objective to guide the development of modern environmental policy in the Republic of Serbia over the next decade, was adopted in 2006 by the Government, but has not yet been adopted by the Parliament. The NES is to be implemented through Action Plans and remediation plans adopted by the Government for the period of five years.

2. The Strategy has been prepared in a consultative way, involving many institutions and national as well as local populations. It covers environmental issues and the different economic sectors and their impact on the environment. The NES also defines precise targets and is accompanied by a financial assessment of its related costs. It incorporates principles of sustainable development such as sectoral integration, polluters and users pay principles, access to information and public participation, among others.

3. However, this document calls for the elaboration of 16 specific Action Plans that are currently being drafted. Developing such a large number of Action Plans is a complex task and may lead to difficulties into their future implementation.

B. Political support for the harmonization of national environmental legislation with the EU *acquis communautaire* in Estonia

4. The environmental-related laws introduced in the mid-nineties in Estonia were rather general, laying down the main principles, but lacking implementing regulations. Once Estonia had made the decision to join the European Union, it also faced its new obligations to adjust to EU legislation, introduce new environmental laws in fields not previously covered and amend those laws that were introduced in the mid-nineties but were not fully compliant with EU requirements. The Environment Chapter of the negotiations for EU accession was opened in December 1999. In the following year, the Government submitted a position paper regarding the EU environmental *acquis*. Implementation plans for sectoral directives on air, waste, radiation, nature protection and industry were also issued in 2000, accompanied by the related financing strategies; and in 2001, on urban waste water, drinking water, nitrates, ozone depleting substances, large combustion plants, air quality, sulphur content of liquid fuels, landfills and packaging waste. Transitional periods were given, in particular, for those directives involving substantial investment in infrastructure (drinking water, wastewater, landfills, large combustion plants) or related to biodiversity protection (birds and habitat directives). Similarly, political support for harmonization of the national environmental legal framework with that of the EU in other reviewed countries (e.g. Bulgaria, Romania, etc.) also achieved good results.

C. Breaches in the Espoo Convention: the Cernavoda unit 2 (Romania) and Bystroe Canal (Ukraine) cases

5. In the late 1990s, the Romanian Government decided to complete the second reactor of the Cernavoda nuclear power plant, in spite of the numerous objections raised by the project. The cost of completion of Cernavoda unit 2 was estimated at US\$750 million. In 1991, Romania, Bulgaria, Hungary, Ukraine and Moldova had signed the UNECE Espoo Convention on Environmental Impact Assessment (EIA) in a Transboundary Context, which entered into force in 1997. The Cernavoda nuclear power plant is located less than 100 km from the Bulgarian border, and Bulgaria has expressed its concern about the completion of unit 2. The Espoo Convention requires that project information be made public, and in particular be made available to the competent authorities of all affected parties before project approval. Bulgaria was the only country to receive Cernavoda unit 2 EIA documentation in December 2002, a year after consultations took place in Romania, while the Convention is clear that notification of the concerned parties should come “*as early as possible as and no later than when informing its own public about that proposed activity*”. The report on Environmental Impact Assessment sent to the Government of Bulgaria failed to give the minimum information as requested under the Espoo Convention. For example, potential environmental impacts under severe accident conditions were not evaluated, impacts on air quality were not adequately assessed, and potential impacts during decommissioning were not covered at all. In addition, Ukrainian authorities have never received the EIA documentation on Cernavoda.

6. Recently, Ukraine fell short in meeting the requirements of the Espoo Convention for the reconstruction of the Danube–Black Sea shipping channel, the so-called Bystroe Canal, in the Danube River. In July 2006, the UNECE Inquiry Commission concluded that the Danube–Black Sea Canal is likely to have significant adverse transboundary effects on the environment and thus the provisions of the Espoo Convention apply. This means that Ukraine is expected to send a

notification about the canal to Romania and that the procedure imposed by the Convention should start. There should be consultation between the Parties, Romania should be given an opportunity to comment on the project, and public participation in the two countries should be ensured. It also means that the final decision about the project should be submitted to Romania.

