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0.320.016.0 (3) LTH/LTH

Bern, 7th January 1993

Environment for Europe. The Luzern Conference

Briefing Note from the Executive Secretariat

Based on the Dobris Declaration, the preparatory work for the Luzern Conference is focussing on two elements: an Environmental Action Programme for Central and Eastern Europe and the strengthening of tools and mechanisms for pan-European cooperation. The latter represents a first effort towards the Environment Programme for Europe that Ministers and the Commissioner undertook to develop in light of the Report on the State of the Environment in Europe. This report will be the result of a cooperative effort lead by the EC Commission, and it will be available by the end of 1993. Luzern constitutes a step in a longer term process aimed at promoting convergence of environmental policies and protection levels in Europe. Its emphasis is on concrete action. Through an intensive preparatory process involving four intergovernmental Task Forces and an intergovernmental coordinating body (ref. organigramme in the annex), a considerable number of documents (see preliminary list in the annex), and the basis for action in various crucial areas are being prepared. They are in particular:

Environmental Action Programme for Central and Eastern Europe (EAP)

1. The EAP is elaborated under the responsibility of an intergovernmental Task Force chaired by the EC Commission, with the World Bank and the OECD jointly providing the secretariat. The EAP (ref. outline in the annex) builds on the efforts currently being made by countries in Central and Eastern Europe - in some cases together with donors and financing institutions - to address environmental problems. Work carried out for the EAP has provided a much more sophisticated picture of environmental problems and their linkage to economic and industrial structures in CEECs. On this basis, the EAP aims to identify the appropriate mix of actions to combat the highest priority problems; namely those which result in serious harm to human health, decreases in the productivity of natural resources, or irreversible damage to the environment. In this way, the EAP provides a realistic strategy for integrating environment into the economic transformation of CEECs.

The underlying concept of the EAP is one of *partnership*. The goal is, first, to establish a *consensus within and between countries* of East and West on the priority problems, and second, to *agree on a mix of policy, investment and institutional actions*, with complementary commitments on the part of all countries and institutions involved.



According to the recent Core Group meeting¹, the EAP should be adopted at Luzern as the overall or broad strategy for the integration of the environment into the economic transformation of CEECs and as the basis for East-West cooperation; the EAP would be a living document to be reviewed periodically and adapted to country-specific circumstances.

More specific political commitments on some key elements of or related to the EAP (e.g. criteria for priority setting, priorities, implementation mechanism, monitoring) should form part of the Ministerial Declaration.

2. The EAP is strategic in nature. In addition, serious efforts are being undertaken to provide for an effective *implementation mechanism*. The EC Commission has taken the initiative to create a *Project Preparation Facility* and secured 10 million ECU for it. A number of other countries have already expressed their interest to participate. This would mean that the EC Commission's initiative is developed into a multilateral instrument with common rules applying to all participants - EC-members, non-EC-members and financial institutions - and with a broadly based management structure, including the major financial institutions in addition to the EC Commission.

3. Also, an initial *Project Portfolio/List* (expected order of magnitude: several hundred million ECU) will be prepared and available at Luzern. The purpose of the Project Portfolio/List would be to facilitate bilateral cooperative arrangements at Luzern or in the follow-up to the Conference. Such arrangements could vary, passing from mere expression of interest via pledging support for certain components to concrete agreements on the funding of further project preparation work or on the financing of mature projects. The Project Portfolio/List and the Project Preparation Facility would be closely interrelated in that the Facility would continue to add to and develop further, the initial Portfolio/List. In the fashion of a clearing house, it would pass on projects from its Portfolio/List to bilateral arrangements.

4. Other elements of the implementation mechanism are: a *strengthening of the G-24 role towards pro-active coordination* (the EC Commission is preparing a discussion paper on this) and the *strengthening of coordination at the country level*. The post-Luzern process would provide the mechanism for the overall monitoring and the further development of the EAP.

5. The Core Group at Noordwijk also dealt with issues relating to the *assessment of past/on-going assistance*. It considered that it would be important, as a minimum, to present Ministers with a picture of resource flows. In view of the G-24 responsibility for tracking environmental assistance to CEECs, and the OECD responsibility in relation to NIS, the two bodies were requested to produce a joint report for presentation to Ministers. The group encouraged the two institutions to circulate a draft report to governments and financial institutions requesting them to confirm or update information on assistance flows. In addition, the group considered it important to compare past/on-going assistance with the EAP priorities and to suggest how the operational cycle could be speeded up. This could be done in light of the G-24 assessment study to be completed by the end of January 93 and the G-24 Environment Working Group meeting in Budapest of mid-February. Switzerland is

¹Noordwijk, 16th - 17th December 92, participation: NL, D, S, DK, UK, PL, Russia, CH, EC Commission, IBRD, EBRD, OECD

preparing a discussion paper on impediments to the effective delivery of assistance programmes.

