

# ***Danish Strategy for Environmental Assistance to Eastern Europe***

**DANCEE STRATEGY**

*2001-2006*



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***DANCEE***

Danish Cooperation for Environment in Eastern Europe  
Ministry of Environment and Energy

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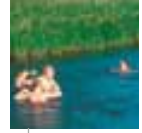
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# THE BACKGROUND FOR THE STRATEGY

**This strategy for the Environmental Assistance Programme replaces the strategy of October 1993: "International Environmental Assistance under the Environmental and Catastrophe Framework – Subsidiary Strategy regarding Environmental Programmes in Eastern and Central Europe" (International Miljøbistand under Miljø- og Katastroferammen – delstrategi vedrørende Miljøindsatser i Øst- og Centraleuropa). The programme is administered by the Ministry of the Environment and Energy, the Danish Environmental Protection Agency.**

The programme forms part of Denmark's international measures under the Environmental, Peace and Stability Framework (MIFRESTA), formerly the Environmental and Catastrophe Framework (MIKA)<sup>(1)</sup>. Environmental assistance is part of the overall assistance to Eastern Europe. The general co-ordination of Danish assistance to Eastern Europe is carried out in close collaboration between the Ministry of Foreign Affairs and the Ministry of Finance. The work is carried out with the help of interministerial committees such as the Inter-Ministerial Eastern European Committee, (TMØ)<sup>(2)</sup> and the International Expenditure Committee<sup>(3)</sup>, which refers to the government's Financial Affairs Committee.

Over and above the Environmental Assistance Programme, Danish environmental assistance to Eastern Europe under the Environmental, Peace and Stability Framework includes the following measures, which primarily pertain to the Baltic Region:

- Sector-Integrated Environmental Programmes<sup>(4)</sup> within the energy, agri-

culture, transport and industry sectors, including the working environment.

These measures are administered by the Ministry of Labour, the Ministry of Housing and Urban Affairs, the Ministry of Trade and Industry, the Danish Energy Agency, the Ministry of Food, Agriculture and Fisheries, the Ministry of the Interior (the Emergency Management Agency), the Ministry of Transport and the Ministry of Education, and are co-ordinated by the Danish Environmental Protection Agency.

- The Environmental Investment Facility for Eastern European Countries (MIØ) under the Investment Fund for Eastern Europe, which is designed to help improve the environment in Central and Eastern Europe by co-financing joint venture projects in the private sector of particular relevance to the environment. The programme is administered by the IØ Fund.

- The Environmental Credit Programme for Eastern Europe (MKØ), based on favourable export credit principles. Its purpose is to promote investments in the Eastern European countries through long-term, subsidised environmental

1 The Environmental and Catastrophe Framework (the MIKA Framework) was established as part of the budget agreement of 1993 on the basis of Report on the Proposal for a Resolution by the Folketing on global environmental and catastrophe aid (B 2) submitted by the Folketing's Foreign Affairs Committee on 18 December 1992. More detailed guidelines were subsequently established in White Paper no. 1252 on Denmark's International Measures (1993). Among the objectives proposed in the White Paper was that the MIKA Framework should comprise 0.5 % of GNP in the year 2002. In 1998 the phasing in of the MIKA Framework at 0.5 percent of GNP was changed to the year 2005 in pursuance of the altered GNP basis from 2000. The government's statement of 14 January 1999 on the previous use of the Environmental and Catastrophe Framework and the future use of the Environmental, Peace and Stability Framework constitute the present basis.

2 The Inter-Ministerial Eastern European Committee comprises all the ministries and governmental administration departments, etc., that administer Danish aid to Eastern Europe. The Ministry of Foreign Affairs performs the chairmanship and secretariat functions and the committee is responsible for technical and professional co-ordination between the various measures.

The International Expenditure Committee is an inter-ministerial committee that, under the chairmanship of the Ministry of Finance, prepares the annual implementation of appropriations for the Eastern European assistance programme and the distribution of funds between the areas and sectors where measures are undertaken.

4 Sector Integrated Environmental Measures are covered by the Ministry of Finance's "General Guidelines for Sector Programmes in Central and Eastern Europe", September 1999.

5 CIS: union of new, independent states (Søjus Nesavismajich Gosudérst). The CIS countries comprise Russia, Belarus, Ukraine, Moldova, and the former Soviet Republics of Central Asia and the Caucasus. It involves five states in Central Asia: Kazakhstan, Uzbekistan, Tadzhikistan, Kirghizia and Turkmenistan, and three states in the Caucasus: Georgia, Armenia and Azerbaijan.

3 credit schemes. The scheme is administered jointly by the Export Credit Fund (EKF) and the Danish Environmental Protection Agency.

The Advisory Committee for the Danish Environmental Assistance Programmes for Eastern Europe assists the Danish Environmental Protection Agency in describing the purposes of the assistance programmes, drawing up administrative guidelines, the technical prioritisation of the recipient countries and areas where measures will be undertaken, and takes part in an ongoing evaluation of the measures performed. The committee's secretariat function is handled by the Danish Environmental Protection Agency.

### The revision of the 1993 strategy

The revision was necessary not least because of the political developments of the last eight years in Eastern Europe, including the EU enlargement process, the reconstruction of the Balkans and developments in the CIS countries.<sup>(5)</sup>



6 The Ministry of Foreign Affairs Country Operational Programmes are at present available for Estonia, Latvia and Lithuania.

7 Denmark's environmental assistance to Eastern Europe 1991-1996 – an assessment of project achievements, environmental policy performance and the role of foreign assistance”, October 1998, by Michael Skou Andersen, Aarhus University, in cooperation with PLS Consult and KPMG. The recommendations in the 1998 evaluation are referred to in: *Årsberetning 1998 - Miljøbistand til Østeuropa*, p. 25, among other places.

Based on the experience derived from administering the Environmental Assistance Programme, 1993-2000, in revising the strategy an effort has been made:

1. to strengthen and define the general framework for measures under the Environmental Assistance Programme,
2. to create a basis for updating and revising the Country Programmes for the individual co-operating countries, and to clarify the objectives within the prioritised areas where measures will be undertaken.

The strategy must also help to create the general strategic guidelines for the sector-integrated environmental programmes, the Environmental Investment Facility for Eastern European Countries (MIØ) and the Environmental Credit Programme for Eastern Europe (MKØ).

The point of departure for the strategy for 2001-2006 is the Danish government's Eastern European assistance strategy: "The government's general strategy for Eastern European Assistance – with particular emphasis on the Baltic, from 1997 (the so-called East Initiative for the period 1998-2001).

This gave priority to the Baltic Region, that is to Poland, Estonia, Latvia, Lithuania and the neighbouring Russian areas.

As the government's strategy is now being revised, and as the strategy for the Environmental Assistance Programme is part of the general strategy, it may be necessary to subsequently adjust environmental strategy in the light of this revision. The Environmental Assistance Programme will continue to be an integral part of Danish Eastern European assistance and is described in, among other places, the collected Country operational programmes published by the Ministry of Foreign Affairs.<sup>(6)</sup>

The strategy incorporates the Folketing's resolution V 79, passed on 4 May 1999. Here, the Folketing once again confirmed the decision to focus on the Baltic Region, on assistance to EU pre-accession countries' preparations for EU membership and on a greater effort in the CIS countries, and in this connection encouraged the government, inter alia, to strengthen efforts to ensure that international agreements on the environment are complied with and, on behalf of the environment in the recipient countries, to support including the general public in decisions concerning the environment.

The Folketing's resolution V 101, passed on 22 May 2000, subsequently emphasised the need to reinforce efforts designed to ensure that international agreements on the environment are complied



with, including securing the necessary financing of work carried out under conventions, and the effort to realise the other recommendations in V 79 regarding environmental assistance.

The Folketing's resolution V 30, passed on 30 November 2000, established the importance of maintaining the momentum of the enlargement process, especially for the EU candidate countries, and of environmentally sustainable development through, inter alia, Danish environmental assistance" ... by helping to ensure that possible transitional schemes are as brief as possible. For this purpose bilateral environmental assistance to Central and Eastern Europe relating to EU approximation should be strengthened, as should the effort to incorporate environmental considerations in the most important growth sectors (agriculture, energy and transport)".

Finally the Danish Strategy for Environmental Assistance to Eastern Europe incorporates relevant results and recommendations from the Public Accounts Committee's report on Eastern [European] Assistance from 1999 and the external evaluation of the Environmental Assistance Programme, which was completed in October 1998.<sup>(7)</sup>

### **Experience from previous environmental assistance programmes**

The new strategy for the Environmental Assistance Programme builds upon the

considerable amount of experience gained from the previous environmental assistance programmes, and identifies some necessary adjustments which can be summarised as follows:

- More long-term planning, over a three-year programme period, for example, of Danish environmental assistance to the co-operating countries would improve the opportunity for the effective and advance co-ordination of Danish efforts in connection with the co-operating countries' national plans, including other Danish programmes and the efforts of other multilateral and bilateral donors.
- Flexibility in Danish environmental assistance, especially the fact that it has been possible to rapidly establish Danish assistance when new needs arose in countries, has been significant for the results achieved through Danish assistance. This flexibility must be maintained in the transition to a more long-term approach to planning Danish environmental assistance.
- Focusing Danish environmental assistance on a maximum of three to five sectors in each co-operating country would enhance the effect and sustainability of Danish assistance. This, combined with the parallel country programming, would provide a better basis for making decisions in connection with



the current and future need for assistance in the selected sectors, including legislation, institutional capacity, economic and financial conditions, relevant stakeholders and other donors.

- Projects designed with a "vertical approach" including the political framework, legislation, institutional capacity, and economic and financial conditions has had the greatest penetration and sustainability in the recipient countries. Projects which focus on the implementation of EU Directives and international conventions have been more operational and have provided more well defined projects.

- A more systematic development of the countries' capacity to develop and implement realistic financing strategies and investment plans would strengthen the efforts of environment ministries to attract financial support for the environmental area. In addition these tools can increase the efficiency and sustainability of the investment projects that international financing institutions and donors help to develop and co-finance.

- The experience gained from the concrete efforts supported by Denmark to phase out substances that deplete the ozone layer and the phasing out of lead in petrol should constitute the basis for similar concrete initiatives in connection with other groups of chemicals such as persistent organic pollutants (POPs), so

that the relevant experience can be passed on to similar model projects in other countries.

- Assistance has to a great extent been given to the authorities' implementation of the EU environmental acquis in the industrial sector (in particular relating to the IPPC Directive) in order better to control the environmental impact of industry. Concrete demonstration projects in the field of cleaner technology have directly involved the private sector. Experience has shown that to a considerable extent donors can create incentives and build capacity in the private sector for more environment-friendly operations. However, it is a clear precondition that the environmental authorities have a parallel capacity to issue and enforce framework conditions for industry.

- Experience has shown that Danish supported projects with considerable national co-financing, or "in-kind" contributions have greater national ownership and a better chance of being continued by the countries themselves when project support is discontinued. Continued focus on significant national co-financing is therefore necessary when considering each country's situation with regard to economy and resources.

- Finally, experience has also shown that the use of Danish assistance as a

*A new waste water treatment plant in Krakow, Poland. In the background the Huta Sendzimir – the second largest steelwork in Poland.*



8 *Project Cycle Management Manual, September 1999.*

PAGE 9

lever to acquire international loan or grant financing has generally had a very positive effect in connection with carrying out more comprehensive investments.

### **Target groups**

The target group for the present strategy is the overall group of Danish stakeholders who are involved in the direct or general co-ordination of environmental assistance programmes: The Folketing, the Ministry of Finance, the Ministry of Foreign Affairs and its embassies, the Ministry of Environment and Energy, and all other ministries that are directly responsible for or involved in the performance of sector programmes in Eastern Europe, as well as the Advisory Committee for the Danish Environmental Assistance Programme.

Another target group is all the stakeholders in the environmental area in the co-operating countries, including recipient countries' environment ministries as the immediate collaborators, potential Danish project holders, including consultants, companies, institutions, NGOs, counties and municipalities and their local partners in the co-operating countries.

Other bilateral and multilateral donor organisations and international financing institutions have also been considered as target groups.

The strategy must create a framework for future efforts under the Environmental Assistance Programme and, together with the individual Country Programmes, increase the visibility of Danish environmental assistance in the co-operating countries. Furthermore, in the light of the many stakeholders in Eastern Europe, the strategy should promote a more synergistic effect and improved co-ordination between them.

### **Structure**

The strategy is composed of sections which describe the background, introduction, general objectives, and priority areas where measures will be undertaken (including the sector-integrated environmental measures), and the implementation of the strategy.

The strategy is formulated into Country Programmes, where the level of detail for measures to be undertaken in each country is established. The plan is to prepare Country Programmes on an ongoing basis over the coming year for all co-operating countries and for selected regional measures.

Together with the Country Programmes, this strategy and the Project Cycle Management Manual<sup>(8)</sup> will constitute the foundation for the Environmental Assistance Programme for Eastern Europe.

# STRATEGY 2001–2006

**"Danish Strategy for Environmental Assistance to Eastern Europe, 2001-2006" describes the objectives and priority areas where measures will be undertaken and the performance of the environmental assistance that has been planned for the next five years in selected areas of Eastern Europe.**

The concrete selection of countries and measures is to a large extent based on the changed political conditions in the countries of Eastern Europe, including the fact that the recipient countries are at widely differing stages with regard to adapting to the EU environmental acquis, their readjustment to democracy and a market economy and the administrative reform process. In addition the ratification and implementation of international environmental conventions of a regional and global character in the region as a whole leave a great deal to be desired.