D. Montenegrin civil society halts plans to flood the Tara Gorge

7. In 1991, Montenegro added a special decree to its Constitution which defines the country as an Ecological State. However, in April 2004 Montenegro ratified an agreement with Bosnia and Herzegovina concerning the construction of a hydroelectric power plant that would flood the Tara Gorge. The Tara Gorge, the deepest and steepest canyon in Europe and the second deepest in the world, is cut by the Tara River. It stretches through the Durmitor National Park (a World Heritage site) and the Tara River Biosphere Reserve. Following the agreement, a tender was opened for the construction of the “Buk Bijela” hydroelectric power plant in the Drina River (formed by the Tara and Piva Rivers). Information about the dam project was very scarce and only appeared in tiny articles in daily newspapers. The principles contained in the Aarhus Convention about providing access to information concerning environmental matters have been completely ignored. No information whatsoever could be obtained from ministries or other governmental agencies. The situation resulted in a strong civil society pressure calling for the protection of the site. Opponents of the project collected more than 10,000 signatures against it in one day – a huge amount for a country of roughly half a million people. Several parties then joined hands to force a parliamentary debate on the project, which is expected to end in deputies voting for a declaration that demands legal protection for the canyon. The plans to build a dam that would flood part of the Tara Gorge were abandoned in April 2005, thanks to the action carried out by civil society organizations for the preservation of the canyon.

II. BUILDING COMPETENT AND EFFECTIVE ENVIRONMENTAL INSTITUTIONS

A. Institutional Strengthening For Environmental Protection In Estonia And Romania

8. Prior to 1991, the Ministry of Environment in Estonia had no offices at the local level, environmental management and protection being the responsibility of counties with special environmental offices. After 1993, these offices started to be administered by the Ministry, but were still financed by local budgets. In such circumstances, it was difficult for the Ministry to ensure that national environmental strategies were being implemented according to the priorities defined at the national level. The restructuring of 2000 therefore put the county environmental authorities under the direct responsibility and budget of the Ministry of Environment. These offices act as implementing agencies that deal with EIA, pollution charges, and the issuing of permits for natural resources use, and manage plans at the county level such as small environmental investment plans and county waste management plans.

9. The central body for environmental governance in Romania, the Ministry of Environment and Water Management (MEWM), was reorganized in 2005. The main responsibility of the Ministry relating to horizontal legislation concerns the development of environmental legislation in line with the EU environmental *acquis*. The National Environmental Protection Agency (NEPA) was also reorganized in 2005. It represents the national executive level subordinated to

the MEWM in charge of the coordination of regional and local environmental bodies. Specific functions of planning approvals and reporting control are also attached to the NEPA, together with the development of secondary legislation for implementation and enforcement. The Regional Environmental Protection Agencies (REPAs) were established in 2004 within the boundaries of the existing eight development regions. The REPAs are responsible for the work coordination of Local Environmental Protection Agencies (LEPAs), which were reorganized in 2005. LEPAs are in charge of the implementation and enforcement of environmental legislation at the county level. There are 42 LEPAs at present, one for each county, plus the Danube Delta Biosphere Reserve Administration. In addition, the National Environmental Guard (NEG) was set up in 2005 as a specialized body subordinated to the MEWM, by merging the forestry and hunting territorial inspectorates. The staff from the former inspection bodies of the Ministry and local environmental agencies also merged into the NEG. The county branches of NEG are working closely to the LEPAs, carrying out the control functions.

B. Insufficient administrative capacity for environmental protection in Bosnia and Herzegovina, The former Yugoslav Republic of Macedonia and Tajikistan

10. Bosnia and Herzegovina's institutional structure in the environment field is complex and there is a lack of central coordination and implementation even for international agreements. Capacity at the State level is particularly weak. There is a gap between attribution of environmental responsibilities and means to fulfill them. The number of vacant posts is significant and administration development is limited. The low number of environmental specialists has led many officials to be multifunctional in order to cover this lack.

