

ENVIRONMENT DIRECTORATE
ENVIRONMENT POLICY COMMITTEE
TASK FORCE FOR THE IMPLEMENTATION OF THE ENVIRONMENTAL ACTION
PROGRAMME FOR CENTRAL AND EASTERN EUROPE, CAUCASUS AND CENTRAL ASIA

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PROGRAMME OF WORK AND BUDGET OF THE EAP TASK FORCE IN 2007

Fourth joint meeting of the Task Force for the Implementation of the Environmental Action Programme for Central and Eastern Europe (EAP Task Force) and the Project Preparation Committee (PPC)

21-22 September 2006, Berlin

Agenda Items 3 (ii) and 4 (iii)

ACTION REQUIRED:

Delegates are invited to:

- (i) endorse the proposed draft of the Programme of Work and Budget of the EAP Task Force for 2007 and provide guidance on its implementation; and*
- (ii) discuss how to mobilise the financial resources required to implement the agreed programme.*

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Introduction

The EAP Task Force – the Task Force for the Implementation of the Environmental Action Programme for Central and Eastern Europe – was established at the 1993 “Environment for Europe” Ministerial Conference in Lucerne, Switzerland. OECD provides its secretariat. The EAP Task Force’s overall objective is to promote environmental policy and institutional reform, and capacity building, in the region.

Initially, the EAP Task Force provided support for those countries that have now joined the European Union. It served as a model for an environmental reconstruction programme that was established for the countries of the South-Eastern Europe, following the end of conflict in the Balkan region. Since the Aarhus Ministerial Conference in 1998, the main focus of EAP Task Force work has shifted to the countries of Eastern Europe, Caucasus and Central Asia (EECCA). At the 2003 Kiev “Environment for Europe” Conference, the Ministers adopted the EECCA Environment Strategy and invited the EAP Task Force to “lead efforts to facilitate and support the achievement of the objectives of the EECCA Environment Strategy” overall. In 2004, the EECCA Environment Ministers and their Partners met in Tbilisi and discussed how to provide further support and new impetus to this process.

The work programme of the EAP Task Force has responded to the directions provided by the various Ministerial meetings identified above. This document presents the activities of the EAP Task Force for 2007 under the following headings:

1. Urban Water Sector Reform
2. Public Environmental Finance
3. Environmental Policy Implementation
4. Facilitating Achievement of EECCA Environment Strategy Objectives Overall
5. EAP Task Force Management and Support.

In 2007, the work will mostly focus on finalising activities and preparing inputs for the 2007 Belgrade “Environment for Europe” Ministerial Conference. This will involve drawing lessons learned from work and developing policy conclusions and recommendations. More emphasis will be given to disseminating the results of work and ensuring the sustainability of activities. The main contribution of the EAP Task Force to the Belgrade Conference will be an assessment of progress in achieving the objectives of the EECCA Environment Strategy. This report will draw on the substantive work of the EAP Task Force, related activities of other international organizations, and the experience of EECCA countries, NGOs and EECCA RECs. The possible future role of the EAP Task Force will be discussed at the 2007 Belgrade Conference.

PROGRAMME AREA 1: URBAN WATER SECTOR REFORM

Objective: To support reform of the urban water sector in EECCA countries so that good quality water and sanitation services are delivered reliably, sustainably and at least cost to the population.

Background: Work in this area is carried out within the framework of the “Guiding Principles for Water Sector Reforms” adopted at a meeting of EECCA Economic, Finance and Environment Ministers in Almaty 2000, and the policy conclusions and recommendations made at a follow-up Ministerial Conference in Yerevan in 2005.

The Task Force’s work in this area takes account of policy objectives and guidance generated in other forums:

- The goals agreed at WSSD to halve, by 2015, the proportion of people who are unable to reach or to afford safe drinking water or who are without access to basic sanitation;
- The inclusion of water supply and sanitation issues in the EECCA Environment Strategy (objective 2);
- The implementation of water initiatives in the EECCA region by the EU, the US and other donors;
- Discussions in the UNCSD where water and sanitation were priority issues for 2004-05.

A major challenge for work in this area is to build on existing work, ensure that it provides value-added, and develop synergies with related activities while avoiding any duplication of effort.