### **The complexity of the environmental problems**

Air pollution from the energy, industry and transport sectors still constitute one of the gravest environmental problems. In many Eastern European cities air quality in particular is extremely poor, resulting in a series of negative effects on the health of the population. This primarily involves respiratory problems and bronchial infections as a consequence of emissions of SO<sub>2</sub>, NO<sub>x</sub>, particles and volatile organic compounds (VOCs), and an influence on the central nervous system caused by lead pollution, particularly from leaded petrol. Emissions of

SO<sub>2</sub> and NO<sub>x</sub> also have an impact on nature in the form of acid precipitation as well as the eutrophication of natural resorts and seawater as a result of nitrogen precipitation. Moreover, in step with economic growth, Eastern Europe increasingly contributes to the world's CO<sub>2</sub> emissions. A very distinct problem involves the safety conditions at a number of Eastern European atomic power stations, which will require special measures.

Pollution of lakes and rivers as well as the sea, including the areas closest to the coast, continues to constitute a serious problem, especially in the light of the fact that most countries use surface water as a source of drinking water supplies. In addition to water pollution, water resources in several countries are scarce and water distribution networks are in a bad state of repair, which sometimes results in an extremely high loss of water from the networks. The latter is a contributory cause of the fact that industry and other businesses have a disproportionately high water consumption.

Waste has still not been given sufficiently high priority in the recipient countries.

This applies to collection, sorting, treatment and disposal, as well as legislation and controls. The unfortunate results of this for the environment can be seen in the large number of unauthorised waste tips where household waste, industrial waste and hazardous waste are all deposited. The seepage of oil, chemicals and pesticide residues with a consequent decline in the quality of ground water and drinking water are other effects of inadequate waste treatment and administration.

Where chemicals are concerned very few of the chemicals sold in the region have been properly analysed and many are potentially harmful to health and the environment. In addition to the uncontrolled use of undesirable substances the countries have a considerable number of local problems caused by the inappropriate storage of outdated pesticides and chemicals during former years. A code of practice for the administration and control of the production and marketing of chemicals is still lacking in many places in the region.

Where nature is concerned it is characteristic for the Central and Eastern European countries that they have very considerable nature resources, ecosystems, biotopes and species, which are often quite unique by comparison with Western Europe. The rich biodiversity of these countries is threatened partly by

classic pollution problems (air, waste water, waste, chemicals and the introduction of nutrient substances) and partly by impoverishment due to existing and anticipated economic activities, particularly in the agriculture, forestry, transport and tourism sectors with concurrent investments in the infrastructure. Added to this is the fact that nature resource administration will be characterised for many years to come by a highly fragmented ownership structure as a consequence of the reintroduction of private property – also in specially protected, valuable areas of natural beauty.

Approximation with the EU environmental acquis is an absolutely decisive incentive in prompting many of the





candidate countries to take steps to combat the problems mentioned above. It is clear that an inability to meet EU environmental requirements and to make the requisite investments can constitute an obstacle to these countries' membership of the EU. At the same time it is a great challenge for these countries to ensure the necessary integration of the environment into the resource-consuming sectors, primarily energy, agriculture, and transport. Compliance with EU environmental requirements not only means concentrating on traditional investments in the environment, it also requires an effort in the form of energy conservation, cleaner technology, etc., as supplementary measures which can achieve good results and make the overall measures less expensive and more cost-effective to implement.

Where the CIS countries are concerned measures must primarily focus on those areas most affected by environmental impact and health threatening factors, especially measures to halt the rapid breakdown of drinking water supplies in the light of these countries' extremely limited economic means.

The active involvement of the NGO sector and the general public, as well as the private sector, in the environmental policy decision-making process are important parameters in ensuring that the

environmental policy objectives are actually implemented and realised in practice.

Underlying the way in which all environmental problems present themselves is the fact that the economic resources are limited. There is a pressing need for investments in the environment and expenditure for capacity building in Eastern Europe and the CIS countries. Where the EU pre-accession countries are concerned estimates of the expenditure involved in complying with the EU environmental acquis run into approximately DKK 1,000 billion, or around EURO 120 million (1997 figures) and, most recently, are in the region of DKK 700 billion, around EURO 85 million (2000 figures).<sup>(9)</sup> The EU Commission has estimated that pre-accession countries will have to spend between two and three percent of their GDP over a period of 15 – 20 years in order to fully implement EU requirements in the environmental field. There are no corresponding calculations for the CIS countries.

The major expenditure for these countries will be the public sector's investments in the infrastructure and the private sector's investments to implement legislation, such as in the industrial area. It must be expected that the countries themselves will have to finance the greatest part of the expenditure (approx. 90-95 %) themselves.

The countries' investment requirement has been the subject of much debate in recent years due to a series of analyses. Among these are "Compliance Costing for Approximation of EU Environmental Legislation in the CEEC" (EDC Ltd, EPE asbl), April 1997. In 1997 the Danish Environmental Protection Agency published: *The EU's enlargement to the East – environmental perspectives (EU's udvidelse mod Øst – miljømæssige perspektiver)*, which estimated the costs at approx. DKK 500 billion for a number of selected sectors. Finally the Brussels-based think-tank, Centre for European Policy Studies (CEPS), stated in its report, "The Environment in European Enlargement" from July 2000, that the previous estimates of costs, especially for the industrial sector, had been overestimated. These calculations are based on different methods of calculation and the adoption of new, cost-intensive EU directives such as the EU's Water Framework Directive, and the revised Directive on Large Combustion Plants, were not included in the original basis of calculations. Ongoing specifications are being developed in the individual countries regarding the sector specific plans and cost estimates.

There is therefore a pressing need for both EU pre-accession countries and the CIS to attract new financial resources to the area, both nationally and internationally. Deciding on priorities for the necessary measures, the cost-effective utilisation of resources, the involvement of the private sector and the identification of new financing mechanisms are therefore important preconditions to carrying out the respective environmental measures in these countries.

Improving health standards in Eastern Europe has also been emphasised as the most important purpose of environmental measures since the European Environmental Action Programme was adopted at the First Pan-European Environment Ministers Conference at Lucerne in 1993. In this connection the need to strengthen environmental

measures from the point of view of health was underlined in the London Declaration at the Third Ministerial Conference on the Environment and Health in June 1999, with the main emphasis on a number of nominated areas.

In accordance with this, the Environmental Assistance Programme will in future place a greater emphasis on health as the general or immediate purpose of projects. More specifically, measures will be addressed to fulfilling the protocol adopted at the London Conference on "Water and Health" and the charter on "Transport, the Environment and Health".

These complex problems are discussed in greater detail in the section on selected areas where measures will be undertaken.





### **The geographical regions**

Geographically the strategy covers measures in:

#### ***EU pre-accession countries in the Baltic Region and Russia***

The general geographical prioritisation will still be the Baltic Region and will, over and above assistance for these countries' EU preparations, continue on a regional basis in connection with common environmental problems. Measures will be undertaken in the countries surrounding the Baltic, i.e. Estonia, Latvia, Lithuania, Poland and the neighbouring Russian areas. Assistance will be made available within the established areas of priority in the EU Action Plan on the Northern Dimension<sup>(10)</sup>, which addresses the Baltic Region in particular, the area around the Barents Sea and the new neighbouring Russian areas in connection with an enlarged EU.

#### ***Selected EU pre-accession countries in Central and South-Eastern Europe***

The other Eastern European countries applying for EU membership must first and foremost receive assistance to enable them to transpose and implement EU environmental requirements. It is characteristic of these countries that they have not to date made the same progress as the Baltic Region nor had the attention paid to them by donors that the Baltic Region has received. Measures will include Slovakia, Romania

and Bulgaria as co-operating countries, and the other EU pre-accession countries which are closer to being admitted to the EU (Hungary, the Czech Republic and Slovenia) will receive assistance solely where this is a necessary facet of regional projects.

#### ***Selected CIS countries***

As the EU accession process progresses, relations with those countries that become new border countries to an enlarged EU will intensify. This should lead to increased collaboration in the environmental area as well.

A common feature of these countries is that they do not at present devote sufficient resources to their environmental administration and the environment has a very low priority as a consequence of their economic situation. In general these countries are losing a great deal of ground relative to solving environmental and health related problems, as public investments are incapable of covering even basic operation and maintenance costs. In addition there is a very low degree of openness and little opportunity to influence the decisions of the authorities relating to the environment.

Activities will focus primarily on Ukraine, Russia (with sharper focus on the neighbouring Russian areas than on other areas of Russia, as the pre-access-



**10** *The European Council at Feira adopted the Action Plan for the Northern Dimension in June 2000; Action Plan for the Northern Dimension in the external and cross-border policies of the European Union 2002-2003. An attempt has been made here to provide further details of priorities and objectives with regard to the environment.*

**11** *The EU Council conclusions from 1997 recommended that member countries should freeze technical assistance to Belarus, with the exception of humanitarian and regional programmes, including assistance for the democratisation process. The TACIS programme for regional cooperation and the cross-border programme for 2000-2003 once again opens up the opportunity for regional environmental assistance, especially including regional projects in collaboration with EU pre-accession countries. Where Denmark is concerned the decision was to follow the EU's recommendations closely.*

*The EU has signed PCAs with all CIS countries except Tadjikistan, where the agreement has been left in abeyance. The agreements with Russia, Ukraine and Moldova have come into effect.*

**12** *The agreement with Belarus has been signed, but not yet ratified.*

sion countries around the Baltic gradually become EU members), Belarus<sup>(11)</sup> and, as a new co-operating country, Moldova. Measures in the Caucasus and Central Asia will be limited, solely of a regional character and with close links to the Environment for Europe process and international conventions.

### **The Balkans**

The Environmental Assistance Programme collaborates with the Ministry of Foreign Affairs on some aspects of the environment related measures in the Balkans. Measures under the programme cover Croatia, Bosnia-Herzegovina, Macedonia (FYROM), Albania and the Federal Republic of Yugoslavia. As a starting point measures under the Environmental Assistance Programme will primarily be of a regional character, but support can also be given to concrete environmental infrastructure projects.

### **The political context**

Two general themes will comprise the framework for environmental assistance: the EU accession process and the Environment for Europe process. In practice there will be a very great difference during the strategy period between the countries included as far as environmental policy development is

concerned and the speed at which this will move.

### **EU approximation**

EU approximation has been established as the general focus of the strategy, both for EU pre-accession countries and for the CIS countries which, due to Partnership and Cooperation Agreements (PCAs) with the EU<sup>(12)</sup> have committed themselves in principle to approximation with EU requirements, including those in the environmental field. A similar process is under way with the Balkans in the form of Stabilisation and Association Agreements (SAAs).

The position of the Danish government to the enlargement process is that the EU pre-accession countries should as far as is possible maintain the speed of the reform process in order to help, inter alia, to ensure that possible transitional periods will be as brief as possible. Priority is given to the EU framework legislation and provisions relating to international conventions to which the Community has subscribed.

The basis of the strategy is that the effective implementation and enforcement of EU environmental legislation would significantly improve environ-



mental conditions in Central and Eastern Europe and also play an important role in maintaining the rich biodiversity of these countries. There is one clear, homogeneous common objective for environmental policy in the Eastern European countries: that the pre-accession countries must take on the entire EU environmental acquis. This includes the obligation contained in Article 6 of the consolidated Treaty establishing the European Community regarding the integration of environmental considerations into Community policies and activities.

Moreover, the more rapidly Danish environmental assistance can help the Eastern European countries to comply with EU requirements, the better. This should be seen in the light of the fact that EU pre-accession countries have asked for transitional periods, primarily in connection with investment heavy requirements in water, air and waste, some of which would range up to eleven years before full compliance with EU requirements would be achieved. The Danish assistance can contribute in a goal-oriented fashion to reduce the length of these transitional schemes, and Denmark should take steps to ensure that the EU accession funds are channelled to areas where long-term transitional schemes are anticipated. A number of countries will have clarified their accession conditions in the en-

vironmental area at an early stage of the strategy period. The intervening period from the conclusion of negotiations to full membership could cover a significant part of the strategy time frame, perhaps with some uncertainty regarding the ratification of the results of the negotiations. During this period the countries will not yet be eligible to receive assistance from the EU Structural Funds. In this connection the Danish Environmental Assistance Programme should help to ensure that candidate countries do not lose their incentive to continue with environmental measures during the interim period.

Those pre-accession countries that are not expected to be ready for the next enlargement will continue to be concerned with adapting their legislation to the EU system and with putting the necessary administrative reforms and the concrete work of transposition and implementation into practice.

#### ***The Environment for Europe process***

This strategy is also closely linked to the "Environment for Europe" process which, since 1991, through four Pan-European Environment Minister Conferences – most recently in 1998 in Aarhus – has created the framework for a considerable extension of environmental cooperation between Eastern and Western Europe. The main objectives of the process are to harmonise and increase the effective-

I3

NEAPs: National Environmental Action Programmes

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The publication from the Ministry of the Environment and Energy: "Strengthening the Connection between International Environmental Agreements and the Environmental Assistance Programme in the Ministry of the Environment and Energy" (*Styrkelse af sammenhængen mellem internationale miljøaftaler og miljøbistanden i Miljø- og Energiministeriet*) (December 2000) lists the Climate Convention and the Kyoto Protocol, the Convention on Biological Diversity, the Cartagena Accord, the Ramsar Convention, the Washington Convention, the Basel Convention, the POPs Convention, the Rotterdam Convention (the PIC Convention) and, finally, the Århus Convention as future areas where action will be undertaken. The publication constitutes one of the practical tools on which this effort is based.

ness of environmental policies in the countries involved and to promote an understanding of environmental problems among governments, industries and the general public. Agreement was reached at the Aarhus Conference to focus to an increasing extent in future on the CIS countries and the Balkans, as the EU accession process for the other Eastern European countries brings these countries' environmental policies and condition into approximation with those of the EU. In this connection the Aarhus Convention was one of the instruments that was signed at the Fourth Pan-European Conference for the purpose of strengthening the rights of the general public in the environmental area.

