

ANNEX 2: ACTION FICHE FOR ENPI REGIONAL EAST ACTION PROGRAMME 2009

1. IDENTIFICATION

Title/Number	Air quality governance in the ENPI East countries – AIR-Q-GOV		
Total cost	7 M€		
Aid method / Method of implementation	Project approach – <i>Centralised direct management</i>		
DAC-code	41010	Sector Environmental policy and administrative management	

2. RATIONALE

2.1. Sector context

Air pollution represents a significant health concern. Across Europe, fine particulates of anthropogenic origin are responsible for 80% of the health impacts of urban air pollution. In addition to its negative effects on health, air pollution also influences public finance, both on the expenditure side (due to hospital admissions and increased medication use) and the revenue side (reduced fiscal receipts from reduced working time.. Air pollution also has negative effects on the environment, including biodiversity loss, and is linked to climate change.

Across the region people are exposed to levels of air pollution that exceed air quality standards set by the EU and WHO. A lack of monitoring data of sufficient quality precludes an in-depth assessment of the state of air quality in the region. Nevertheless, available data and modelling indicate that concentrations of pollutants in the atmosphere routinely exceed the maximum allowed. Recent WHO analyses indicate that 47 million Russians are exposed to NO₂ concentrations that are double the WHO guideline level, and in Azerbaijan authorities report that 27% of monitored samples breach the set limits.

Addressing emissions from the transport sector should be considered in addition to industrial sources and energy production plants. In capital cities transport has become the dominant source of air pollutants, as it now accounts for more than 80% of the total. The main causal factors of this include the age of the vehicle fleet, poor infrastructure and maintenance, and a declining share of public transport.

Industrial activities play an important role in ensuring national macroeconomic well-being. However, they account for a considerable share of total emissions of key atmospheric pollutants (e.g. 96% of NH₃, 88% of SO₂, 51% of particulate matter (PM)). The energy industries, in particular, account for 31%, 59% of volatile organic compounds emissions at EU level Emissions of most air pollutants have increased by more than 10 % since 2000 as a result of economic recovery, and the chronic ineffectiveness of air pollution protection policies. Emissions from industry, power production and households have contributed substantially to this increase in many of the region's urban areas.

Acidification and eutrophication of ecosystems by air pollutants, and the exposure of vegetation to excessive concentrations of ground-level ozone, continue to exceed critical loads and levels. They pose serious threats to the environment and agricultural production in many countries.

Air pollution is transported over long distances and across national boundaries, causing damage in areas that are far from its sources. Assessments made under the European Monitoring and Evaluation Programme (EMEP Status Report 2008/1) show that about 50% of the total SO₂ emissions of some 8 million tons from the EU 25 is deposited in non-EU countries. In Russia about half of the SO₂/SO₄

deposition comes from domestic sources and some 12 % from EU sources. Similar relationships are valid also for the EU emissions of NO_x, whereas only about 30% of NH₃ (ammonia) is deposited in the neighbouring countries.

The partner countries have all ratified the UNECE Convention on Long-Range Trans-boundary Air Pollution (CLRTAP), which aims to limit and gradually reduce and prevent air pollution. The Convention has been extended by eight protocols identifying measures to cut emissions of air pollutants, however, their implementation needs strengthening.

EU approaches with regard to air quality policy can provide a model for assessment and management of air quality.

In line with the Commission communication of December 2008, the European Council of March 2009 welcomed the establishment of an ambitious Eastern Partnership as a specific Eastern dimension of the European Neighbourhood Policy, to promote stability and prosperity among the EU's Eastern partners and to accelerate reforms, legislative approximation and economic integration. It endorsed the launch of Flagship Initiatives in order to give momentum and concrete substance to the Partnership. This project to be financed in the present Action Programme will support the operation of the Eastern Partnership multilateral framework, particularly in the area of economic integration and convergence to EU policies. This project will also contribute to the achievement of relevant objectives set in the frame of the Black Sea Synergy's main cooperation areas.

2.2. Lessons learnt

There is no evidence of progress on air pollution control during the period 2003-2007 in the region (European Environmental Agency's report "Europe's Environment – The fourth assessment"). Overall, the problems previously identified persist. Institutions suffer from weak authority, scarcity of resources, outdated management and frequent restructuring. Policies do not have specific targets and are often dominated by revenue-raising objectives. Environmental legislation is extensive but inconsistent and impossible to enforce, leading to low levels of compliance.

Approximately 4% of the total SO₂ emissions of some 20 million tons from Russia are deposited in the EU. Trans-boundary air pollution leads to the air quality (i.e. air concentration of pollutants) being mutually influenced between the EU and neighbouring countries.

Clearer and stricter rules are needed to ensure that industrial installations comply with the necessary high environmental standards. The IPPC Directive is a key tool for regulating industrial emissions. It sets general principles for the operation of installations concerned as well as requirements for granting permits and ensuring public participation. The directive is based on two key principles: (1) the integrated approach and (2) Best Available Techniques. Sectoral directives, such as the LCP Directive, outline minimum requirements for certain pollutants for the installations concerned. The provisions in [Directive 2008/50/EC](#) on ambient air quality and cleaner air for Europe and its daughter directives should also be taken into account.

The LIFE Programme (EU's Financial Instrument of for the Environment) and the 6th and 7th Research Framework Programme have funded innovative environmental projects, not only within the EU but also in the ENPI countries. Their demonstration value and cost-effectiveness give these experiences a high added value for being reproduced in other locations within the partner countries.

The projects on ENPI Waste Governance dealing partly with Sustainable Consumption and Production and on Collection of Environmental Data will be launched in 2009 and it is expected that experiences will be drawn from the results and synergies be exploited.