The work in this programme area is overseen by **the Group of Senior Official for Reform of the Urban Water Sector in EECCA countries** and the **EU Water Initiative’s EECCA Working Group** which agreed in Almaty in April 2006 to meet jointly in future, and to effectively merge their activities and to pool resources.. The joint meetings bring together high-level officials with responsibility for this sector; EECCA representatives from Ministries of Communal Affairs, Construction or Infrastructure as well as Environment, donors, IFIs, NGOs and the private sector. Closer cooperation has also been established with the EAP Task Force’s Environment Finance Network which is working on related issues. Some sessions of the Environment Finance Network are also scheduled jointly with the joint meetings of the EAP Task Force Water Network and the EUWI Working Group.

Activities: PROJECT 1.1 **MONITORING WATER SECTOR REFORM**

This activity aims at providing a firm empirical basis to support urban water sector reform and to monitor progress in this regard, including monitoring progress in achieving the water-related Millennium Development Goals.

- *Report on the state and financing of water supply and sanitation in EECCA.* Utility performance data sets are being collected for the Russian Federation, Kazakhstan, Kyrgyzstan and (possibly) Tajikistan, and data for the Ukraine, Moldova, Georgia, Armenia and Azerbaijan, is being collected by the World Bank. A report presenting key trends and figures on the state of water infrastructure in the region, as well as key issues in the financing of the infrastructure, will be prepared in 2007 and presented at the Belgrade Ministerial Conference. The report will build on the reports prepared for the Yerevan Ministerial Conference in 2005. The data sets will also be consolidated on the World Bank's global water utility benchmarking website (www.ib-net.org).

PROJECT 1.2 **LEGAL AND INSTITUTIONAL REFORMS**

- *Guidelines for Performance-Based Contracts.* Guidelines were finalised in 2005 analysing key elements that need to be addressed when utilities and municipalities conclude contracts to achieve agreed levels of water service provision. To disseminate and support the implementation of the Guidelines, assistance will be provided, in 2007 and 2008¹, to five EECCA municipalities that have existing performance contracts and wish to improve them. The results of this work will be used to improve the Guidelines by adding further practical examples and analysis to them.
- *Development of financial planning capacity in municipalities and water utilities.* This work will help to disseminate EAP Task Force tools and methodologies, as well as those developed by others (e.g. the Project Preparation Committee, EBRD and the World Bank) in 2007 and 2008. Work will consist in the development of training materials, the establishment of a train-the-trainer programme, and the training of 40-50 utility and municipality staff.

PROJECT 1.3 **PROMOTING FINANCIAL REFORM AND MANAGING THEIR SOCIAL IMPACTS**

- *Promoting financial reforms in utilities.* This project seeks to link capital investment planning in utilities with investment planning in municipalities. An investment planning tool has been prepared through demonstration projects in Bishkek Vodokanal and Armvodokanal, a regional utility in Armenia. It addresses issues such as asset evaluation and accounting as well as investment planning. In 2007, this tool will be applied in an additional water utility in EECCA (to be selected in close consultation with the EC, and IFIs) to ensure its applicability in a range of EECCA utilities and further demonstrating how it can improve financial planning in water utilities.

¹ The OECD/EAP Task Force secretariat received a grant from TACIS for this work that extends into 2008, beyond the current mandate period of the EAP Task Force. Should the mandate of the Task Force not be extended at the Belgrade ministerial conference beyond 2007, the OECD secretariat would finalise work in close cooperation with the EUWI Working Group.

- *Developing water sector financing strategies to achieve the water related MDGs and assessing the social impacts of financial reform in the water sector.* This project will assess how potentially adverse impacts of tariff increases on the poorer sections of communities could be mitigated as part of strategies for achieving water-related policy goals, including the MDGs. It will be carried out in conjunction with work on environmental financing strategies conducted by the environmental finance team, and build on previous EAP Task Force work on the social aspects of urban water sector reform. Most recently such studies have been conducted for Armenia and Georgia, and work is currently underway in Moldova. In 2007 and 2008 it is planned to extend the work done in Armenia (in the framework of a EUWI national policy dialogue) and in Georgia to also cover rural areas (request by the Government of Georgia) and to develop a financing strategy for the water supply and sanitation sector in a Central Asian country. Further work in this area may arise in 2007 as a result of deliberations of the EU Water Initiative's EECCA Working Group.