The focus of future measures under the "Environment for Europe" process will be primarily as follows:

- 1) to implement the countries' national environmental action programmes<sup>(13)</sup> to establish new regional environmental centres (new RECs)
  - 2) to promote the participation of the public in decision-making processes (the Aarhus Convention)
  - 3) to strengthen environmental administration and monitoring between the region and the EU
  - 4) to create cleaner technology programmes in order, inter alia, to support the national environmental action plans
- Both the EU approximation process and the "Environment for Europe" process

will promote the implementation and increase the efficiency of international environmental agreements. The promotion of a synergistic effect between international conventions and the Danish Environmental Assistance Programme will create closer ties between the environmental strategy and Danish political interests and strengthen Danish efforts in international negotiations.<sup>(14)</sup>



# GENERAL OBJECTIVES

The general objectives of the strategy for the Environmental Assistance Programme for Eastern Europe are to:

- make the greatest possible contribution to the protection of the environment in Eastern Europe by supporting the Eastern European countries that have applied for EU membership in their efforts to implement EU environmental requirements as well as those of international environmental conventions,
- help the CIS countries and other non-EU pre-accession countries in their approach to an enlarged EU and to reduce the pollution which has a harmful impact on the health of the public; reduce the cross-border pollution that has an impact on EU countries; protect nature and biodiversity and implement international environmental conventions.
- help to ensure that political and economic developments move in the direction of environmental sustainability, especially by supporting market-based development and the promotion of democracy, also including the encouragement of responsibility in the private sector, involving the public and NGOs in decision-making processes in the environmental area, and increasing the integration of environmental considerations in other sector policies,

- promote the use of Danish environmental expertise and technology for the benefit of the areas covered by this programme.

## Specific objectives

### *Assistance in implementing the EU environmental requirements*

With EU approximation as the primary, overall theme for assisting EU candidate countries in the future, the EU environmental acquis will be the point of departure in defining Country Programmes and selecting projects.

Danish environmental assistance will comprise direct support to carry out and implement EU environmental requirements in recipient countries in the form of preliminary work for investments or direct investments and, as a framework for this, to strengthen the relevant institutions centrally, regionally and locally in administering implementation, inspection and control.

It will be a condition – in accordance with EU requirements for pre-accession countries on eligibility to receive PHARE and ISPA assistance – that all new investments in the environment must comply with the EU environmental acquis. An evaluation corresponding to the EU environmental impact assessment (EIA) rules<sup>(15)</sup> will need to be carried out in connection with all major private or public projects which

15 *The Directive regarding an evaluation of the impact of certain public and private projects on the environment.*



**16** National Programme  
for the Adoption  
of the Acquis (NPAA)

**17** National Environmental  
Action Programme (NEAP)

**18** Instrument for Structural  
Policies for Pre-Accession

could be expected to have a significant impact on the environment.

The EU pre-accession countries' action plans for implementing EU environmental requirements<sup>(16)</sup> indicate the status of and priorities for EU approximation measures, institutional needs and calculations of expenditure and are an important point of departure for prioritising future assistance, together with the countries' national environmental action plans<sup>(17)</sup> and ISPA<sup>(18)</sup> strategies.



### **Assistance for the broader EU integration process**

Over and above assistance in the implementation of EU Directives, the Environmental Assistance Programme will also emphasise the promotion of EU environmental policies and action plans in general, and support the ratification of and compliance with international conventions.

An effort will be made to better integrate environmental considerations in other sector policies, especially in such areas as climate, energy, health, agriculture, forestry and transport, and the promotion of sustainable development in the light of the EU's Fifth and Sixth Environmental Action Programmes. An attempt will also be made to strengthen the Community's sustainability strategy and the coming Johannesburg (Rio+10) summit meeting in 2002.

The effort to integrate the environment into other sectors will also continue to be the main area of activity in the "Danish Sector-integrated Environmental Assistance Programmes", as mentioned separately, as part of the continuation of the Cardiff Process.

In the CIS and the other countries not applying for EU membership, the measures should partly be seen in relation to their Partnership and Co-operation Agreements (PCAs) with the EU<sup>(19)</sup>, and

partly in relation to their concrete environmental situation. With reference to the European Energy Charter and the "Environment for Europe" process, the PCAs emphasise the need to improve environmental legislation in the direction of EU standards as well as for cooperation at a regional and international level as a framework to combat the deterioration of the environment in the CIS countries.

Putting the partnership agreements in the environmental area into practice is primarily carried out with the help of the EU Commission's TACIS programme. However, at present only a single country, Kazakhstan, has given priority to the environment as an area where measures should be undertaken in its national programme, over and above the environmental measures that are contained partly in TACIS' regional programme (REP), and partly in the cross-border programme (CBC).

Danish measures will in future attempt to promote greater complementarity and synergy between the Danish measures and EU measures, both at programme and project level, especially for the CIS countries that will border the new, enlarged EU (Russia, Ukraine, Belarus and Moldova). Working for a more prominent environmental profile in the TACIS programme will be a leading Danish issue, both as an indepen-

dent environmental area and also as an integral part of the other sectors.

# AREAS WHERE ACTION WILL BE UNDERTAKEN

Relevant future measures are described below. Areas where action is required include air quality, water quality, waste treatment, chemicals and biodiversity. Higher priority will also be given to cross cutting effort designed to strengthen institutions and enhance professional expertise in the relevant countries, to promote the participation of the public in the environmental area, to increase responsibility in the countries' private sectors with regard to taking their share of the burden in the environmental area and, finally, to strengthen the countries' fulfilment of their obligations under international environmental conventions.

The number of areas where action will be undertaken has increased relative to the 1993 strategy due to the inclusion of chemicals and the higher priority given to the interdisciplinary approach. This reflects the greater differentiation in the need for assistance and a greater diffusion with regard to developments in the group of co-operating countries.

Through the forthcoming revision of existing Country Programmes the Environmental Assistance Programme will determine the country-specific needs and, in a dialogue with the co-operating countries, select the relevant areas in which action is required for the country or region in question.

Developments in the EU pre-accession countries and progress in their negotiations for accession, as well as developments in the countries outside the group of pre-accession countries, will make it necessary to adapt this strategy and the Country Programmes in order to

ensure the best possible fulfilment of the objectives of the strategy. Allowances will also be made for the objectives through continued Danish support for improved donor co-ordination between the leading stakeholders in the area.

## Improving air quality

Air pollution continues to be a serious environmental problem in the Central and Eastern European countries. Health-threatening air quality in urban and industrial areas and enormous quantities of SO<sub>2</sub>, NO<sub>x</sub> and CO<sub>2</sub> from inefficient power stations and industrial plants are familiar images from the 1980s and early 1990s in Eastern Europe. Although the situation has changed over the past ten years, this is largely due to the breakdown in the economies of these countries.

The primary sources of air pollution and a higher concentration of greenhouse gases in the atmosphere are the burning of fossil fuels containing sulphur for



heating purposes, electricity production and a considerable increase in motor vehicle traffic, particularly in metropolitan areas. In addition there are emissions of harmful substances from industries.

Real reductions can be seen in emissions of  $\text{SO}_2$ ,  $\text{NO}_x$ , particles and lead in those countries that have made greatest progress in the EU approximation process. These reductions are not solely due to a decline in economic activities, but also to environmental measures actually implemented. They have led to a situation in which emissions continue to fall after the countries began to achieve positive economic growth in the middle of the 1990s.

Finally,  $\text{CO}_2$  emissions from the burning of fossil fuels are the most important source of climatic change. Even though  $\text{CO}_2$  emissions in Eastern Europe fell during the 90s due to restructuring and the resultant economic recession, they are expected to rise in line with the economic growth of these countries, especially in the transport sector.

Where both  $\text{CO}_2$  emissions relevant to climate change and emissions of  $\text{SO}_2$  and  $\text{NO}_x$  relevant to acidification are concerned, these are closely linked to the energy sector which is still characterised by poorer energy efficiency than is the case in the EU. Improved energy utilisation by power stations, in industry

and the housing sector will to a significant extent help to ensure the fulfilment of the obligations that the countries have taken on in an international context (the Kyoto Protocol, for example) and also help to comply with EU legislation relating to air quality.

Future demands on competitiveness in the EU Single Market regarding the industrial and energy sectors and Single Market requirements in such areas as the control of car exhausts and fuel





*Electrostatic precipitators are being replaced at the Dolna Odra Power Plant, Poland, to reduce fly ash emissions.*

quality will help to maintain this development in the long term. The cost of putting these requirements into practice will be largely defrayed by users.

Assistance to EU pre-accession countries will focus on such areas as the implementation of the EU framework Directive regarding air quality and its subsidiary "daughter" Directives, including support for drawing up action plans designed to improve air quality, and improving the institutional arrangements for implementation and monitoring.

The implementation of the daughter Directives, as well as the EU strategies for addressing acidification and ozone pollution of the troposphere, will make considerable demands on the new member countries as they will on the current EU Member States. There will probably be a need for several years of monitoring and planning before the countries will be able to draw up their action plans. Long-term improvements in air quality will necessitate major structural changes in industry, the energy sector and the transport sector, which are also described in the section on sector-integrated environmental programmes.

Future measures will also build on the experience gained from improving air quality by establishing such alternative energy sources as geothermal heating, in order to reduce SO<sub>2</sub> emissions and

other air pollutants, and by installing filters at power stations, district heating stations and at larger industries to reduce emissions to the air.

It is expected that direct measures will be implemented in relation to the Climate Change Convention<sup>(20)</sup>, including the development and testing of mechanisms designed to fulfil the Kyoto Protocol in the form of joint implementation (JI), for example, in the Baltic Region. Capacity building in the preparation of national strategies to stabilise and further reduce greenhouse gas emissions, including specific planning tools and models, will be another important area where assistance can be given. A large number of other initiatives regarding the improvement of energy efficiency, the promotion of energy conservation and the promotion of cleaner fuels, including alternative energy sources, are complementary measures that will take climatic considerations in energy policies into account, as well as the sustainable use of energy in the co-operating countries.

Where the CIS countries are concerned measures relating to air quality should be seen in relation to the international agreements in this area, primarily the Convention on Long-Range Transboundary Air Pollution (LRTAP) with its accompanying Protocols. The special pan-European strategy for phasing out lead

20 *In principle the Climate Change Convention includes all the existing greenhouse gases that are not included in the Montreal Accord.*

21 REReP

in petrol will similarly form the background for supporting the countries' rapid solution to this environmental problem and other problems related to poor fuel quality.

Measures in the Balkans will primarily be undertaken through the Regional Environmental Reconstruction Programme for South Eastern Europe<sup>(21)</sup>, although air quality is not expected to be prioritised until the most pressing tasks regarding water, hazardous waste and institutional capacity have been addressed.

One special measure is designed to close down unsafe nuclear power stations. There are no atomic power stations in Denmark and the possibility of transferring Danish knowledge and know-how in this field is therefore limited. But there is great interest in Den-

mark in contributing to security with respect to the unsafe nuclear power stations in Eastern Europe and this work is therefore supported through Danish contributions to the multilateral measures that are being carried out under the auspices of the European Bank for Reconstruction and Development (EBRD). The EBRD has established a number of funds for this purpose: the Ignalina Decommissioning Fund, the Chernobyl Shelter Fund and the Nuclear Safety Fund. In addition to this, projects involving energy conservation and the establishment of alternative energy sources can also be supported, especially under the Danish Energy Agency's sector programme.

Activities relating to air quality and energy are co-ordinated in close collaboration with the sector programmes in



*The Water Framework Directive constitutes the framework for the co-ordination of and compliance with all existing EU water legislation. All existing rules, including the Nitrate and Urban Wastewater Directives, the Bathing Water Directive and the IPPC Directive are still in effect and must be complied with. Measures undertaken in pursuance of these Directives must also be incorporated into each river basin management plan. All essential provisions from the more out of date Directives such as the Ground Water Directive, the Surface Water Directive and the Directives relating to the quality of Water for Freshwater Fish and Shellfish have been incorporated into the Water Framework Directive. These "old" Directives will be revoked after a transitional period and the obligations contained in them will then form part of the Water Framework Directive.*

this area under the Danish Energy Agency, the Emergency Management Agency, and the Ministry of Transport, particularly with regard to measures in the Baltic Region.

### **Protection of water quality and drinking water supplies**

Water is the area that requires the greatest investments and which to date has received the greatest share of overall Danish environmental assistance to Central and Eastern Europe. Of this, the majority has been used to promote investments in urban and industrial waste water treatment.

During the administrative reforms which most Central and Eastern European countries are undergoing at present, the responsibility for waste water treatment and drinking water supplies lies with the municipal authorities. However, financing is often still managed on a central basis and it is as yet unclear how the municipalities can become self-financing to a greater degree. The challenge of obtaining sufficient funds for financing in this area therefore demands comprehensive planning and legal measures to be taken at a central level. The municipal authorities will be faced with extremely demanding tasks in connection with implementation at a local level through municipal investment planning and the preparation of individual projects.

The most important priority for EU pre-accession countries is to strengthen administrative capacity at regional and local level in order to administer water resources in accordance with the requirements of the EU Water Framework Directive and to secure the very considerable investments that can meet EU requirements with regard to drinking water, waste water collection and waste water treatment in urban areas.

The Water Framework Directive extends water protection measures to include all water resources and lays down legally binding goals designed to ensure "good water quality conditions". The administration must in future focus on river basin areas which often cross national borders as well as administrative boundaries within the individual countries. An overall river basin area, from its source up to and including coastal waters, must be treated as an indivisible whole. Implementing the Directive<sup>(22)</sup>, especially including the preparation of river basin management plans, will demand far-reaching collaboration between the parties involved, whether on a regional basis or throughout the EU or the candidate countries. The Directive also provides that all river basin management plans or revisions of these plans must be subject to public hearings. Finally there will be a need to improve the countries' monitoring systems so that these comply with EU requirements.