11. The Macedonian Ministry of Environment and Physical Planning (MEPP) has insufficient staff, and in particular lacks specialized staff in areas such as environmental impact assessment, monitoring, integrated pollution prevention and control, and climate change. The State Environmental Inspectorate (8 inspectors in mid-2005, of whom 4 are in Skopje), which operates within the MEPP, supervises the implementation of laws and other acts, as well as enforcement of and compliance with the conditions stipulated in individual permits. The number of inspectors is clearly insufficient while the number of prosecutions for breaches of environmental law indicates that enforcement level is very low. This can be attributed to various factors, such as the lack of human and financial resources, the weakness of the legal and judiciary systems, and deficiencies in the legislation.

12. The Tajik environmental institutions have restraint capacities due to the lack of staff and limited salaries. For instance, the staff in Dushanbe's Committee for Nature Protection and Forestry consists of 29 persons paid from the Committee's budget (including eight in four rayon committees). The average salary is 20 somoni per month (less than \$7). Low salaries are one of the main reasons for the high turnover of inspectors and other staff, particularly in the *rayon* (district) and small town committees. Moreover, with a staff of only three, the Department for Land Use is responsible for issues related to the sustainable use of agricultural land.

C. Frequent Reorganization of Ukrainian Environmental Institutions

13. Over the last five years, a number of steps have been taken to build and strengthen the institutional system for environmental management in Ukraine. However, these actions may not have achieved the expected results because of the too frequent reorganizations of environmental authorities. These frequent changes of the Ministry of Environmental Protection leadership have led to the dilution of the strategic vision and its coherence and have resulted in a weakening of the efficiency of staff's work, a scattering of technical and human resources and the inefficient use of financial resources.

D. Imbalance and unclear institutional task sharing in Belarus

14. Environmental permitting, inspection and enforcement operate simultaneously at three levels: national, regional and local. The responsibilities of staff at all these levels are not clear and the use of existing resources is not optimal. Within the Ministry of Natural Resources and Environmental Protection, there is a certain imbalance between the tasks related to the use and protection of natural resources and those related to environmental protection. There is only one department (geology) with direct functions related to the use of natural resources (mineral resources). The Ministry does not have departments responsible for water use or forestry for instance, although some of these functions are under the responsibility of the respective specialized inspectorates. There is also a separate Ministry of Forestry. In addition, it is not clear which body is responsible for water use and water management. The Central Research and Development Institute of Water Resource Use is subordinated to the Ministry of Natural Resources and Environmental Protection and is funded through its budget, but its main purpose is scientific research and it is not a Ministry department.

E. Staff quality is enhanced by effective training in Belarus

15. In 2004, the State introduced a system of control of environmental activities under all ministries and in all enterprises separate from the inspectorates. Under this system, in each ministry and enterprise there is a person or persons responsible for ensuring compliance with environmental legislation through staff training, distribution of relevant information and notification of new guidelines. The Ministry of Natural Resources and Environmental Protection facilitates this programme by providing training and methodological assistance. It has also been proposed that the Government initiate a programme to assess the knowledge of all enterprise managers on environmental legislation and regulations. At the same time, the training programmes for inspectors are used quite effectively. The Ministry often invites external experts, including specialists from universities, to give lectures. Programmes are organized for new inspectors, as well as for experienced staff who have a possibility of enhancing their qualifications.

III. MOBILIZING FINANCING FOR ENVIRONMENTAL PRIORITIES

A. Lack of priorities in programmes and strategies hinders the efficient use of environmental funds in Ukraine

16. As a result of the increase in revenues, the average size of the projects financed by the National Environment Fund increased almost fivefold between 1998 and 2003, more than twice as fast as the Consumer Price Index. However, priorities appear too vague to provide strict guidance for the projects to be financed. More narrowly defined priorities would reduce the flow of unsuitable demands, thus facilitating the appraisal process. At the oblast (province) level, a review conducted by Danish Co-operation for Environment in Eastern Europe in 2001 found most of the funds in violation of the Saint Petersburg Guidelines on Environmental Funds in the Transition to a Market Economy. Expenditures were not targeted precisely enough to meet environmental objectives, and there were no clear procedures for project selection or management.