PROGRAMME AREA 2: PUBLIC ENVIRONMENTAL FINANCING

Objective: To assist EECCA to strengthen the capacity of public sector institutions to increase the volume, and improve the efficiency, of public environmental expenditures.

Background: The proposed activities in this programme area will support EECCA countries to achieve objective No 5 of the EECCA Environment Strategy: “Mechanisms for Mobilising and Allocating Financial Resources to Achieve Environmental Objectives, including Debt for Environment Swaps”.

EECCA countries have made uneven progress in mobilising sustainable and efficient financing in support of environmental policies. However, in recent years, some EECCA countries have been successful in strengthening the fiscal position of their public sectors, and renewed economic growth has strengthened the financial situation of public budgets, households and enterprises.

In 2007, work will continue to bring on-going projects to their conclusion, finalising recommendations to EECCA governments, fine-tuning methodologies, and disseminating existing tools. Particular attention will be given to drawing lessons from accumulated experience, which will be policy relevant at the regional level and in other regions of the world. One particular project will aim at establishing a firm empirical base for policy discussions on environmental finance issues at the 2007 Belgrade Ministerial Conference.

The EECCA Environmental Finance Network will continue to be an important vehicle for guiding the work programme. In 2007, probably February, the annual meeting of the Network will be devoted to identifying key messages which should be conveyed to Belgrade. The tradition of meetings and activities involving both environmental and finance representatives will be strengthened. The Network will continue to involve officials and experts from OECD and CEE countries in order to facilitate exchange of experience and seek synergies among technical assistance projects.

Activities: **PROJECT 2.1 HARMONIZING ENVIRONMENTAL EXPENDITURES INFORMATION SYSTEMS WITH OECD/EUROSTAT STANDARDS**

In 2006-07, environmental expenditure data will be collected from EECCA countries to support the preparation of a report analysing trends in this area for the 2007 “Environment for Europe” Ministerial Conference. The report will also build on recent trends in environment-related ODA, and on innovative mechanisms to channel and to manage environmental finance. Key messages will be discussed with the EECCA Environmental Finance Network.

The project will benefit from progress made by EECCA countries in monitoring environmental expenditure, and in aligning their practices with OECD/Eurostat standards (see EAP Task Force projects in Georgia, Ukraine, the Kyrgyz Republic, and the regional expert workshop organised in Kiev in 2005).

PROJECT 2.2 IMPLEMENTING FINANCING STRATEGIES FOR WATER AND ENVIRONMENTAL INFRASTRUCTURE AND INTEGRATING THEM WITH THE BUDGET PROCESS

A major pillar of Task Force work in the area of environmental finance has been the development and application of a computer-based model – FEASIBLE - to support preparation of realistic financing strategies in several EECCA countries. With substantial support from Denmark, the model was applied to the urban water supply and sanitation sectors and, subsequently, to the solid waste management sector. In 2004-05 a new module on rural water supply and sanitation was integrated into the model.

The following activities will be carried out in 2007:

- Finalise a comprehensive finance strategy (together with the water team), in Moldova, for achieving the MDGs in both the urban and rural sectors, taking account of affordability constraints in households and public budgets;
- Compare the advantages of FEASIBLE and other tools recently developed by other institutions (the World Bank) and implemented in other contexts (Africa). The comparison will provide an opportunity to refine the methodology and policy options, building on a wider array of experience;
- Transfer know-how and expertise to local EECCA experts, through workshops and hands-on training sessions. Training will be provided in the use of FEASIBLE and the multi-year investment planning tool (MYIP) developed in previous work to assist municipalities to develop realistic financing strategies.

PROJECT 2.3 IMPROVING MANAGEMENT OF PUBLIC ENVIRONMENTAL EXPENDITURES

At the Kiev Conference, Ministers welcomed the “*Good Practices of Public Environmental Expenditure Management in Transition Economies*” that had been developed in the EAP Task Force. They encouraged transition economies to use the good practices as a tool to strengthen environmental expenditure programmes. A second tool that provides additional guidance in this area has been finalised, namely the “*Handbook for Appraisal of Environmental Projects Financed from Public Funds*”.