It is similarly an important part of the implementation of the Water Framework Directive to encourage the integration of water quality objectives into other sector policies such as agriculture, industry and regional policies, as well as local and regional planning.

One of the most pressing problems in the CIS countries is the run-down state of the infrastructure in connection with drinking water supplies, wastewater treatment and the sewerage network in cities. The results of this are shortcomings in water supplies and serious health problems characterised by an increase in water-borne diseases (cholera, hepatitis, dysentery and typhoid fever). The problems connected with drinking water supplies and wastewater treatment in cities is even worse in the regions around the Aral Sea and the Caspian Sea, where there is a lack of water, extensive water pollution and a need for regional collaboration in order to solve these problems.

Also the Regional Environmental Reconstruction Programme for South Eastern includes strengthening of regional collaboration on water resource management as an important element.

Future Danish assistance will place greater emphasis on supporting the development of systems and capacity to administer overall water resources with

the aim of supporting the implementation of the EU Water Framework Directive and the administration of water resources on a river basin basis (national and international).

The forthcoming strategy period will also continue to provide assistance in the development of financial strategies relating inter alia to water, in order to promote more cost-effective investments. Support will also be provided to environmental funds, in countries where this is relevant, in order to establish the necessary infrastructure and carry out preparatory work on projects (fe-





asibility studies). In addition, there will be Danish co-financing of infrastructure investments in connection with water.

Measures relating to water treatment area in connection with infrastructure projects will be supplemented, especially in the CIS countries, by strengthened measures connected with drinking water supplies. The code of practice adopted at the London Conference on "Water and Health" will constitute an important framework in this connection.

### **Waste**

The framework for the EU environmental policy with regard to waste was established in its Fifth Environmental Action Programme and in the EU Waste Strategy from 1996.<sup>(23)</sup> The hierarchy in waste handling, in accordance with the Waste Framework Directive is, in order of priority:

1. waste prevention/minimisation,
2. recycling (such as sorting at source) and recovery including incineration with reclaimed energy and other utilisation, and
3. finally, disposal/deposit.<sup>(24)</sup>

The principles of proximity and self-sufficiency mean that member countries are obliged to establish an integral and adequate network of disposal facilities whereby both the EU and each member country becomes capable of disposing

of its own waste. Finally, waste must be handled in such a way as to avoid harm to the environment or to people and the costs of handling waste must be met by the owner and/or the previous owners of or manufacturers responsible for the waste.<sup>(25)</sup>

The most important priority for EU pre-accession countries is to establish waste handling systems that meet the requirements of relevant EU legislation and its waste strategy. These systems must be able to handle increasing quantities of household and industrial waste, including hazardous waste, sludge from waste water treatment plants and residual products from energy production. Among other things this means that systems must be developed to categorise and register waste for the purposes of planning, control and reporting in accordance with the relevant EU Directives.

This also involves establishing new, regional landfill sites (waste tips) which comply with the requirements of EU Landfill Directive and the secure closure of a large number of illegal and environmentally harmful smaller landfill sites. In continuation of this, there will in practice be a need for assistance in establishing new, regional waste collection companies and support for regional and municipal authorities in connection with waste treatment. The countries need solutions in order to improve their

23 The Council's report on waste policy adopted by the Council on 30 July 1996.

24 The most important acts are the Waste Framework Directive (Dir. 75/442/EEC as amended by Dir. 91/156/EEC). This Directive is supplemented by a series of Directives that regulate specific types of waste. In addition comes a series of Directives for the treatment and incineration of waste, including hazardous waste. Finally, there is the Directive on depositing waste (the Landfill Directive).

25 The "polluter pays principle".

26 The Basel Convention of 22 March 1989 on the control of transboundary movements of hazardous waste and their disposal (the "Basel Convention") was accepted to by the EU and implemented through Council Regulation no. 259/93 of 1 February 1993 on the supervision and control of shipments of waste within, into and out of the European Community, as amended by Council Regulation no. 120/97 of 20 January 1997.

handling of hazardous waste, possibly including incineration, and, in the slightly longer term, will also need solutions for handling biodegradable waste.

In the CIS countries the problems are connected with such areas as household waste and, especially in big cities, hazardous waste. The administrative systems and the infrastructure to handle these problems are as a general rule inadequate to prevent environmental and health problems. There is a pressing need to develop national and regional strategies to manage waste, establish safe disposal systems and to develop systems to characterise, register and treat hazardous waste. The petrochemical industry and the metallurgy industry are specific sources of hazardous waste.

Particular emphasis has been placed on hazardous waste and transporting hazardous waste across national borders in the Regional Environmental Reconstruction Programme for South Eastern Europe. As an after-effect of the military operations in the Balkans, it is becoming necessary in many places to re-establish the decentralised administration of waste, and to ensure that chemicals from damaged factories and pipelines do not spread to the environment.

Considerable assistance has also been provided by Denmark to pre-accession

countries for the establishment of more efficient waste systems and for the construction of landfill sites in accordance with EU requirements.

Assistance has been provided for measures relating to hazardous waste in connection with the implementation of the Hazardous Waste Directive and the special Directives on hazardous waste (the Directive on waste oils, the Battery Directive, and the PCB/PCT Directive). Focus has also been directed to the implementation of the Basel Convention<sup>(26)</sup> as the most important international agreement on waste, including assistance to promote the ratification of the amendment under the Convention prohibiting the export of hazardous waste from OECD countries to non-OECD countries.

Continued Danish assistance will be provided to carry out and follow up on national and regional action plans for handling waste. The measure will be strengthened in order to promote the minimisation of waste, recycling and other utilisation so that these objectives will gain greater weight in the overall treatment of waste.

Assistance will also continue in preparatory project work (feasibility studies) and in financing investments connected with waste treatment and the construction of landfill sites, as the investment

requirement in this area is extensive. The Landfill Directive introduces a series of measures and procedures designed to prevent or limit environmental impact from landfills, such as pollution of surface water, ground water, soil and air, and impacts on the global environment from methane emissions, as well as the risks to human health from depositing waste.

Focus will similarly continue to be directed towards assistance in the implementation of the Basel Convention and the establishment of reception facilities in harbours for waste from ships. A regionally-based measure will continue in the Baltic and Black Sea regions.

#### **Control of chemical pollution**

With regard to chemicals the most important EU legislation comprises Regulations and Directives on marketing hazardous chemical substances and products, including safety data sheets, the registration of new chemical substances, risk evaluation of new and existing substances, limitations on the sale and marketing of hazardous substances and products and exporting and importing certain hazardous chemical substances. In addition, the pollution of surface water is controlled through the Directive on pollution caused by dangerous substances discharged into the aquatic environment.<sup>(27)</sup> This provision will in future be carried into effect

through the Water Framework Directive, which covers the protection of both surface water and ground water.

In the EU pre-accession countries and the CIS, only a small minority of chemicals on the market have been thoroughly analysed and many are potentially harmful to human health and the environment. Undesirable substances that are forbidden in the rest of Europe are still used in some products and for various purposes in these countries and can consequently be found in waste, residual products, slag and sludge. In addition to this, the countries have a number of local problems due to the inappropriate storage of discontinued pesticides in former years, chemically polluted soil, etc.

It is necessary for the EU pre-accession countries to introduce EU legislation relating to chemicals, to develop the appropriate administrative capacity for effective implementation and control, and to give higher priority to signing and ratifying international conventions and complying with the international rules in general.

The CIS countries have no effective institutions or systems to control chemicals and now lack assistance to develop a solid capacity to handle chemicals in a more adequate manner and to phase out those chemicals that constitute serious health and environmental risks



*28 The most important Directives and Regulations are the Dangerous Substances Directive (67/548/EEC), the Dangerous Preparations Directive (99/45/EC), the Directive on Safety Data Sheets (91/155/EEC; 93/112/EC), the Council Regulation on risk evaluation of existing substances (EEC no. 793/93), the Directive on Restrictions on Marketing and Use (76/769/EEC), Council Regulation (EEC) no. 2455/92 concerning the export and import of certain dangerous chemicals, the Directive on pollution caused by dangerous substances discharged to the aquatic environment (76/464/EEC), and the Water Framework Directive (2000/60/EC).*

locally, regionally and globally. Chemical pollution in the CIS countries stems in particular from the chemical and petrochemical industries and intensive cotton cultivation. A number of CIS countries have signed international conventions in connection with chemicals and there is a growing awareness of chemical-related risks in the countries.

1. Under the Regional Environmental Reconstruction Programme for South Eastern Europe, the problems with chemicals are primarily handled as part of the clean-up process after military operations, but activities have also been incorporated that enhance general knowledge in this area. The programme also includes approximation with the EU chemical legislation.

Denmark has provided assistance for projects both in the EU pre-accession countries and the CIS countries connected with chemical safety and the phasing out of substances that deplete the ozone layer in accordance with the Montreal Protocol, the phasing out of lead in petrol and the collection and destruction of discontinued pesticides and PCBs, substances that accumulate in the environment.

Danish environmental assistance will in future focus on building capacity and administrative structures for effective risk evaluation and the management and control of chemical substances, in

accordance with the relevant international codes of practice, as an absolutely decisive factor in handling chemicals responsibly throughout their lifecycles.

Over and above the implementation of the relevant EU legislation, concrete measures will support the countries' ratification of the Rotterdam Convention on the procedure for prior informed consent (PIC) in connection with trade in certain hazardous chemicals, and the Stockholm Convention on Persistent Organic Pollutants (the so-called POPs Convention). This continued Danish assistance will be based on experience gained in phasing out chemical substances, including substances that deplete the ozone layer.

As chemical pollution is of a global nature, more regional measures will be required in the future. Regional measures in the Baltic Region regarding the prevention of oil pollution still have high priority under the MARPOL Convention and the HELCOM Conventions. Measures will take the form of development of oil contingency plans and the establishment of reception facilities for waste generated by ships. Similar regional measures would be relevant in the Black Sea, for example. Another important regional measure is also being prepared relating to POPs with the aim of eventually phasing out these substances and reducing dioxin emissions. It is to be expected that the

phasing out of other hazardous chemicals will also be initiated. Among such measures is the fulfilment of the generational objective in the Baltic Sea, i.e. stopping the emission of POPs into the Baltic Sea within 20 years.

#### **Natural resource management**

There is a pressing need for measures designed to conserve unique natural resources which are characteristically European and which, unlike the case in Western Europe, have thus far been preserved in Central and Eastern Europe.

Since 1993 the Environmental Assistance Programme has supported more than 80 projects connected with the administration and protection of nature and sustainable forestry. To date the measures have been concentrated in the Baltic Sea area and, since 1997, have been undertaken as programmed measures which are described in the publication "Sustainable Management of Nature and Forest Resources in Central and Eastern Europe".

The projects have emphasised the implementation of international conventions, the building of institutional capacity, the inclusion of the public, strengthening the work of NGOs, environmental training and information on nature, in addition to the promotion of sustainable agriculture and the local development of ecotourism. In recent

years the introduction of EU legislation has become of great importance in the Co-operation with the EU pre-accession countries.

Measures relating to natural resource management will in the coming years also be spread to co-operating countries outside the neighbouring Baltic Region. The most important priority in EU pre-accession countries will be the implementation of the Wild Bird and Habitat Directives and the Directives relating to genetically modified organisms (GMOs). In addition, implementation of EU rules on trade in endangered species that stem from the CITES Convention, are of considerable importance as the current pre-accession countries will form part of the enlarged EU border to the east, with Ukraine, Belarus and Moldova as the new border countries.

Almost without exception the Central and Eastern European countries have subscribed politically to the international agreements relating to biodiversity and nature conservation. However, the resources necessary to implement these obligations are often non-existent. Danish measures in this area in Central and Eastern Europe will also be prioritised in the coming years. They will cover such areas as the implementation of the Biodiversity Convention, the Pan-European Biodiversity and Landscape Strategy and, in the nature conservation area,

the Ramsar, Bern and Bonn conventions, in addition to the international recommendations on forests, etc. As a consequence of the EU legislation related to these international agreements, their implementation by the pre-accession countries is similarly an important element in the EU enlargement process.

It is generally the case in the Central and Eastern European countries that the administrative institutions for protecting biodiversity lack resources. In the

EU pre-accession countries, the nature conservation area is often in a "tight squeeze" relative to the very heavy investments necessary in this area.

The forestry sector is undergoing reorganisation from pure state management to a combination of state and private management. This reorganisation is a great challenge to the forestry authorities which in future must handle forest policy, the management of their.



# MULTIDISCIPLINARY AREAS WHERE MEASURES WILL BE UNDERTAKEN

## **Institutional strengthening, inspection and control, training and education**

Experience shows that those countries with the best functioning administrative structures and staff have made the greatest progress in relation to obtaining respect for environmental protection in their own countries. They have also been able to obtain the most national funding for the environment and to attract most international funding in the form of assistance for investments from international financial institutions (IFIs) and donors.

It is necessary for EU pre-accession countries to not only develop their administration and build their capacity centrally, but also at a regional and local level. The need at a central level is at present addressed to the preparation of legislation for the purpose of incorporating EU legislation into national legislation (transposition). Implementation as such, however, only begins in earnest when the legislative framework, including the EU framework legislation, is in place, and this means that the role of the regional and local authorities as implementing authorities must be strengthened.

In the EU pre-accession programme the countries must document their will and readiness to implement the directives. On the part of Denmark emphasis will

be placed on creating holistically oriented implementation solutions which contain legislative measures, capacity building, and socio-economic analyses and evaluations of implementation scenarios (including the speed at which implementation can be carried out in the light of social developments in general).