6. If the EAP as conceptualized above is to be successful, it must be supported by governments as such rather than environment ministries only. With regard to CEECs, an effort for the involvement of ministries of finance and economy in the preparatory process is being made. Similar efforts, particularly targeted at ministries in charge of cooperation with CEECs, should be made in OECD countries. Environment ministries should take a lead role in this.

Strengthening Pan-European Cooperation

The UN/ECE Working Group entrusted with the preparation of the pan-European component of the Luzern Conference is working, to start with, on the following seven issues: environmental data systems, legal instruments, environmental performance reviews, economic instruments, environmentally sound technology, integrated pollution control and public participation. Progress on the items varies, and it is not yet clear whether concrete proposals will be put to Ministers on all of them. The following account is therefore inevitably tentative and incomplete.

Environmental Data Systems

The availability of reliable, comparable and objective data provides the solid underpinning of increased efforts at pan-European cooperation. Work on the Report on the State of the Environment in Europe has confirmed inconsistencies, gaps and weaknesses in environmental data systems in Europe. The activities of the EC Commission through the Corine Programme and the Community initiative on the European Environment Agency provide key tools for remedying the situation. At the EC Environment Council of 15th/16th December 92, the Council took note of the Commission's intention, i.a., to establish, as soon as possible, an informal high-level group of national representatives to discuss the future work programme and priorities of the Agency and to consider the structure of national networks and topic centres. The operations related to the Agency are thus now about to take shape. The participation of non-EC-members in the Agency is foreseen, and ways and means should be found to involve interested non-member governments in the interim arrangements, the Commission intends to set in hand. If these arrangements were ready in time for Luzern, the Ministerial Conference could then highlight the role of the Agency as a pan-European instrument. On a technical level, proposals for strengthening and expanding existing cooperative programmes could be submitted to Ministers.

Legal Instruments

Work on legal instruments has three components:

First, information on the status of signature and ratification of environmental legal instruments in the European region is being compiled by the IUCN Environmental Law Centre.

Second, for seven conventions (Geneva, Basel, Washington, Ramsar, Bern, Bonn, Vienna) a questionnaire has been devised with the help of, i.a., the respective Convention Secretariats and submitted to governments of the UN/ECE region in order to explore whether the process Environment for Europe and the Luzern Conference could assist in any way to

overcome difficulties that prevent a government from either becoming a party to a given convention or from participating in and implementing fully, a convention that it is a party to. The response, if any, to those questions is likely to highlight the needs for technical and financial cooperation for capacity building, and could lead to cooperative undertakings.

Third, a study is being undertaken of the monitoring and compliance provisions, and the way they work (successes, gaps, problems), of the Geneva Convention and its Protocols and of the Bern Convention, as a basis for possible, generally applicable proposals for improvement.

Environmental Performance Reviews

The extension of the OECD EPRs to the whole ECE region is seen as an important element in the strengthening of regionwide cooperation. The principle of such an extension has already been endorsed at ministerial level. However, resource constraints are about to delay seriously its implementation. Additional resources would therefore have to be made available in terms of secretariat support (possibly on a special project basis) and assistance to experts from CEECs for their participation in the ongoing OECD review process and the development and implementation of the extended review system.

Economic Instruments

So far, two components have been identified, namely:

- Ministers might be invited to address the Rio concept of burden sharing (encompassing additionality and incremental cost financing) in the context of the European region, and the type of mechanism (e.g. joint implementation, clearing house) which could be used to implement it. The process of revision of the SO₂ Protocol might serve as a case in point. The Netherlands (Mr. Kakebeeke) was invited to consult governments and institutions on this.
- Ministers might be asked to request a review of experience gained with financing mechanisms in CEECs based on economic instruments (e.g. Environmental Funds, Banks) and the preparation of guidelines on their operation.

The OECD workshop on taxation and environment and the ECE Joint Group on Environment and Economics may help identify other issues for Ministerial consideration.

Also, explorations continue on how to use the occasion of the Luzern Conference in order to pursue the CO₂/energy tax issue.

Technology Cooperation

The emphasis here lies on developing concrete proposals to improve coordination and to remove barriers to the introduction of more environmentally benign technology.

Integrated Pollution Prevention and Control/Public Participation

On both topics the emphasis is on obtaining Ministerial endorsement for the importance of the underlying concepts.