In 2007, these documents will be disseminated through a series of training sessions for environmental expenditure programme managers, using training materials developed in 2006. Progress made in this area and key issues will be mentioned in the report on trends in environmental expenditure.

PROJECT 2.4 FACILITATING POLICY DIALOGUE ON OPPORTUNITIES AND RISKS OF DEBT FOR ENVIRONMENT SWAPS

In previous work, pre-feasibility studies have been prepared in Georgia and the Kyrgyz Republic to evaluate opportunities and institutional options for swapping a portion of sovereign external debt for domestic environment expenditures. At Kiev, Ministers “welcome[d] the recent initiative by Georgia to develop a debt for environment swap”. They also considered that “other poor, indebted countries of the region may want to consider working with their creditors to develop similar initiatives.”

In 2006, the lessons learned from these and related experiences have been reviewed and recommendations prepared on the relevance and feasibility of debt for environment swaps in the EECCA region and beyond. Key lessons will be integrated into the report on trends in environmental expenditure.

PROGRAMME AREA 3: ENVIRONMENTAL POLICY IMPLEMENTATION

Objective: To facilitate implementation of environmental policies in EECCA countries by improving their effectiveness and efficiency based on international benchmarks.

Background: Work in this programme area helps EECCA countries to adopt good practices in such domains as design and use of environmental policy instruments, development of strategies to ensure regulatory environmental compliance, and institutional capacity building. It supports the achievement of qualitative targets under Objective No 1 of the EECCA Environment Partnerships Strategy. As requested by EECCA countries, the convergence of their regulatory systems with the principles of the environmental *acquis communautaire* of the European Union is facilitated as well.

Activities are implemented within the framework of the **Regulatory Environmental Programme Implementation Network** – REPIN – which, besides identifying priorities for, and overseeing the implementation of, work under the policy area of the EAP Task Force, provides EECCA policy makers and practitioners with a platform to exchange experience and build partnerships with their counterparts from OECD countries, Central and Eastern Europe, as well as with representatives of NGOs and the private sector.

Activities: **PROJECT 3.1. REFORMING ENVIRONMENTAL POLICY INSTRUMENTS**

In 2007, work will aim to (i) further promote reform of policy instruments in specific countries and (ii) synthesise the lessons learned from work on environmental policy reform as a possible input to the Belgrade Ministerial Conference. In particular,

- A project on reforming the system of surface water quality standards (SWQS) will be implemented in the Republic of Moldova. The project was launched in April 2006. Its objective is to implement the principle of risk management in Moldova's environmental regulation and converge with the EU water quality legislation by making the water quality objectives and standards fairer, more economically feasible and realistic. The project's outputs (by June 2007) will include a technical design of the proposed SWQS system, an analysis of its regulatory and economic implications, and legal and institutional recommendations for its implementation.
- Inputs will be provided to World Bank and Swedish supported projects on environmental permitting reform in Ukraine. The projects started in 2006 will continue with the development of a legal and procedural basis for a new permitting system in Ukraine, including integrated permitting for large industry and simplified requirements for small and medium-sized installations. Pilot projects in industry will help test the proposed procedures and build support for the reform within the regulated community. The training of Ukrainian permitting officials at the sub-national level will also be completed in 2007.
- An international multi-stakeholder meeting will be held back-to-back with the 2007 annual meeting of the EAP Task Force and PPC to review experience with the reform of environmental policies and instruments in EECCA countries and

discuss future priorities for reform of environmental policy design and implementation after the Belgrade conference. An “Issues Paper” will be developed by the Secretariat to serve as a background for discussion, and proceedings of the meeting will be prepared and published.