B. Financial planning for implementation of the waste management strategy in Serbia

17. Serbia adopted a National Waste Management Strategy in 2003, and a new Law on Waste Management in line with EU directives has been submitted for adoption. Financial planning for implementation of the Strategy and, in the future, the Law, includes the financing and co-financing of projects by the Directorate for Environmental Protection, the Environmental Fund and the National Investment Programme (financed by Serbia's privatization revenues).

18. During 2004, the Directorate for Environmental Protection financed or co-financed several activities totaling €800,000. These included the sanitation and remediation of existing dumpsites in four municipalities, the development of technical documentation for clean-up and remediation of existing dumpsites for 19 municipalities and the development of technical documentation for construction of seven regional landfills for 38 municipalities. In 2005, the Directorate for Environmental Protection co-financed 24 projects (total value €300,000). The projects involved the development of technical documentation for construction of three regional landfills for 16 municipalities and for sanitation, closure and rehabilitation of existing dumpsites for 22 municipalities.

19. Since 2005, the Environmental Fund has co-financed a series of important projects involving regional and municipal waste landfills, some of them on the basis of public tender. The share of co-financing was between 40 per cent and 60 per cent of total values of the projects.

20. Within the National Investment Programme, four projects regarding waste management were selected to be financed in the period 2006–2007 (total value of €20 million). These projects include the support to local self governments for construction of regional landfills (€4.3 million) and collection of communal waste (€2 million), detailed PCBs inventory and replacement of devices that contains PCBs (polychlorinated biphenyls) and their export for treatment (€2.04 million), and clean-up and recultivation of existing dumpsites (€2.7 million).

C. Impact of economic instruments on the environment: the Estonian experience

21. In Estonia, environmental taxes have been in use since 1991. Over a 15-year period (1991–2005), revenue from environmental taxes has shown constant growth, but still not in proportion with economic growth rates. This is due to the stimulating role of environmental taxes on environmental protection. If entrepreneurs undertake efficient environmental protection measures, their amount of payable environmental taxes decreases.

22. Environmental taxes received have been used in the State budget for financing environmental protection and nature conservation activities during this 15-year period. From 1991 to 1999, the money was used through the Environmental Fund, outside the State budget. Since July 1999, it has been used through the Environmental Investment Centre, operating under the State budget. Previously, State functions such as environmental inspection and development of information technology were also financed through the Fund. In recent years, financing of those activities has been shifted more and more to the State budget. Current financing is project-based. The projects are grouped into programmes according to priority sectors to be financed. The money is not redirected to the sector from where it was received, but to where it is the most beneficial for Estonia from the environmental protection point of view. According to this principle, more than 40% of finances have been allocated to the water sector, a priority for Estonia, although the sector itself has given only 15% of the money received.

23. The impacts of economic instruments in reducing environmental pollution have been remarkable during the last 15 years. For example, the water pollution load has decreased substantially, in particular that of organic pollution (by more than 7 times), emission of suspended solids (by almost 7 times) and total phosphorus and oil pollution (by 4 times). Reduction in total nitrogen pollution has been the lowest (by 3 times). In 2005, Estonia decided to make economic instruments in place more effective by strengthening the regulatory framework for nature use and protection. The adoption of the Environmental Charges Act (2005) called for a dramatic increase in a vast great majority of environmental tax rates (up to 100% in certain cases). The objective was to give a clear signal both to the business and the public sectors about the willingness of the State to use its natural resources and the environment in a sustainable manner.