The regional and local levels in particular will be responsible for complying with the rules laid down in legislation, including carrying out the inspection and control necessary to ensure compliance. New demands will also be made on the supervising authorities ("environmental inspectorates"), which must actively perform both preventive inspections to ensure that industries comply with EU requirements as part of the general inspection programme, inspections resulting from complaints, and the issuing or revision of environmental permits. The supervising authorities will to a greater degree take on an advisory function with regard to businesses and citizens similar to the role that the supervising authorities have in the EU member countries based, inter alia, on the EU Council and Parliament recommendations for minimum criteria for inspection and control and the work undertaken by IMPEL<sup>(28)</sup> and AC-IMPEL.<sup>(29)</sup>

Ongoing or foreseen administrative reforms in several of the countries make it

more difficult to clarify the division of competence among national, regional, and local authorities, which prolongs the implementation process. One of the goals of Danish environmental assistance is to promote satisfactory administrative practices in the countries so that the authorities can be strengthened at a central level in issuing guidelines and advice to regional and local authorities in the decentralisation process, and in including the public in the relevant decision-making processes relating to the environment.

Administrative capacity relating to the environment needs to be built in the CIS countries, including the capacity to manage and implement local environmental projects. At a central level the influence of the CIS countries in inter-

national forums needs to be amplified and regional Co-operation between the individual CIS countries needs strengthening.

Measures designed to strengthen national reform processes, including the clarification of the division of competence, decision-making processes and financial administration will be emphasised in support of the decentralisation process, at the same time as the CIS countries will be strengthened in their implementation of and compliance with international environmental agreements.

Capacity building is one of the five main measures in the Regional Environmental Reconstruction Programme for South Eastern Europe. International experience from assistance programmes





in such countries as Bosnia showed that these programmes failed to develop local capacity to continue the work of reconstruction because the authorities and the public in the countries in question had been involved only to a limited extent.

The reconstruction programme represents an attempt to enhance capacity in the Balkan countries as an integral part of the overall programme. The programme covers capacity building at central level, with emphasis on interdisciplinary Co-operation between the countries in the region, as well as capacity building at a regional and local level in the countries.

The EU pre-accession countries and the CIS and Balkan countries have found it difficult to handle the implementation of new legislation, carry out administrative structural changes and obtain financing for the necessary investments at one and the same time. The demand for Danish assistance for capacity building has therefore been increasing in recent years and must be expected to continue for some years to come. Capacity building and similar activities will – where possible – become an integral part of future investment projects, or alternatively be designed as independent projects.

There is a demand for capacity building in the EU pre-accession countries, parti-

cularly for drawing up draft bills and regulations to comply with the EU environmental acquis, and with regard to the environmental economy, e.g. for financing environmental investments on the part of private investors and the state, as well as technical assistance for identifying, preparing and managing projects.

Some of this institution building is carried out under the EU PHARE Twinning Programme as a twinned project collaboration between the respective institutions in the EU Member States and the candidate countries. Denmark will continue to support supplementary activities connected with Danish participation in the EU PHARE Twinning Programme in the light of the experience gained from previous Danish participation in the programme in areas such as environmental administration in Danish counties and municipalities.

There is also a need for the countries to continue building their own environmental knowledge and resource bases and for the interchange of technological knowledge between Danish and international research institutions and similar institutions in Central and Eastern Europe. This will help the pre-accession countries fulfil their reporting and monitoring obligations to such bodies as EUROSTAT and the European Environment Agency, in accordance with the

relevant EU Directives. If these requirements are to be met in a satisfactory manner it will be necessary for the countries to develop and consolidate systems for the collection, analysis, handling and administration of information on the environment.

#### **Assistance for public participation**

An actively participating civil society is a precondition for a stable democracy and stability in regions which, like those of Central and Eastern Europe, are undergoing extensive changes. This includes a strong NGO movement, clearly understandable decision-making processes and an opportunity for the public to contribute to these processes.

NGOs have helped to place the environment on the political agenda in these

countries and, with the help of clear, easily accessible information, strengthened the general public's knowledge of and commitment to the environment.

Since the beginning of the 90s one of the most important tasks of the Regional Environmental Centre in Hungary (REC) has been to support NGOs in EU pre-accession countries and in the Balkans. Similar 'new' RECs have now been established in the CIS countries, at present in Russia, Ukraine, Moldova, Georgia in the Caucasus and Kazakhstan, covering Central Asia.

The need to support NGOs will continue in the years to come and will take the form of support for subsidy programmes and individual projects which can enhance the opportunity of these



organisations to create a dialogue with the authorities in the recipient countries and promote Co-operation between Eastern European and Danish and other Western European NGOs across national borders in international forums. A continued effort will be made to promote the participation of NGOs in investment and institution building projects.

In the future themes such as the implementation of prioritised international conventions and matters related to the enlargement of the EU, particularly the integration of the environment into other sectors and areas where NGO effort should be encouraged, will be given special emphasis. Furthermore a significant subsidiary goal is to support organisations in becoming self-sufficient. Finally, special measures with regard to the new RECs in the CIS countries could be relevant when these centres have been established and are fully functioning.

#### **Strengthening environmental responsibility and the inclusion of the private sector**

The investments required and the need for capacity building in both public and private sectors in order to handle environmental problems are very considerable in Central and Eastern Europe. It is therefore important for these countries to include the private sector, as well as the foreign capital obtained by the private sector, to a greater degree than

previously in solving environmental problems.

During the period of central planning in the CEE and CIS countries, industry and the energy sector often emitted high-pollution waste products, which resulted in high concentrations of heavy metals and particles in the air and water. Many companies used outdated production methods with the result that they seriously polluted their surroundings. In the absence of market-based pricing mechanisms, industrial facilities had little incentive to cut costs so most industrial production consumed large amounts of resources, resulting in high levels of polluting waste.

During the economic reconstruction of recent years many of the formerly state-owned industries in the CEE countries have been or are in the process of being privatised, primarily in the candidate countries that have made most progress in the EU accession process.

Experience from the privatisation process to date in Central and Eastern Europe shows that direct foreign investments in the industrial sector usually also bring about an improvement in the environment. Highly polluting production plants are closed down and new, more resource conserving production equipment and equipment to limit emissions is often installed as an integral part of the overall investment.



Some international financial institutions such as the International Bank for Reconstruction and Development (IBRD) and the European Bank for Reconstruction and Development (EBRD) have laid down criteria and guidelines relating to the environment in connection with direct foreign investments as a condition for raising loans and investments. This has helped to promote private sector investments in environmental improvements.

The Environmental Assistance Programme will continue to support projects that can help the authorities in the countries to effectively implement the IPPC Directive in order to reduce the environmental impact of industry. The transition to integrated environmental permits implies a significant change in the permit issuing procedures for all EU applicant countries. The interrelationship between the IPPC, EIA and Seveso Directives is particularly important in this connection. Implementing the de-

mands contained in the IPPC Directive on the use of the best available technology (BAT) will require extensive technical resources and a considerable effort on the part of both the authorities and industry.

Whereas all industrial production that has a major and or potentially major environmental impact will be covered by the BAT requirement in the IPPC Directive, cleaner technology projects could still play a certain role in connection with the group of small and medium-sized enterprises (SMEs) that are not covered by the IPPC Directive or other overall EU regulation, but which still give rise to considerable pollution.

However, this means that individual cleaner technology projects must be included in the relevant legislative context and that there are suitable financial incentives for environmental improvements are in place so that the experience



from the individual demonstration projects has real penetration and is disseminated within the industry in question.

Experience regarding the involvement of the private sector in the financing, management and ownership of environmental plant, such as that used in drinking water supplies, waste water treatment and landfills, is still limited. Whilst to date it has traditionally been the public authorities that have performed these services, both in the Eastern European countries and in Denmark, in the light of the very high public investment requirements anticipated in Central and Eastern Europe it is clear that other innovative possibilities for Co-operation between the private and public sectors should be investigated in greater detail.

However, experience has shown that an important precondition for the successful involvement of private partners is the existence of a relevant legislative framework and that in questions regarding decentralisation, for example, the quality of supplies and their price are important factors. The degree of involvement can vary from supplying various services to full ownership.

The Environmental Investment Facility for Eastern European Countries (MIØ) under the Investment Fund for Central and Eastern Europe, and the Environmental Credit Programme for Eastern

Europe (MKØ) are instruments which are suitable for transferring environment-friendly production methods and equipment. Danish companies can also obtain assistance to establish Danish – East European joint ventures through the Environmental Investment Facility if the companies are being established with the aim of improving the environment. Attempts will be made in the future to strengthen the interplay between the Investment Fund for Central and Eastern Europe and the Environmental Assistance Programme.

The Sector-integrated Environmental Programmes undertaken by the Agency for the Development of Trade and Industry in relation to the environmental management systems EMAS and ISO 14001, particularly for the purpose of introducing better control of companies' resource consumption including energy and raw materials, constitutes an important element in measures connected with the private sector and further supports the approximation of the EU pre-accession countries with EU requirements. In future an attempt will be made to better utilise the synergy between these instruments in an effort to strengthen market economic development under sustainable conditions.

### **Sector-integrated Environmental Programmes**

The integration of environmental consi-

derations into other policy areas, especially economically important sectors such as energy, industry and agriculture, has been given high priority, both in Denmark and the EU. In many cases the concrete results have not (as yet) lived up to expectations, although various analyses show that sector policy measures have greater potential and are more advantageous from a socio-economic point of view than traditional environmental policy measures.

The situation in the pre-accession countries and in the other countries covered by the strategy in this area is largely the same as in the EU countries. There is much to indicate that the difficulties of ensuring the integration of environmental considerations are also comparable: traditional sector-specific thinking and a lack of incentives.

The success of the pre-accession countries in integrating environmental considerations into the economic sector policies will necessarily reflect developments in the EU countries. Transport systems in the new member countries must be coherent with the EU's transport systems. The energy and industrial sectors must compete within the Single Market and developments in agriculture will depend on the common agricultural policy. In spite of these externally imposed framework conditions, however, there are still good opportunities for the

individual countries to pursue a higher degree of sustainability in their economic development, similar to the way this has been achieved, for example, in agricultural and energy policies in Denmark.

Environmental measures in this area will first and foremost be handled through the sector-integrated environmental programmes, i.e. the programmes that are managed by the respective sector ministries. The ministries taking part in these measures are the Ministry of Food, Agriculture and Fisheries, the Ministry of Trade and Industry, the Ministry of Labour, the Ministry of Internal Affairs (the Emergency Management Agency), the Ministry of Transport, the Ministry of Housing and Urban Affairs, the Ministry of Education and the Danish Energy Agency. Activities are coordinated by the Ministry of the Environment and Energy.



Sector-integrated environmental programmes are part of the action plan for the Baltic Agenda 21, which was adopted by the countries surrounding the Baltic in 1998, for the purpose of promoting environmentally sustainable development based on market economic principles in Estonia, Latvia, Lithuania, Poland and the Russian regions, St Petersburg and Kaliningrad. The Baltic Agenda 21 takes its point of departure in the global Agenda 21, which was adopted by UN members in Rio in 1992. Another main objective is to support the pre-accession countries in their preparations for membership of the EU.

Activities are undertaken as a series of partnerships between a number of Danish ministries and their colleagues in the recipient countries. The environment ministers in the recipient countries are included in the joint effort to develop programmes, which must be approved as being in accordance with the respective country's environmental policies and action plans.

With regard to nuclear safety the Emergency Management Agency carries out sector programmes for the purpose of improving preparedness in the event of a nuclear accident and to increase the safety of atomic power stations.

The environmental sector programmes under the Danish Energy Agency are

undertaken in three prioritised areas: the improvement of energy efficiency, energy conservation, and increased use of cleaner fuels, including bio-fuels, as well as support for the training and development of institutions in the energy sector. The purpose of this is to procure sustainable alternatives to existing energy supplies, including the unsafe nuclear power stations, and in general to reduce the environmental impact of the energy sector. The focus in this connection is particularly on reducing CO<sub>2</sub> emissions, but priority is also given to SO<sub>2</sub>, NO<sub>x</sub> emissions and particles.

The Ministry of Housing and Urban Affairs carries out environmental sector programmes in the housing area for the purpose of promoting energy conserving initiatives in housing.

The Ministry of Food, Agriculture and Fisheries is carrying out sector-integrated environmental programmes in agriculture in order to limit the use of fertiliser and pesticides, and to promote the establishment of organic farming.

The sector-integrated environmental programme relating to the labour market supports capacity building in relation to health and safety inspections and technical inspection. Emphasis is placed on Co-operation between the health, environmental and working environment authorities in the recipient countries. Special measures are being un-

dertaken in relation to chemical companies and in connection with asbestos. Further measures include job creation schemes, activation and training in the field of nature conservation, restoration of natural sites, environmental protection and waste management.

Environmental measures relating to transport have been initiated by the Ministry of Transport to promote sustainable transport and, in particular, to reduce the negative effects of transport on the environment, initiate specific Baltic Agenda 21 actions, assist with the implementation of EU legislation, and improve public transport systems. The environmental impact of transport stems predominantly from private cars and lorries.

The Ministry of Education is working on the development of its programme in

the field of environment for 2001 and onwards.

The sector-integrated environmental programmes relating to forestry are financed under the Environmental Assistance Programme.

In addition to continuing to give the co-ordination of these activities high priority, the Ministry of the Environment and Energy will ensure that the principle of integrating environmental considerations into other sectors to the greatest possible extent is reflected in the individual Country Programmes. To this end, concrete projects to be supported under the Environmental Assistance Programme should have additional value relative to the sector integration principle.