In addition, the Task Force of the Council of Europe has prepared a number of proposals for strengthening pan-European cooperation in the area of *nature protection*, in particular the establishment of an inventory and maps of protected areas as well as areas that deserve a form of protection considering their biological importance; the establishment of an inventory of instruments for the protection of wildlife and landscape outside protected areas and the elaboration of a respective model law; financial contributions to CEECs for their participation in the pan-European campaign on "Nature Protection outside Protected Areas".

The Report on the State of the Environment in Europe

It is expected that a progress report, or possibly even a first draft of the Report itself, will be presented to the Conference. This will provide Ministers an opportunity to give guidance on further work and proceedings.

The Conference

The arrangements for the work of the Conference will have to take into account a number of elements: the large number of delegations (more than 40 countries, approx. 15 international institutions/organisations, 6 - 8 delegations from the independent sectors), the very limited time at disposal (2 working days), the very considerable amount of material available, the substantive conclusions (Ministerial Declaration) to be drawn.

Three segments seem to impose themselves: 1) An informal Ministerial Meeting with dinner on the eve of the Conference; 2) an initial plenary session, where the main products of the preparatory work are presented (the EAP and ,possibly, related products such as the Project Preparation Facility, the Initial Project Portfolio, the environmental guidebook for foreign investment in CEECs etc.; the progress report on or the draft State of the Environment Report itself; reports on certain elements of the pan-European component); 3) a final plenary session drawing the conclusions of the Conference including the adoption of the Ministerial Declaration.

The remaining time could be used for the discussion of a few selected topics. Parallel sessions could be organised for that purpose and the conclusions of these sessions brought back to the plenary. This would imply that there would be a few key note statements, but no time for a general debate with interventions by all delegations.

The preparatory process for Luzern has brought together the major international institutions, national governments and interested non-governmental sectors. It is providing a framework for coordinated, cooperative efforts with the involvement of all relevant parties. Ministers may wish to consider how the Environment for Europe process should be sustained.

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Bern, 8th January 1993

Environment for Europe. Luzern Conference

Preliminary List of Documents Available at the Conference

Draft Ministerial Declaration

Environmental Action Programme for Central and Eastern Europe (EAP)

Thematic World Bank reports on specific issues related to the EAP such as on Health and Environment or on Economic Restructuring and the Environment

Reports by the OECD on conferences that formed part of the preparatory process such as on Energy and Environment (Prague, June 17 - 19, 1992) and on Privatisation, Foreign Direct Investment and Environmental Liability (Warsaw, May 19 - 21, 1992)

Possibly, products from the joint EBRD/EC Commission work on norms and standards, i.e. the environmental guidebook for foreign investors in CEECs and the environmental guidebook for exporters from CEECs to OECD countries

Report by the EC Commission and OECD on resource flows to CEECs in the environment sector

Possibly, an assessment report on past/on-going assistance to CEECs in light of the EAP including a section on the improvement of the delivery of assistance programmes

An initial Portfolio/List of projects consistent with the EAP

A Council of Europe report on nature conservation

Various background documents relating to the strengthening of mechanisms and tools for pan-European cooperation (legal instruments, economic instruments etc.)

Possibly, submissions from non-governmental sectors (e.g. ICC, environmental NGOs)

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UMWELT FÜR EUROPA
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 UN AMBIENTE PER L'EUROPA
 ОКРУЖАЮЩАЯ СРЕДА ДЛЯ ЕВРОПЫ
 LUZERN, 28. - 30. APRIL 1993



0.320.016.0 (3) LTH/LTH

Bern, 11. Januar 1993

Verteiler:

EDI, GS: Generalsekretär W. Fust
 Presse und Information

EVD, BAWI: Staatssekretär F. Blankart
 Botschafter R. Jeker
 Wirtschaftsmassnahmen für Mittel-
 und Osteuropa
 Internationale Industriefragen
 OECD Sektion

EDA/EVD: Integrationsbüro, Kooperation

EDA, PD: Staatssekretär J. Kellenberger
 Botschafter J. Staehelin
Zusammenarbeit mit Ost- und
 Mitteleuropa

GS: Generalsekretär R. Schaller
 Presse und Information

DIO: Direktor F. Nordmann
 Botschafter R. Hoffmann
 Vizedirektor J. Leutert

Sekretariat Dep. chef

Umwelt für Europa. Stand der Vorbereitungsarbeiten der Ministerkonferenz.

Luzern, 28. - 30. April 1993

Für die Tagung des umweltpolitischen Ausschusses (EPOC) der OECD vom 11. - 13. Januar 1993 haben wir eine Informationsnotiz zur Luzerner Konferenz erstellt. Wir freuen uns, Ihnen diese in der Beilage zukommen zu lassen.

Mit freundlichen Grüßen

Der Exekutivsekretär

T. Litscher