PROJECT 3.2. MODERNISING STRATEGIES AND TOOLS TO ENSURE ENVIRONMENTAL REGULATORY COMPLIANCE

While resources available to environmental authorities in EECCA are very scarce, they nevertheless rely extensively on traditional, ineffective “check and punish” compliance assurance strategies. This project seeks to help EECCA countries to change their strategic focus in compliance assurance, in particular by better use of preventative approaches and surrogate (indirect) enforcers, such as the regulated community itself or the general public. The project also aims to promote cost-efficiency of environmental enforcement authorities. In 2007, the main activities will be:

- An information package on citizens’ compliance monitoring and enforcement will be developed and a capacity building regional workshop for NGOs will be organised in cooperation with Eco-Forum to widen the public’s involvement in compliance assurance in EECCA and to catalyse partnerships between inspectors and civil society in EECCA. The information package will present most effective tools of public involvement in compliance assurance, examples and case studies from EECCA and OECD countries, references to relevant training materials and web-sites, and information on key institutions (governmental and non-governmental) active in the field of compliance assurance.
- Following an earlier feasibility study, the industry performance rating and disclosure scheme will be applied in Ukraine and results will be disseminated in the EECCA region. The public disclosure approach has the virtue of generating public pressure on polluters. It proved to be much more cost-effective (up to 10 times, according to expert estimates) in comparison with administrative response to non-compliance.
- A methodological framework to assess costs of compliance assurance and tackle budget shortfalls will be developed and a complementary study will be carried out in Kazakhstan. Among other things, the study will touch upon the feasibility of regulatory cost recovery. This work will be based on a previous review of international experience and will aim at raising the efficiency of compliance assurance in Kazakhstan.
- Cooperation with UNECE will continue on finalisation of the Guidelines for Enterprise Environmental Monitoring and Reporting in EECCA that is proposed as Category I document for the Belgrade Ministerial Conference.

PROJECT 3.3. STRENGTHENING ENVIRONMENTAL ENFORCEMENT AUTHORITIES AND INTERNATIONAL NETWORKING

The success of policies largely depends on institutions that implement them. Therefore, another pillar of the Policy Programme supports the institutional development of EECCA environmental enforcement authorities which implement environmental policies

and promote compliance with regulatory requirements. In 2007, under this element of the work programme, the following activities will be carried out:

- A regional assessment of efforts to modernise environmental inspectorates in EECCA will be prepared using international benchmarks, in particular the “Guiding Principles for Reform of Environmental Enforcement Authorities”. The report is proposed as a Category II document for the Belgrade Ministerial Conference. At the request of REPIN members, the assessment report will be concise and address the needs of high-level policy-makers. At the same time, a statistical compendium on environmental compliance and enforcement in EECCA will be prepared in conjunction with data-gathering for this report.
- A guidance document on the use of environmental compliance and enforcement indicators will be finalised, building on experience from Task Force case studies in Russia and Armenia. Besides recommendations on the overall design and use of performance measurement systems, this document will contain a set of environmental compliance and enforcement indicators (ECE) for the EECCA region. An expert meeting is planned to discuss ECE indicators and the outlook for benchmarking in EECCA. The Secretariat will contribute to the finalisation of the INECE (International Network for Environmental Compliance and Enforcement) training course on performance measurement and will ensure its dissemination in EECCA.
- Continued support will be provided to environmental inspectorates in Georgia and Kazakhstan. In Georgia, the following major products are envisaged: a computer-based tool to manage environmental compliance and enforcement information; a priority setting methodology for environmental inspection and a number of other decision-making policies, as well as compliance assistance materials for Small and Medium-Sized Enterprises. In Kazakhstan, the review of non-compliance responses will be finalised, a regulation to ensure integrity of inspection and enforcement will be developed, and a conference to promote compliance within large facilities will be organised. Lessons learned from these two projects will be summarised in the final project reports.
- A training CD-ROM for environmental inspectorates will be developed and a train-the-trainer programme prepared. This work is part of the strategy to fully transfer training activities from the EAP Task Force Secretariat to the EECCA countries.
- Networking and dissemination of the EAP Task Force tools will be carried on, in particular prior and during the Belgrade Ministerial Conference. This includes development of leaflets, brochures, publications catalogue, posters, media communication, and possibly the organisation of a side-event in Belgrade. As usually, close links will be kept with Secretariats and members of INECE, IMPEL (the EU’s network for the implementation of environmental law) and ECENA.

**PROGRAMME AREA 4: FACILITATING ACHIEVEMENT OF EECCA
ENVIRONMENT STRATEGY OBJECTIVES OVERALL**

Objective: To facilitate and support the efforts of EECCA countries and their partners to achieve the EECCA Environment Strategy objectives.