# IMPLEMENTATION OF THE STRATEGY

## Co-operating countries

Today collaborative agreements under the Environmental Assistance Programme are in place with the following EU pre-accession countries: Estonia, Latvia, Lithuania, Poland, the Czech Republic, Slovakia, Romania and Bulgaria. Collaborative agreements have also been entered into with Russia, Ukraine, Belarus and Moldova. In the spring of 2000 the strategy for collaboration with Belarus was changed so that it involved regional as well as national NGO projects, and also cross-border projects involving one or more neighbouring countries, especially EU pre-accession countries.<sup>(30)</sup>

The strategy must necessarily take a "dynamic" stance to the possible phasing out and incorporation of co-operating countries where, for example, one or more EU pre-accession countries become EU members more quickly than anticipated, where the need for assistance is estimated as being limited, or where the need for assistance is estimated to be largely covered by other donors.

Danish collaboration with the Czech Republic will be phased out over a one-year period, as the need for assistance is deemed to be less than before. In this connection new projects will only be started in 2001. The strategy also suggests a sharper focus further to the

east. Moldova will therefore be admitted as a new co-operating country concurrently with the planned completion of the country programming in 2001.

## Country programming

The purpose of Country Programmes is to prepare a more long-term plan for measures under the Environmental Assistance Programme. This will improve the recipient country's own opportunities to create effective plans and improve the co-ordination of the Danish measures with measures funded by other multilateral and bilateral donors.

The first step towards realising the new strategy for assistance to Eastern Europe will be to update the existing Country Programmes in close collaboration with the co-operating countries. It is expected that the Country Programmes will function over a three-year period to create a dynamic effect and enable developments in the country in question to be followed up closely.

An attempt will be made in each updated Country Programme to focus assistance on fewer areas and possibly on selected geographical areas, such as counties, in the co-operating country in question. Danish assistance in connection with country programming will be co-ordinated with other multilateral and bilateral donors for the purpose of creating a greater synergistic effect.

*The EU Council conclusions from 1997 recommended that member countries should freeze technical assistance to Belarus, with the exception of humanitarian and regional programmes, including assistance for the democratisation process. The TACIS indicative programme for regional cooperation and the cross-border programme for 2000-2003 once again opens up the opportunity for regional environmental measures that include Belarus, especially including regional projects in collaboration with EU pre-accession countries.*

The Country Programme will be the framework for project preparation work, primarily for those projects offered under the Environmental Assistance Programme, proposals for which will be invited as part of thematised application rounds. It will therefore be necessary for those responsible for the Danish resource base to familiarise themselves with the Country Programmes and to keep up to date with their development.

Country Programmes for EU pre-accession countries will be addressed primarily to EU approximation in a broad sense and the incorporation of international conventions where this is not automatically part of the EU approximation process. It should be possible to organise the individual Country Programme by taking as a basis the respective country's National Programme for Adoption of the Acquis (NPAA), and taking into



consideration any other environmental assistance provided by the EU and other multilateral or bilateral donors.

### **Regional activities**

The realisation of the strategy will involve continuing or initiating a series of regional (in the sense of "intergovernmental") activities which will be based primarily on the regional framework for Co-operation provided for in the "Environment for Europe" process.

Regional activity is characterised by a regional perspective through Co-operation across national borders, both with regard to the environment and politically – either because the countries in the region in question share a common environment, such as those surrounding the Baltic or the Black Sea, and the area surrounding the Danube. Alternatively there may be many common environmental problems in a region which comprises small countries that lack sufficient resources to implement the measures in question themselves at a national level, an example being the problem of hazardous waste in the Balkans.

The initiative to implement a regional activity will lie with the Environmental Assistance Programme which may decide to carry out a regional programme proper, or to contribute to the performance of regional programmes which have been established under the auspices

of, for example, the "Environment for Europe" process and the countries in the region – most often in collaboration with multilateral and/or bilateral donors.

By and large all countries in Central and Eastern Europe have expressed an interest in projects focusing on financing strategies related to the environment and the establishment of environmental funds. A number of activities have been performed in selected EU pre-accession countries and the CIS countries. Based on the experience gained, an attempt will be made to spread these to other countries and other Russian regions.

Another, similar, area where action can be taken is the implementation of the Aarhus Convention, where the experience gained from previous projects in several countries will be spread to the CIS and Baltic region. Where appropriate these activities can be carried out as projects that involve several countries in the same project.

Danish assistance to the Balkans in the environmental area will, among others, be co-ordinated within the framework of the Regional Environmental Reconstruction Programme for South Eastern Europe. This programme, which was prepared with the support of the EU and adopted by all countries in the region, contains five main areas where measures will be undertaken:



- Institutional strengthening and the development of guidelines.
- Heightening awareness of the environment among the general public.
- Immediate assistance to alleviate war damage.
- Strengthening existing Co-operation mechanisms and the development of regional, interdisciplinary projects.
- Assistance for urgent national and local environmental projects.

The concrete assistance to the Balkans on the part of Denmark will be co-ordinated by the Ministry of Foreign Affairs and the Ministry of the Environment and Energy.

The Environmental Assistance Programme will also go further on the basis of the experience gained from the Baltic Region in connection with measures such as combating oil spills and the establishment of harbour facilities in the Baltic States, which were carried out under the auspices of HELCOM. Similar measures are required in the Black Sea region within the framework of the action plan for rehabilitating and protecting the Black Sea (Strategic Action Plan for the Rehabilitation and Protection of the Black Sea), and may also be relevant in other areas, such as in connection with the action plan to protect the Danube.

# INTERNATIONAL CO-OPERATION AND CO-ORDINATION

**Over and above the Co-operation with individual countries receiving assistance under the Danish Environmental Assistance Programme, Danish representatives attend various forums for the purpose of promoting Co-operation on and the co-ordination of the overall environmental measures for Central and Eastern Europe. It has been possible through these measures to promote Danish points of view and the priorities for the use not only of Danish funds, but also of other bilateral and multilateral donor funds in connection with the priorities for international financial institutions.**

This aspect of the Danish measures will be strengthened during the forthcoming strategy period, as focus will be directed in particular to activities under the "Environment for Europe" process, participation in the EU administrative committees for important assistance programmes, and to improving the co-ordination of the EU multilateral assistance with Danish bilateral assistance to Central and Eastern Europe. An attempt will also be made to strengthen Nordic co-ordination so that the Nordic countries will gain greater influence in the EU as a whole, not least in order to maintain the focus on the process regarding the Northern Dimension.

### **The Environment for Europe Process**

The Environment for Europe process was started in 1991 on a Czech initiative and has been dominated by the preparation and implementation of the Environmental Action Programme for Central and Eastern Europe (the EAP). An EAP Task

Force was established for this purpose in 1993 to follow up on policy reforms and institutional strengthening. The OECD was originally given the secretariat function for this work. The Project Preparation Committee (the PPC) was similarly established to act as a catalyst to match environmental projects with donors and banks so that environmental investments could be made in parallel with the reform and institutional measures.

A decision was made at the Aarhus Conference in 1998 to reorient the work of the Task Force and the PPC towards non-accession countries in Eastern Europe and the CIS countries. This decision was made in recognition of the fact that environmental investments in applicant countries were now primarily driven by the requirements of the EU environmental acquis, whereas there was a lack of such a motivating force in the non-applicant countries in the Balkans and the CIS countries, which were also plagued by significantly weaker

economies. The Regional Environmental Centre (REC) was also accorded a more extensive role in the Environment for Europe process in connection with the tasks related to the countries of Central and Eastern Europe.

In the light of the very significant environmental and economic problems in the non-accession countries, the follow-up on the reorientation decision by the Western countries and the EU has been disappointing. Pressure will be exerted by Denmark for a genuine upgrading of priorities with regard to the non-accession countries, including an increased use of the EU TACIS funds in the environmental area.

### **Improved co-ordination with and influence on the EU assistance programmes**

The EU assistance programmes play a dominant role in the accession countries. The three pre-accession instruments, PHARE, ISPA and SAPARD, comprise a forerunner for the EU Structural Fund during the period 2000 - 2006.

Overall, EURO 3,120 million (based on 1997 prices) has been earmarked annually up to 2006 for the three instruments, i.e. for 2001 approximately DKK 23 billion, of which PHARE receives half, ISPA one third and SAPARD one sixth. PHARE 2000 has two main priorities: institution-building (approx. 30%) for the

purpose of implementing the EU acquis, and investment (approx. 70%), inter alia for the purpose of supporting investments which have a direct connection with the EU acquis. PHARE Twinning is included as a special part of this programme for the purpose of developing or strengthening institutions in recipient countries. An attempt will be made to extend co-ordination in concrete areas through Danish participation in the PHARE Twinning initiative, where relevant.

The ISPA instrument is applicable to more extensive infrastructure projects in the environmental and transport sector, as identified in the countries' general



ISPA strategies. Projects must be worth at least EURO 5 million. ISPA has opened up the possibility of parallel joint financing, which makes this scheme particularly interesting in connection with co-financing projects of special interest to Denmark.

The SAPARD programme for developing agriculture and rural districts is of interest in connection with Danish measures related to the development of environment-friendly farming, environment-friendly forestry and infrastructure in rural districts, and for this reason attempts are being made to co-ordinate Danish environmental measures with activities under the SAPARD programme.

The TACIS programme supports the CIS countries and Mongolia in readjusting to democratic market economies. For the period 2000 - 2006 EURO 3,138 million or approximately DKK 22.5 billion has been earmarked for the TACIS programme. TACIS concentrates on technical assistance projects within six selected sectors, including the environment. However, measures in the individual co-operating country are concentrated on a maximum of three of these sectors, in accordance with the recipient country's choice.

Programmes under the CARDS instrument on assistance to Albania, Bosnia-Herzegovina, Croatia, Macedonia and

the Federal Republic of Yugoslavia, are concentrated on necessary reforms in prioritised sectors in the individual countries. For the period 2000 – 2006, EURO 4,650 million (approximately DKK 35 billion) has been earmarked for the CARDS programmes.

Danish representatives attend the EU management committee meetings in connection with all programmes.

### **Co-ordinating and co-operating on investments**

In financing investments the countries have an opportunity to use a series of international and national financing mechanisms, whose purpose is to loan funds for environmental projects. The main stakeholders in this connection are the International Bank for Reconstruction and Development (IBRD), the European Bank for Reconstruction and Development (EBRD), the European Investment Bank (EIB), the Nordic Investment Bank (NIB), the Asiatic Development Bank, NEFCO, and national schemes such as the Environmental Credit Programme for Eastern Europe (MKØ).

From the outset Danish measures have been co-ordinated with those of the other stakeholders working in Eastern Europe, including the local financing funds, and Denmark has participated in the joint financing of a significant number of projects.

The number of jointly financed projects is increasing as the countries concretise their environmental measures, through which their priorities become clearer. Moreover, the limited resources of the countries and limited opportunities for borrowing (lack of ability to repay) mean that attempts have been made to co-ordinate or adapt some projects to the various international stakeholders in the environmental area in order to be able to initiate as many projects as possible.

Due to the differences between the various assistance schemes and banks, a division of labour has developed in which the bilateral donors primarily organise and carry out the preparatory work for the projects, while the banks and in future the EU's ISPA facility in particular, contribute most of the funds for the investments. It is now possible under the ISPA facility for donors to participate in the joint financing of project implementation, which in concrete cases may be necessary in order to meet the financing requirements for ISPA projects.

The Environmental Assistance Programme contributes actively to the co-ordination effort and also partly to the financing of these mechanisms in order to increase the efficiency of environmental measures in Central and Eastern Europe and the CIS, both in the co-operating countries, for internationally funded feasibility studies or re-

views, and for donor-financed secretariats. Assistance is provided in the co-operating countries in this connection for project implementation units, capacity building in international project implementation offices, and participation in the work relating to donor meetings and donor co-ordination. These measures must be strengthened in the future through means such as the strategic placement of experts to co-ordinate and promote environmental policies and in connection with internationally co-ordinated projects designed to promote the ratification of and compliance with international conventions.

#### **Types of project and criteria for providing assistance**

It will be possible to provide assistance for projects that comply with the objectives and priority areas under the Environmental Assistance Programme as described in the strategy, in the individual Country Programmes for co-operating countries and in the regional programmes that will be developed when the strategy is realised. The project management manual<sup>(31)</sup> from the Danish Environmental Protection Agency contains further details of the specific criteria for the selection and approval of projects. The Environmental Assistance Programme will support both investment and technical assistance projects, or a combination of both. Assistance can be provided for all phases of projects, includ-

ing project identification, planning and quality assurance, feasibility studies, project performance, monitoring, evaluation and the administration of results, as well as grants for pilot and demonstration projects.

Assistance can also be provided for pilot studies and scheme designs financed by national or international institutions, and for parallel financing with other financial sources in connection with more extensive investment projects. Assistance can be provided for consultancy and operation, plant, equipment, and so on. Grants can be provided for whole or partial coverage. Finally, limited assistance can be provided to support international secretariats where these can be used to advantage to promote the objectives of the strategy.

An element such as co-financing will, in particular, still be a decisive factor in awarding assistance to projects, as the recipients of the projects with considerable co-financing or "in kind" contributions generally prove to take more ownership. However, some of the most impecunious partnership countries will find it difficult to fulfil this requirement. This goes for co-financing proper and for the recipient country's "in kind" contributions.

Consideration must be given to the project's context in connection with all pro-

jects, i.e. the institutional and political environment, so that there will be complementarity between the assistance provided for the institutional aspect and the investment aspect. Economic and financial analyses are similarly important preconditions for ensuring economic sustainability in the preparation of investment projects.

### **Monitoring programmes and projects**

The individual Country Programmes will be continuously followed up and monitored on the basis of the established indicators, in order to check whether the proposed objectives have been fulfilled and whether adjustments are required. Monitoring of the individual projects will be carried out in accordance with the guidelines in the Project Cycle Management Manual, 1999. The use of indicators to strengthen the monitoring of Country Programmes and individual projects will be extended on an ongoing basis.