D. Environmental protection not listed as a priority for international financing in Moldova

24. In the period under review, the Government of Moldova did not include environmental protection as one of its main priority areas when requesting international technical assistance. As a consequence, the country assistance strategies or their equivalents of the international financial institutions (International Monetary Fund, the World Bank, European Bank for Reconstruction and Development), international organizations (the European Commission, United Nations Development Programme) and bilateral donors that are active in the country do not list environmental protection as a priority. If the European Bank for Reconstruction and Development and World Bank projects, whose primary purpose was other than environmental protection, are excluded, the total amount of external financial resources in the country for the period 1998–2003 could be estimated at around \$7 million compared to the domestic expenditures of around \$81 million. While this corresponds to the trends in other countries in the

EECCA region, where domestic environmental expenditures are significantly higher than foreign ones, Moldova has the potential to attract more external sources of financing. A step in the right direction is the National Programme of Technical Assistance for 2005–2006, which was developed in support of the poverty reduction strategy (Economic Growth and Poverty Reduction Strategy Paper, 2004–2006). The projects outlined in the Programme corresponding to Economic Growth and Poverty Reduction Strategy Paper priority areas have a better chance of attracting the attention of potential donors.

IV. MONITORING ENVIRONMENTAL PROGRESS AND READJUSTING TARGETS

A. Developing environmental indicators to monitor the state of the environment in Uzbekistan

25. The project “Environmental Indicators to Monitor the State of the Environment in Uzbekistan” is part of a broader initiative for the development of a national environmental information management system, the so-called Atrof-Muhit Environment Programme of the State Committee for Nature Protection of Uzbekistan supported by the United Nations Development Programme. The main objective of this project component is to develop indicators for monitoring a number of selected environmental parameters in the country.

26. In order to identify and define an appropriate suite of environmental indicators for Uzbekistan, the project has adopted an extensive participatory process, including official levels, technical and scientific circles, non-governmental organizations (NGOs) and local community groups. After establishing the set of indicators, the project is developing a monitoring strategy for each indicator; the protocols for managing the data and a database to store, process and analyse the data; and an environmental information system to share the data.

27. The Environmental Information System (EIS) is one of the outputs of the project. The data stored in the EIS database comes from 91 environmental indicators monitoring the state of the environment in Uzbekistan at national, regional and local levels. Each indicator monitors a different aspect of the environment, e.g. air pollution or land salinization. The data is available on the Internet via a standard Web browser. The EIS allows for querying, analysing and displaying environmental data online.

B. Ukraine’s regional environmental monitoring programme: the Zaporizhia Oblast case

28. In 2001, the Zaporizhia Oblast Council adopted an environmental monitoring programme for the oblast for 2001–2010. Developed in collaboration with all oblast governmental bodies, major polluting enterprises and local NGOs and with support from the regional environmental fund, the programme is based on a format and procedure for data submission managed by Ecocentre. This company operates an Internet-based database to manage data inputs from all of the oblast’s monitoring networks – including those of Hydromet, the Ministry of Health and the State Committee for Water Management – and emissions data from polluting enterprises. Implementation is monitored by a regional interdepartmental commission led by a Vice-Head of the oblast administration. Some 16 million hryvnias (about \$3 million) from various sources has

been earmarked for the programme's implementation. It has served as a basis for developing other regional programmes, such as a programme to resolve environmental crises in Zaporizhia for the period 2001–2010 that has involved some 100 polluting enterprises; a programme promoting environmental protection, the rational use of natural resources and environmental security for Zaporizhia Oblast for the period 2003–2010; a programme for rehabilitating mining sites; and a programme for handling hazardous wastes.

C. Russia's experience with environmental and social reporting

29. Based on global experience and the initiation of serious large-scale corporate social responsibility (CSR) and sustainability reporting to present their economic, environmental and social performance, as of July 2006 41 Russian companies have issued their non-financial reports. Fourteen of these are included as sections into the companies' annual reports; 17 are prepared in the form of social reports, six as sustainability reports and four as environmental reports. At the same time, 11 companies prepared their reports with application of the Guidelines of Global Reporting Initiative (GRI) and AA1000S Process Standard for Report Preparation methods and performance indicators, among them JSC Norilsk Nickel, JSC LUKOIL, JSC Unified Energy System of Russia, JSC Tatneft, JSC YUKOS, Ilim Pulp Corporation, JSC Northwest Timber Company, NOVOGOR-Prikamie LLC, EvrazHolding Ltd, Shell and BP. RUSAL has prepared its non-financial report in compliance with 10 principles of the United Nations Global Compact.