Background: At the 2003 Kiev “Environment for Europe” Conference, Ministers adopted the EECCA Environment Strategy. Its main goal is “to contribute to improving environmental conditions and to implement the WSSD Plan of Implementation in EECCA countries”. The Strategy focuses on seven objectives covering a wide range of areas dealing with common environmental problems in the EECCA region. Achieving the objectives will require strengthened co-operation between EECCA countries and their partners. EECCA governments themselves have the responsibility to identify areas, within and among the seven Strategy objectives, in which environmental actions are needed.

In Kiev, the Ministers invited the EAP Task Force to “lead efforts to facilitate and support the achievement of the objectives of the EECCA Strategy” overall and other international organizations to provide assistance and support EECCA countries, in accordance to their mandates. In October 2004 the EECCA Environment Ministers and their Partners met in Tbilisi, Georgia and discussed how to provide further support and impetus to this process.

Activities: **PROJECT 4.1 MONITORING AND FACILITATING PARTNERSHIPS**

TASK 4.1.1 MONITORING PARTNERSHIP DEVELOPMENT

The objective of this activity is to facilitate the development of successful partnerships by identifying gaps and sharing lessons learnt in developing and implementing partnerships. The work will focus on:

- *Monitoring Partnership Development.* The Secretariat will continue to collect and update information on concluded, ongoing and proposed partnerships using the Partnership Database launched in 2005. A Progress Report on Partnerships will be prepared for the 5th Joint Meeting of the PPC/EAP Task Force and subsequently to the Belgrade Conference highlighting gaps.
- *Sharing Best Practices and Lessons Learnt for Partnership Development in EECCA.* Work to assess the environmental effectiveness and economic efficiency of partnerships carried out as part of the OECD work programme will be used when reviewing partnerships and preparing documentation on this issue for the Belgrade Ministerial meeting.

TASK 4.1.2 FACILITATING COUNTRY-DRIVEN PARTNERSHIPS FOR INSTITUTIONAL STRENGTHENING

This project aims to enhance the engagement of EECCA Environment Ministers in efforts to achieve the objectives of the EECCA Environment Strategy and, more generally to address obstacles to environmental policy reform.

- *Organising informal consultations with environment ministers.* The Secretariat will invite environment ministers from selected EECCA countries for informal consultations to discuss future plans and the main challenges they face in implementing the EECCA Environment Strategy, and how the EAP Task Force could assist them in those efforts.
- *Facilitating a Policy Dialogue.* Based on experience with Georgia in 2005, a second policy dialogue will be organised involving an EECCA country (preliminarily either the Kyrgyz Republic or Armenia) and interested partners. These policy dialogues focus on “strategic and over-all management functions” of Environment Ministries and, amongst other things, aim to identify how partnerships could help to better implement such functions.

PROJECT 4.2 ASSESSING PROGRESS IN ACHIEVING THE OBJECTIVES OF THE EECCA ENVIRONMENT STRATEGY

Building on the “Stocktaking Report” prepared for the 2004 Tbilisi meeting of EECCA environment ministers and their partners, a second report will be prepared assessing progress in achieving the objectives of the EECCA Environment Strategy. The report “Progress in Environmental Management in EECCA” will aim to provide a solid review of actions taken by EECCA countries to achieve the objectives of the EECCA environment strategy and environmental policy objectives more generally. Close cooperation with other international organisations, particularly the European Environment Agency, and EECCA countries and EECCA NGOs will be essential to achieve this objective. The EAP Task Force will be invited to endorse the final draft at the 5th Joint PPC and EAP TF meeting in March 2007. The EAP Task Force Bureau considered this to be the main input from the EAP Task Force to the Belgrade ministerial conference.

PROJECT 4.3 PROMOTING EFFECTIVE CO-OPERATION AND COMMUNICATION AMONG PARTNERS

The objective of this activity is to clarify the roles of different organisations in supporting the Strategy and to facilitate more efficient and transparent communication and co-operation among partners supporting the Strategy and avoid duplication of work. This will include:

- *Facilitating inter-agency co-operation.* The Secretariat will (i) maintain an updated list of the organisations/contact points of Facilitating organisations for each objective; (ii) facilitate exchange of information on activities planned and implemented under each objective, (iii) strengthen contacts with the UNDP Country Offices and Conventions Secretariats as specified in the Kiev

Declaration; and (iv) coordinate the preparation of joint documents for the Joint PPC and EAP TF meeting, in particular the “snapshot” overview of activities on each Strategy objective. If needed, the Secretariat will also organise meetings with the Facilitating Organisations.