### **Information activities**

A knowledge of Danish environmental assistance for Eastern Europe is an important element in anchoring and ensuring effective and acceptable measures. This applies both to the recipient country and Denmark. The Danish government was encouraged in the Folketing's resolution V 79 of 4 May 1999 to "actively include the Danish resource base, NGOs, companies, universities, etc., and



to ensure that the participation of the public, debate and information be heightened".

The Danish Environmental Protection Agency will continue to intensify measures designed to provide information and communication in the coming years, partly as an aspect of the overall, common information strategy relating to Danish assistance in Eastern Europe, and partly as an independent initiative under the Environmental Assistance Programme. This will take the form of e.g. the publication of Country Programmes, national publications on project Co-operation and relevant thematic reports.

Information for specific target groups in the recipient countries must ensure that a broad knowledge of various local environmental problems, and especially how these can be solved, is achieved. This information must be administered via a wide range of media and carried out in close collaboration with the recipient countries.

It must also be ensured that there is a good knowledge within the Danish resource base (companies, institutions and NGOs, etc.) of existing and potential activities under the Environmental Assistance Programme, so that Danish knowledge can be utilised as fully as possible. It is also important that there is a general understanding among the public of the need

for environmental assistance to Eastern Europe. Information on environmental measures will be provided with the help of new and existing media addressed to different target groups.

In order to ensure and disseminate a high level of professionalism in the environmental measures, thematic working reports on various topics will be prepared in English, for example NGO activities, financing tools, environmental economy, measures for the CIS, the waste sector, etc.

The thematic reports will provide a detailed account of the measures undertaken to date and the experience gained. The aim of the reports is also to present possible solutions to the relevant environmental problems for the purpose of supporting future measures, disseminating a knowledge of successful projects, and helping the recipient countries and the Danish resource base to (better) define projects. The reports will also help to promote the visibility of Danish environmental assistance.

# EXECUTIVE SUMMARY

## Background

This strategy for the Environmental Assistance Programme replaces the strategy from October 1993: "International Environmental Assistance under the Environmental and Catastrophe Framework – Subsidiary Strategy regarding Environmental Measures in Eastern and Central Europe" (International Miljøbistand under Miljø- og Katastroferammen – delstrategi vedrørende Miljøindsatser i Øst- og Centraleuropa). The programme is administered by the Ministry of the Environment and Energy, through the Danish Environmental Protection Agency.

The measures are part of Denmark's international efforts under the Environmental, Peace and Stability Framework (MIFRESTA), formerly the Environmental and Catastrophe Framework (MIKA)<sup>(32)</sup>. Environmental assistance is part of the overall assistance to Eastern Europe. The general co-ordination of Danish assistance to Eastern Europe is carried out in close collaboration with the Ministry of Foreign Affairs and the Ministry of Finance. This is undertaken with the help of interministerial committees such as the Inter-Ministerial Eastern European Committee, (TMØ)<sup>(33)</sup> and the International Expenditure Committee,<sup>(34)</sup> which refers to the government's Financial Affairs Committee.

Over and above the Environmental Assis-

tance Programme, Danish environmental assistance for Eastern Europe under the Environmental, Peace and Stability Framework includes the following measures which primarily concern the Baltic Region:

- Sector-Integrated Environmental programmes<sup>(35)</sup> within the energy, agriculture, transport and industry sectors, including the working environment. The measures are administered by the Ministry of Labour, the Ministry of Housing and Urban Affairs, the Ministry of Trade and Industry, the Danish Energy Agency, the Ministry of Food, Agriculture and Fisheries, the Ministry of the Interior (the Emergency Management Agency), the Ministry of Transport and the Ministry of Education, and is co-ordinated by the Danish Environmental Protection Agency.
- The Environmental Investment Facility for Eastern European Countries (MIØ) under the Investment Fund for Eastern Europe, which is designed to help to improve the environment in Central and Eastern Europe by co-financing joint venture projects in the private sector of particular relevance to the environment. The programme is administered by the IØ Fund.
- The Environmental Credit Programme for Eastern Europe (MKØ), based on favourable export credit principles. Its purpose is to promote investments in the Eastern European countries through long-term, subsidised environmental credit schemes. The scheme is admini-



**32** *The Environmental and Catastrophe Framework (the MIKA Framework) was established as part of the budget agreement of 1993 on the basis of Report on the Proposal for a Resolution by the Folketing on global environmental and catastrophe assistance (B 2) submitted by the Folketing's Foreign Affairs Committee on 18 December 1992. More detailed guidelines were subsequently established in White Paper no. 1252 on Denmark's International Measures (1993). Among the objectives proposed in the White Paper was that the MIKA Framework should comprise 0.5 % of GNP in the year 2002. In 1998 the phasing in of the MIKA Framework at 0.5 percent of GNP was changed to the year 2005 in pursuance of the changed GNP basis from 2000. On the basis of the MIKA report from 1999 the MIKA Framework was restructured to comply with the MIFRESTA Framework, under which the then CA framework was turned into a broader "Peace and Stability Framework".*

**33** *The Inter-Ministerial Eastern European Committee comprises all the ministries and governmental administration departments, etc., that administer Danish aid to Eastern Europe. The Ministry of Foreign Affairs performs the chairmanship and secretariat functions and the committee is responsible for technical and professional co-ordination between the various measures.*

*The International Expenditure Committee is an inter-ministerial committee that, under the chairmanship of the Ministry of Finance, prepares the annual implementation of appropriations for the Eastern European aid programme and the distribution of funds*

**34** *between the areas where measures are undertaken and sectors.*

stered jointly by the Export Credit Fund (EKF) and the Danish Environmental Protection Agency.

At attempt is being made to revise the strategy on the basis of the experience gained through the administration of the Environmental Assistance Programme, 1993-2000:

1. to strengthen and define the general framework for measures under the Environmental Assistance Programme,
2. to create a basis for the updating and revision of the Country Programmes for the individual co-operating countries, and
3. to clarify the objectives of measures within the priority areas where measures will be undertaken.

The strategy must also help to create the general strategic guidelines for the sector-integrated environmental programmes, the Environmental Investment Facility for Eastern European Countries (MIØ), and the Environmental Credit Programme for Eastern Europe (MKØ). The point of departure for the strategy for 2001-2006 is the Danish government's Eastern European assistance strategy: "The government's general

strategy for Eastern European assistance – with particular emphasis on the Baltic, from 1997 (the so-called East Initiative for the period 1998-2001). This gives priority to the Baltic Region, i.e., to Poland, Estonia, Latvia, Lithuania and the neighbouring Russian areas.

As the government's strategy is now being revised and as the strategy for the Environmental Assistance Programme is part of the general strategy, it may be necessary to subsequently adjust the environmental strategy in the light of this revision.

### **Environmental problems and investment requirements in the recipient countries**

The concrete choice of country and measures required is based to a large extent on the changed political context in the countries of Eastern Europe, including the fact that the recipient countries are at widely differing stages in relation to approximation with the EU environmental acquis, the readjustment to a democratic society and a market economy, and the administrative reform process. In addition the ratification and implementation of international environ-

*Sector Integrated Environmental Measures are covered by the Ministry of Finance's "General Guidelines for Sector Programmes in Central and Eastern Europe", September 1999.*

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mental conventions of a regional and global character in the region as a whole leave a great deal to be desired.

Underlying the way in which all environmental problems present themselves is the fact that economic resources are limited.

Where the EU pre-accession countries are concerned estimates of the expense involved in complying with the EU environmental acquis run into approximately DKK 1,000 billion, or around EURO 120 million (1997 figures) and, most recently, are in the region of DKK 700 billion, around EURO 85 million (2000 figures)<sup>(36)</sup>. The EU Commission has estimated that pre-accession countries will have to spend between two and three percent of their GDP over a period of 15 – 20 years in order to fully implement EU environmental requirements. There are no corresponding calculations for the CIS countries.

The major expenditure for these countries will be public sector investments in infrastructure and private sector investments to implement legislation, such as in the industrial sector. It must be expected that the countries will have to finance the greatest part of the expenditure (approx. 90-95 %) themselves.

#### **General objectives**

The general objectives for the Environmental Assistance Programme for Eastern Europe are to:

- make the greatest possible contribution to the protection of the environment in Eastern Europe by supporting the Eastern European countries that have applied for EU membership in their efforts to implement EU environmental requirements and those of international environmental conventions,
- help the CIS countries and other non-EU pre-accession countries in their approach to an enlarged EU and to reduce the pollution which has a harmful impact on the health of the public; reduce the cross-border pollution that has an impact on the EU countries; protect nature and biodiversity and implement international environmental conventions,
- help to ensure that political and economic developments move in the direction of environmental sustainability, especially by supporting market-based development and the promotion of democracy, also including the encouragement of responsibility in the private sector, involving the public and NGOs in decision-making processes relating to the environment,
- promote the use of Danish environmental expertise and technology for the benefit of the areas covered by this programme.

#### **Geographically the strategy covers measures in:**

##### *EU pre-accession countries in the Baltic Region and Russia*

The general geographical prioritisation will still be the Baltic Region and will,

The countries' investment requirement has been the object of much debate in recent years due to a series of analyses. Among these are "Compliance Costing for Approximation of EU Environmental Legislation in the CEEC" (EDC Ltd, EPE asbl), April 1997. In 1997 the Danish Environmental Protection Agency published: *The EU's enlargement to the East – environmental perspectives (EU's udvidelse mod Øst – miljømæssige perspektiver)*, which estimated the costs at approx. DKK 500 billion for a number of selected sectors. Finally the Brussels-based think-tank, Centre for European Policy Studies (CEPS), stated in its report, "The Environment in European Enlargement" from July 2000, that the previous estimates of costs, especially for the industrial sector, had been overestimated. These calculations are based on different methods of calculation and the adoption of new, cost-intensive EU directives such as the EU's Water Framework Directive, and the revised Directive on Large Combustion Plants were not included in the original basis of calculations. Ongoing specifications are being developed in the individual countries regarding the sector specific plans and cost estimates.

The European Council at Feira adopted the Action Plan for the Northern Dimension in June 2000; Action Plan for the Northern Dimension in the external and cross-border policies of the European Union 2002-2003. An attempt has been made here to provide further details of common priorities and objectives with regard to the environment.

over and above assistance for these countries' EU accession preparations, continue on a regional basis regarding common environmental problems. Measures will be undertaken in the countries around the Baltic, i.e. Estonia, Latvia, Lithuania, Poland and the neighbouring Russian areas. Assistance will be made available within the established areas of priority in the EU Action Plan on the Northern Dimension,<sup>(37)</sup> which addresses the Baltic Region in particular, the area around the Barents Sea and the new neighbouring Russian areas in connection with an enlarged EU.

#### **Selected EU pre-accession countries in Central and South-Eastern Europe**

The other Eastern European countries applying for EU membership must first and foremost receive assistance in transposing and implementing EU environmental requirements. It is characteristic for these countries that they have not to date made the same progress as the Baltic Region or received similar attention on the part of donors that the Baltic Region has received. Measures will include Slovakia, Romania and Bulgaria as co-operating countries, and the other EU pre-accession countries which are closer to being admitted to the EU (Hungary, the Czech Republic and Slovenia) will re-

ceive assistance solely where this is a necessary facet of regional projects.

#### **Selected CIS countries**

As the EU accession process progresses, relations with the countries that become new border countries to an enlarged EU will intensify. This should lead to increased collaboration in the environmental area as well.

A common feature of these countries is that they do not at present devote sufficient resources to their environmental administration and that the environment has a very low priority as a consequence of their economic situation. In general these countries are losing a great deal of ground relative to solving environmental and health related problems, as public investments are incapable of covering even basic operation and maintenance costs. In addition there is a very low degree of openness and little opportunity to influence the decisions of the authorities relating to the environment.

Activities will focus primarily on Ukraine, Russia (with sharper focus on the neighbouring Russian areas than other areas of Russia, as the pre-accession countries around the Baltic gradually be-



come EU members), Belarus<sup>(38)</sup> and, as a new co-operating country, Moldova. Measures in the Caucasus and Central Asia will be limited, solely of a regional character, and with close links to the Environment for Europe process and international conventions.

### *The Balkans*

The Environmental Assistance Programme collaborates with the Ministry of Foreign Affairs on some aspects of the environment-related measures in the Balkans. Measures under the programme include Croatia, Bosnia-Herzegovina, Macedonia (FYROM), Albania and the Federal Republic of Yugoslavia. As a starting point measures under the Environmental Assistance Programme will primarily be of a regional character, but support can also be given to concrete environmental infrastructure projects.

### *The political context*

Two general themes will comprise the framework for environmental assistance: the EU accession process and the Environment for Europe process. In practice there will be a very great difference during the strategy period between the countries included as far as environmental policy development is concerned and the speed at which this will move.

### *EU approximation*

EU approximation has been established as the general focus for the strategy,

both for EU pre-accession countries and for the CIS countries which, due to partnership and Co-operation agreements with the EU<sup>(39)</sup> have in principle committed themselves to approximation with EU requirements, including those in the environmental field.

The attitude of the Danish government to the enlargement process is that the EU pre-accession countries should, as far as possible, maintain the speed of the reform process in order to help to ensure, inter alia, that possible transitional periods will be as brief as possible. Considerable weight is given to according first priority to EU framework legislation and the provisions of international conventions to which the Community has subscribed. The Danish measures can contribute in a goal-oriented fashion to reduce the length of these transitional schemes for candidate countries, and Denmark should take steps to ensure that the EU accession funds are channelled to areas where long-term transitional periods are anticipated.

Danish environmental assistance will comprise direct support for the transposition and implementation of EU environmental requirements in the recipient countries, preparatory work for investments or direct investments and, as a framework for this, the strengthening of the relevant institutions centrally, regionally and locally in administering implementation, inspection and control.