30. The four Russian companies which present their environmental policy in the form of special environmental reports are JSC Gasprom, JSC Ryazan State District Power Plant, JSC Arkhangelsk Pulp and Paper Factory and JSC Northwest Timber Company. Although small in number, these environmental reports are highly transparent in most aspects of environmental responsibility. The systems of environmental management applied by these leading Russian companies meet the ISO 14001 requirements.

D. Upgrading environmental monitoring through the project "Joint River Basin Management for the Kura River" in Armenia, Azerbaijan and Georgia

31. The project "Joint River Basin Management for the Kura River", funded by the EU Tacis Programme, includes several subprojects being carried out by national technical working groups in Armenia and Azerbaijan and Georgia. These groups meet in plenary workshops, allowing country-to-country interaction. Steady progress is being made to upgrade technologies and the monitoring of water quantity and quality in the Kura Basin, with a view to achieving consistency within and across countries, as well as data sharing. Transboundary reviews and management can be done only when all three countries have a sound understanding of conditions and threats, and this project is making important progress in this direction. Capacity-building components include reviews of water management practices, raising public awareness, and early-stage pollution "hot spot" identification through improved monitoring. Broader political concerns mean that a formal basin-wide steering group, international commission, or other high-level and politically endorsed entity is not possible now. Nevertheless, all three countries are clearly supportive and will benefit from technical cooperation.

E. Integrating environmental protection goals into other sectors in Romania

32. The main policy objective in Romania, as spelled out in the National Development Plan, is to integrate environmental protection goals into other sectors. In this context, the Government of Romania is strengthening efforts to provide a more consistent framework for implementing Strategic Environmental Assessment (SEA) in the country and establishing a wider set of factors in decision-making that shall be set up for each relevant category of plans and programmes likely to have an environmental impact. Human resources capacity for implementing the EU SEA Directive will be reinforced by the hiring of five persons in 2007 at the Directorate for Horizontal Legislation and Regulations within the Ministry of Environment and Water Management. As Ministry staff have not the requisite experience to implement the SEA and Reporting Directives, training sessions and logistical equipment supply (PCs and database) will be provided. In parallel, implementation guidelines for SEA will be drafted. In addition, training of representatives of sectoral ministries and the general public will be offered, leading to a better knowledge of the requirements and application of the SEA legislation to national plans/programmes.

F. Bulgaria's experience with strategic environmental assessment as a tool for integrating environmental considerations into sectoral planning

33. In Bulgaria, legal requirements on SEA as a tool for integration of environmental considerations in sectoral planning and programming have been enforced since July 2004. The national SEA legislation follows the principles and provisions of the EU Directive 2001/42/EC on the Assessment of the Effects of Certain Plans and Programmes on the Environment (SEA Directive). To date, some SEAs for programmes in the energy and transport sectors have been carried out. However, the number of SEA procedures implemented is not high enough to take lessons from the process. Two recent examples of SEA for energy and transport programmes are given below:

National Long-term Programme for the Development of Renewable Energy Sources

34. After screening (first stage in the SEA process), the Ministry of Environment and Water (MoEW) has issued a decision on the need of strategic environmental assessment for the programme. The Ministry also issued some guidelines on the scope of the SEA, in which attention devoted to specific issues such as the assessment of the impact of wind farms development on birds migration at Via Pontica on the Black Sea coast, or the assessment of the likely impact on the water regimes (changes in the water shed and the water flow) as a result of the water use. The SEA report for this programme is currently under preparation.