- *Establishing a web-based communications framework.* The Secretariat will (i) keep the web-pages updated (ii) develop further the EECCA Database of Environmental Partnerships to be used as a main tool for reporting progress on implementing partnerships and activities carried out by the Facilitating Organisations in EECCA; and (iii) publish an electronic newsletter.
- *Facilitating Co-operation with Regional Environmental Centres:* The EAP Task Force Secretariat has cooperated with the RECs on specific projects and also provided direct support for institutional development. The objective of this activity is to continue (i) to co-operate in implementation of selected EAP Task Force activities as well as in facilitating achievement of the specific EECCA Environment Strategy objectives and (ii) to co-operate in disseminating Task Force results in the EECCA region. In addition, the EAP Task Force considered that the EAP Task Force and EECCA RECs might develop a joint work programme that could be implemented after the Belgrade ministerial conference. Further consideration will be given to this idea in the preparations for the ministerial conference.

PROGRAMME AREA 5: EAP TASK FORCE MANAGEMENT AND SUPPORT

This area of work underpins the four other areas of work. It comprises:

- Organisation of Joint EAP Task Force – PPC meetings, Bureau meetings, and other major events
- The overall coordination of the work of the EAP Task Force Secretariat, including administration and financial management of the work programme and budget;
- Communications (publications, web-site).

EAP TASK FORCE BUDGET 2005-07

The attached table presents budgetary information on the EAP Task Force's programme of work: For **2005**, it presents actual expenditure; for **2006**, the estimated requirements and estimated expenditure; and for **2007**, estimated requirements.

For **2006**, the estimated expenditures are slightly higher than the estimated requirements. This is largely because of a grant of €1.5million received from TACIS. This explains why the estimated expenditures for work on finance and water are significantly higher than the estimated requirements. In addition, more resources are devoted to demonstration projects for water and finance in 2006 than in 2005 when the Yerevan ministerial meeting was the main focus. Against this, estimated expenditure for policy work is less because a major policy conference that had been planned for 2006 has been shifted to 2007 and reduced in size. Savings were also achieved for Task Force Management and Support because of additional assistance received for two Bureau meetings at European Commission and PPC/EBRD and the Task Force meeting in Berlin; less than anticipated travel; and a greater proportion of staff time covered by work on the EECCA Environment Strategy. The estimated expenditures for work on the EECCA Environment Strategy were virtually the same as the estimated requirements.

For **2007**, the estimated requirement is 25 per cent less than the estimated expenditure for 2006. This is largely because work on resource-intensive demonstration projects will be significantly reduced and activities will focus more on finalising reports for the Belgrade ministerial meeting and disseminating results. This is the case for work on finance, policy and the EECCA Environment Strategy. However, the estimated requirements for water will increase. This is partly due to the TACIS grant but also to a consolidation of finance-related water activities which is accompanied by a corresponding decrease in the finance budget. The budget requirement for EAP Task Force Management and Support is slightly higher than the estimated expenditure for 2006 because more staff time and travel will be required in connection with preparations for, and the staging of, the Belgrade ministerial meeting.

Programme Area	Actual Expenditures for 2005	Estimated Requirements for 2006	Estimated Expenditures for 2006	Estimated Requirements for 2007
1. Urban Water Sector Reform	813,484.76	783,656.00	854,018.69	1,054,000.00
2. Public Environmental Finance	900,772.04	763,048.00	944,326.55	300,000.00
3. Environmental Policy Implementation	738,616.84	918,627.00	774,335.27	564,892.00
4. Facilitating Achievement of EECCA Environment Strategy Objectives Overall	356,024.73	372,650.00	373,105.86	228,210.00
5. EAP Task Force and Support	170,932.92	226,008.00	179,053.33	194,600.00
TOTAL	2,979,831.29	3,063,989.00	3,124,839.70	2,341,702.00