*The EU Council conclusions from 1997 recommended that member countries should freeze technical assistance to Belarus, with the exception of humanitarian and regional programmes, including assistance for the democratisation process. The TACIS indicative programme for regional cooperation and the cross-border programme for 2000-2003 once again opens up the opportunity for regional environmental measures that include Belarus, especially including regional projects in collaboration with EU pre-accession countries. Denmark will follow the EU's recommendations closely.*

*The EU has signed PCAs with all CIS countries except Tadjikistan, where the agreement has been left in abeyance. The agreements with Russia, Ukraine and Moldova have come into effect. The agreement with Belarus has been signed, but not yet ratified.*

In the CIS and the other countries that are not applying for EU membership the measures should partly be seen in relation to their Partnership and Co-operation Agreements (PCAs) with the EU, and partly in relation to the concrete environmental situation.

With reference to the European Energy Charter and the "Environment for Europe" process, the PCAs emphasise the need to improve environmental legislation in the direction of EU standards and Co-operation at a regional and international level as a framework to combat the deterioration of the environment in the CIS countries. Danish efforts will in future attempt to promote greater synergy between Danish and EU measures, especially for those countries that will border a new, enlarged EU.

#### ***Assistance for the broader EU integration process***

Over and above assistance in implementing Directives, the Environmental Assistance Programme will also emphasise the promotion of EU environmental policies and action plans in general, and support for promoting the ratification of and compliance with international conventions.

An effort will be made to better integrate environmental considerations in other sector policies, especially in areas such as climate, energy, health, agricul-

ture, forestry and transport, and the promotion of sustainable development in the light of the EU's Fifth and Sixth Environmental Action Programmes. An attempt will also be made to strengthen the Community's sustainability strategy at the coming Rio+10 meeting in 2002.

#### **Areas where action will be undertaken**

Areas where action will be undertaken include air quality, water quality, waste treatment, chemicals and biodiversity. Higher priority will also be given to an interdisciplinary effort designed to strengthen institutions and enhance professional expertise in the countries, to promote the participation of the public in the environmental area, to increase the sense of responsibility in the countries' private sectors with regard to taking their share of the burden in the environmental area and, finally, to strengthen the countries' fulfilment of obligations under international environmental conventions.

The number of areas where action will be undertaken has increased relative to the 1993 strategy due to the inclusion of chemicals and the higher priority given to the interdisciplinary areas. This reflects the greater differentiation in the need for assistance and a greater diffusion with regard to developments in the group of co-operating countries.



Through the forthcoming revision of existing Country Programmes the Environmental Assistance Programme will determine the country specific needs and, in a dialogue with the co-operating countries, select the relevant areas in which action is required for the country or region in question.

### **Carrying out the strategy**

#### ***Co-operating countries***

Today collaborative agreements under the Environmental Assistance Programme are in place with the following EU pre-accession countries: Estonia, Latvia, Lithuania, Poland, the Czech Republic, Slovakia, Romania and Bulgaria. Collaborative agreements have also been entered into with Russia, Ukraine and Belarus, and a collaborative agreement with Moldova is being drawn up. In the spring of 2000 the strategy for collaboration with Belarus was changed so that it not only involved national NGO projects, but also regional NGO projects as well as cross-border projects with the inclusion of one or more neighbouring countries, especially EU pre-accession countries.<sup>(40)</sup>

The strategy must necessarily take a "dynamic" stance to the possible phasing out and incorporation of co-operating countries, where for example one or more EU pre-accession countries become EU members more quickly than anticipated, where the need for assistance is

estimated as being limited, or where the need for assistance is estimated to be largely covered by other donors.

#### ***Sector-integrated environmental measures***

The integration of environmental considerations into other policy areas, especially economically important sectors such as energy, industry and agriculture, has been given high priority, both in Denmark and the EU. The situation in the pre-accession countries and in the other countries covered by the strategy in this area is largely the same as in the EU countries. There is much to indicate that the difficulties of ensuring the integration of environmental considerations are also comparable: traditional sector-specific thinking and a lack of incentives. Environmental measures in this area will first and foremost be handled through the sector-integrated environmental programmes, i.e. the programmes that are managed by the respective sector ministries. The ministries taking part are the Ministry of Food, Agriculture and Fisheries, the Ministry of Trade and Industry, the Ministry of Labour, the Ministry of Internal Affairs (the Emergency Management Agency), the Ministry of Transport, the Ministry of Housing and Urban Affairs, the Ministry of Education, and the Danish Energy Agency. Activities are co-ordinated by the Ministry of the Environment and Energy.

*The EU Council conclusions from 1997 recommended that member countries should freeze technical assistance to Belarus, with the exception of humanitarian and regional programmes, including assistance for the democratisation process. The TACIS indicative programme for regional cooperation and the cross-border programme for 2000-2003 once again opens up the opportunity for regional environmental measures that include Belarus, especially including regional projects in collaboration with EU pre-accession countries. Denmark will follow the EU's recommendations closely.*

*"Project Cycle Management Manual 1999".*

### **Regional activities**

The realisation of the strategy will involve continuing or initiating a series of regional (in the sense of "intergovernmental") activities which will be based primarily on the regional framework for Co-operation provided for in the "Environment for Europe" process.

The initiative to implement a regional activity will lie with the Environmental Assistance Programme which may decide to carry out a regional programme proper, or to contribute to the performance of regional programmes which have been established under the auspices of, for example, the "Environment for Europe" process and the countries in the region – most often in collaboration with multilateral and/or bilateral donors.

### **International cooperation and co-ordination**

Since the beginning Danish activities have been co-ordinated with the other stakeholders working in Eastern Europe, including the local financing funds, and Denmark has taken part in the joint financing of a great number of projects. The main stakeholders in this connection are the International Bank for Reconstruction and Development (IBRD), the European Bank for Reconstruction and Development (EBRD), the European Investment Bank (EIB), the Nordic Investment Bank (NIB), the Asiatic Development Bank, NEFCO, and national

schemes such as the Environmental Credit Programme for Eastern Europe (MKØ).

Due to the differences in assistance schemes and banks, a division of labour has developed in which the bilateral donors primarily organise and carry out the preparatory work for the projects, while the banks and in future the EU's ISPA facility in particular, contribute most of the funds for the investments.

The Environmental Assistance Programme contributes actively to the co-ordination and also partly to the financing of these mechanisms in order to increase the efficiency of environmental measures in Central and Eastern Europe and the CIS, both in the co-operating countries, for international elucidation projects, and for donor-financed secretariats.

### **Criteria for providing assistance**

It will be possible to provide assistance for projects that comply with the objectives and priority areas under the Environmental Assistance Programme as described in the strategy, in the individual Country Programmes for co-operating countries and in the regional programmes that will be developed when the strategy is realised. The project management manual<sup>(41)</sup> from the Danish Environmental Protection Agency contains further details of the specific criteria regarding the selection and approval of projects.



## *EXECUTIVE SUMMARY*

The Environmental Assistance Programme will support both investment and technical assistance projects, or a combination of both. Assistance can be provided for all phases of projects, including project identification, planning and quality assurance, feasibility studies, project performance, monitoring, evaluation and the administration of results, as well as grants for pilot and demonstration projects.

### *Monitoring programmes and projects*

The individual Country Programmes will be continuously followed up and monitored on the basis of the established indicators, in order to check whether the proposed objectives have been fulfilled and whether adjustments are required. Monitoring of the individual projects will be carried out in accordance with the guidelines in the Project Cycle Management Manual, 1999. The use of indicators to strengthen the monitoring of Country Programmes and individual projects will be extended on an ongoing basis.

### *Information activities*

A knowledge of Danish environmental assistance for Eastern Europe is an important element in anchoring and ensuring effective and acceptable measures. This applies both to the recipient countries and Denmark. The Danish Environmental Protection Agency will continue

to intensify measures designed to provide information and communication in the coming years. This will be achieved by, for example, the publication of Country Programmes, national publications on project Co-operation and relevant theme reports.

Information for specific target groups in the recipient countries must ensure that a broad knowledge of various local environmental problems, and especially how these can be solved, is achieved. This information must be administered via a wide range of media and carried out in close collaboration with the recipient countries.

It must also be ensured that there is a good knowledge within the Danish resource base (companies, institutions and NGOs, etc.) of existing and potential activities under the Environmental Assistance Programme, so that Danish knowledge can be utilised as fully as possible.



# LIST OF ABBREVIATIONS

<b>GNP</b>	Gross National Product	<b>IFI</b>	International Financial Institutions
<b>CARDS</b>	Community Assistance for Reconstruction, Development and Stabilisation	<b>IPPC</b>	Integrated Pollution Prevention and Control
<b>CIS</b>	Commonwealth of Independent States	<b>IBRD</b>	International Bank for Reconstruction and Development (The World Bank)
<b>CITES</b>	Convention on International Trade in Endangered Species	<b>IMPEL</b>	European Union Network for the Implementation and Enforcement of Environmental Law.
<b>DANCEE</b>	Danish Co-operation for Environment in Eastern Europe, Miljøbistand Øst	<b>ISPA</b>	Instrument for Structural Policies for Pre-Accession
<b>EAP</b>	Environmental Action Programme for Central and Eastern Europe	<b>LEAP</b>	Local Environmental Action Programme
<b>EBRD</b>	European Bank for Reconstruction and Development	<b>MARPOL</b>	International Convention on Prevention of Pollution from Ships
<b>EIA</b>	Environmental impact assessment (Procedures for evaluating the effect of certain public and private projects on the environment - Vurdering af visse offentlige og private projekters indvirkning på miljøet)	<b>MIFRESTA</b>	The Environmental, Peace and Stability Framework (Miljø-, freds- og stabilitetsrammen)
<b>EIB</b>	European Investment Bank	<b>MIKA</b>	The Environmental and Catastrophe Framework (Miljø- og Katastroferammen)
<b>EMAS</b>	European Eco-management and Audit Scheme	<b>MIØ</b>	Environmental Assistance Facility for Eastern European Countries (Miljøinvesteringsskemaet for Østlandene)
<b>EU</b>	The European Union		

*APPENDIX 1 LIST OF ABBREVIATIONS*

<b>MKØ</b>	Environmental Credit Programme for Eastern Europe (Miljøkreditordningen til Østeuropa)	<b>PHARE</b>	Pologne-Hongrie: Actions pour la Reconversion Economique
<b>NEAP</b>	National Environmental Action Programme	<b>REC</b>	Regional Environmental Centre
<b>NEHAP</b>	National Environmental and Health Action Programme	<b>REAP</b>	Regional Environmental Action Plan
<b>NEFCO</b>	Nordic Environment Finance Cooperation	<b>REReP</b>	Regional Environmental Reconstruction Programme for South Eastern Europe
<b>NIB</b>	Nordic Investment Bank	<b>SAPARD</b>	Special Accession Programme for Agriculture and Rural Development
<b>NDP</b>	National Development Plan	<b>SNG</b>	Sojús Nesavismajich Gosudérst (Russian language for CIS).
<b>NGO</b>	Non Governmental Organisation	<b>TACIS</b>	Technical Assistance to the CIS
<b>NPAA</b>	National Programme for Adoption of the Acquis	<b>UN-ECE</b>	United Nations Economic Commission for Europe
<b>OECD</b>	Organisation for Economic Co-operation and Development	<b>UNEP</b>	United Nations Environmental Programme
<b>PCAs</b>	Partnership and Co-operation Agreements	<b>VOC</b>	Volatile Organic Compounds
<b>PCBs</b>	Polychlorinated biphenyls	<b>WHO</b>	World Health Organisation
<b>PIC</b>	Prior Informed Consent		
<b>POP</b>	Persistent Organic Pollutants		

# FURTHER INFORMATION ON THE DANISH ENVIRONMENTAL ASSISTANCE TO EASTERN EUROPE:

DANCEE releases successively various types of publications on the Danish environmental aid to Eastern Europe. Each type has its own colour.

<b>DANCEE STRATEGY</b>	Danish Strategy for Environmental Assistance to Eastern Europe. Danish and English. Free.
<b>ANNUAL REPORT</b>	Contains a description of all projects launched and initiatives taken in connection with the Danish environmental assistance to Eastern Europe for the actual year. Free.
<b>COUNTRY PROGRAMME</b>	DANCEE's strategy and priorities in the individual recipient countries are described. Country programmes are planned in co-operation with the recipient country. English and the recipient country's language. Free.
<b>COUNTRY BOOK</b>	The country book describes the Danish environmental aid in each recipient country. It contains among others, description of the aid's progress and the environmental effects. It reviews typical projects within the different field sectors. English and recipient country's language. Free.
<b>COUNTRY PAMPHLET</b>	A brief and popular version of the country book which, with focus on concrete projects, explains the Danish environmental aid to the recipient country. English and recipient country's language. Free.
<b>THEMATIC REPORT</b>	Technically orientated report dealing with subjects of specific importance to the environmental aid, e.g. wastewater treatment or control instruments. Danish and English.
<b>PROJECT PAMPHLET</b>	Describes a specific environmental project and is released typically in connection with the opening of the project. English and recipient country's language. Free.

The publications are available at:  
Miljøbutikken (The Danish Ministry of Environment and Energy's outlet)  
Læderstræde 1-3  
1201 Kbh K  
Tel.: 33 95 40 00  
Fax: 33 92 76 90

DANCEE on the Internet: [www.mst.dk/dancee](http://www.mst.dk/dancee)

*"The Danish Strategy for Environmental Assistance to Eastern Europe 2001-2006" defines the Danish policy for environmental assistance to Eastern Europe until the year 2006. The strategy describes objectives and prioritised areas of action for the Danish environmental assistance.*

**DANCEE PUBLICATIONS:**

**DANCEE STRATEGY**

**ANNUAL REPORT**

**COUNTRY PROGRAMME**

**COUNTRY BOOK**

**COUNTRY PAMPHLET**

**THEMATIC REPORT**

**PROJECT PAMPHLET**



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