Sectoral Operational Programme "Transport"

35. The Ministry of Environment and Water has screened the Programme and issued a decision on the need of an SEA for such a programme, as part of the assessment. Within the assessment preparation, consultations on its scope have been carried out with environmental authorities (MoEW, Basin Directorates) and NGOs. Public access to the draft of the SEA was granted in order to gather public opinions. The documentation has been submitted to MoEW, and the Ministry has expressed its written opinion on the SEA report, with some remarks to be

reflected in the final draft of the assessment. The final draft is expected to be presented to the Ministry in order to follow the last step of the procedure – the statement of approval for the programme.

G. Integration of environmental concerns in industry: examples from Eastern Europe, Caucasus and Central Asia and South-Eastern Europe

36. In Ukraine, the first steps towards the introduction of an integrated permitting system have been taken in 2005 and a National Strategy to Introduce Cleaner Production has recently been drafted. However, the development of a policy and legal basis, a BAT database, technical guidance on sectoral and horizontal BAT, and training on procedural and technical aspects of BAT are still needed to ensure the effective implementation of integrated permitting in Ukraine.

37. Belarusian enterprises have begun to request ecological certification (ISO 14000). In 2003, six enterprises were certified and two of them have international certificates. National standards for ecological certification based on ISO 14000 series have been published. This process is promoted by legislation that states that enterprises that go through certification for the first time will get a 10 per cent reduction in pollution charges during three years. Currently, the implementation of a pilot project in the Grodno oblast is establishing an integrated approach to environmental permitting. The experience acquired from this project can be used for the establishment of a nationwide integrated permitting and enforcement system.

38. In Azerbaijan, environmental requirements were not introduced and the Ministry of Ecology and Natural Resources (MENR) was not involved in decision-making during the privatization process. However, the system for oil and gas exploration under the new production sharing agreements is performing well. Now, before a well can be drilled, an environmental impact assessment (EIA) has to be approved by the Ministry of Ecology and Natural Resources. Drilling cuttings may no longer be dumped on the seabed (until recently a common method in many places in the world), nor is it permitted to dump drilling mud into the sea or to discharge associated water (properly treated), not even if the only problem is a salt content higher than that of the Caspian Sea.

39. In Bosnia and Herzegovina, as the environment is not seen as a priority in privatization, the Directorate for Privatization does not insist on environmental investments when negotiating with potential investors. However, some investors in the country have voluntarily taken environmental measures and curbed pollution. The case studies of such companies may be instrumental in developing policies to encourage new owners to invest in pollution prevention and resource-saving technologies.

40. In Georgia, there are no enterprises with ISO 14000 certificate and EMS, BAT, environmental audits as well as environmental insurance have not yet been implemented.

Annex I**Status of the UNECE Environmental Performance Review Programme, 2007**

UNECE member countries¹	UNECE EPR 1st Review	UNECE EPR 2nd Review	EU member countries
Albania	2002		
Armenia	2000	(2008)	
Azerbaijan	2003		
Belarus ²	1997	2005	
Bosnia and Herzegovina	2004		
Bulgaria ²	1995	2000	X
Croatia	1999		
Estonia	1996	2001	X
Georgia	2003		
Kazakhstan	2000	2007	
Kyrgyzstan	2000	(2008)	
Latvia	1998		X
Lithuania	1998		X
Moldova	1998	2005	
Romania	2001		X
Russian Federation ²	1999		
Serbia and Montenegro ³	2002	2007	
Slovenia	1997		X
Tajikistan	2004		
The former Yugoslav Republic of Macedonia	2002		
Turkmenistan			
Ukraine	1999	2006	
Uzbekistan	2001		

Notes:

(1) UNECE member countries eligible for the EPR Programme.

(2) In cooperation with OECD.

(3) In 2006, Serbia and Montenegro are two sovereign countries; the second EPR has been conducted on the two countries separately

Reports of the respective EPRs can be found at the following website address:

<http://www.unece.org/env/epr/countriesreviewed.htm>

Annex II

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