Furthermore, links with the planned activities of the "Task Force for the Implementation of the Environmental Action Programme for Eastern Europe, Caucasus and Central Asia countries"

(EECCA) and the "Regulatory Environmental Programme Implementation Network" (REPIN) will be identified.

The European Commission has supported the preparation of legislation, regulations and institution building of the partner countries, in the field of Water since 2004 and the field of Waste since 2006 , and the proposed activities will build on this experience.

2.3. Complementary actions

A Programme providing budget support to the environment sector reform process in Ukraine is under preparation by the EC and SIDA (Swedish International Development Cooperation Agency) with a budget of 45 M€ under ENPI 2008, and also the Sector Budget Support to the Implementation of the transport strategy of Ukraine (ENPI 2008, 79 M€). Their launch is planned for 2010.

In addition, there are clear linkages between this project and the project on "Support to the development of a comprehensive framework for international environmental co-operation in Belarus" under the ENPI 2008. This project aims at gradual convergence towards EU environment policy on integrated permitting and implementation of multilateral environment agreements.

Synergies with project activities in the partner countries that are implemented by both the EC and other donors at national level will also be exploited. In particular, synergies with actions implemented under the ENRTP (Environment and sustainable management of Natural Resources including energy Thematic Programme), the ENPI Cross-Border Cooperation Mediterranean Sea Programme will also be sought.

The project takes into account other projects that were recently implemented or are on-going in the involved countries, for example: i) TRACECA projects on Civil aviation safety and security (RAP 2006, €5M) and Land transport safety and security (RAP 2006 €3M); ii) Russia Harmonisation of Environmental Standards project (TACIS), phase 1 (AP1999) and 2 (2007-9); iii) District heating projects in Kaliningrad and Murmansk under NDEP (Northern Dimension Environmental Partnership) and the upgrading of the Moscow District Heating system through loans by EBRD/EIB.

2.4. Donor coordination

The program has been designed in accordance with the assessment and review of the principles of effective aid delivery, currently being undertaken by EuropeAid (i.e. the Backbone Strategy)

The IF has been distributed to all partner countries' Ministries of Environment. Comments have been received from Georgia, Ukraine and from the Republic of Moldova. Georgia and Ukraine's remarks have been taken into account in the development of the AF and activities have been added following their recommendations. Due to the nature of the comments received from the Republic of Moldova's Ministry of Environment these will first be considered during the ToR preparation stage. No other partner country has responded. All involved EC Delegations have been contacted for the submission of the IF to their respective government.

Collaboration will be sought with partner countries regarding on-going activities in parallel with this project: The awareness campaign planned by the Azerbaijani Ministry of Environment on Waste collection and improved public behaviour regarding littering and environmental concern.

3. DESCRIPTION

3.1. Objectives

The Overall Objective is the improved and sustainable management of natural resources including nature protection, reduced effects of climate change, and increased environmental cooperation and awareness.

Specific objectives are:

- To improve the convergence to European legislation and regulations contributing to the improved air quality and strengthen implementation and compliance.
- To improve the implementation of Multilateral Environmental Agreements
- To raise environmental awareness through cooperation at regional and sub-regional levels among decision makers, industry and civil-society.

3.2. Expected results and main activities

Results:

- The Partner Countries will pursue better implementation of legislation and regulations in the field of Air quality.
- Countries will comply better with international standards and gradually converge towards European policy principles and approaches and legislation as regards framework requirements to air quality.
- Better environmental awareness through regional and sub-regional cooperation and through the involvement of civil society (NGOs) and the private sector.

Activities:

- Gap analysis of existing relevant policy (air quality, industrial pollution and emissions from urban transport), legislation, institutions and capacity, and assistance to drafting policy papers and regulations. And gap analysis of International Conventions (CLRTAP and its protocols) signed and/or ratified and assistance to taking measures aiming at implementing them.
- Provide tools for policy makers for offering incentives for businesses and individuals to improve their environmental behaviour for example reduction of taxes, fees on emissions and other measures as applied in the EU Member States.
- Raise awareness of the possible gains from win-win investments and the economic and social costs of non-compliance, the environmental problems as well as rights, addressing not only decision makers, producers, consumers, administrations, but also the general public
- Development of a mechanism for accounting for local conditions and technological capacity in the course of setting emission limit values.
- Training on EMEP/CORINAIR Atmospheric Emission Inventory Guidebook with aim to collect, maintain, manage and publish information on emissions, taking into account the best practices of European countries.
- Preparation of pilot projects to be implemented at local level on e.g. awareness raising campaigns among producers and households; the potential of "greening" public administration fleets or public transport; monitoring of air quality in a region, city or coastal or trans-boundary zone. The selection of the pilots (themes and location) will reflect as much as possible the expressed interest of the participating countries. The collaboration between the countries should be encouraged. An equipment component could be foreseen to support the implementation of a pilot project.

Activities addressing the industrial sector:

- Support towards the implementation of integrated permitting, taking into account the whole environmental performance of industrial installations including large combustion plants.
- Support towards the implementation of Best Available Techniques and best practices for selected industrial sectors, where the effects of improved methods would have a significant impact on air quality in urban areas (to be further developed in collaboration with partner countries in the preparation of ToRs). The selection of sectors should build on previous work (e.g. Russia Harmonisation of Environmental Standards II project which has examined the feasibility of applying BAT to sectors given the differences in industrial techniques between the EU and Russia).

Activities addressing the transport sector:

- Development of transport related emission standards to combat pollution by light-duty vehicles as defined by Directive 98/69/EC.
- Develop mechanisms to encourage the use of public transport, and other environmentally friendly transport means, instead of private cars in the urban areas.
- Development of enforcement measures such as vehicle inspection programmes

3.3. Risks and assumptions

Lack of political stability and possible tensions between the countries of the region may negatively affect the implementation of activities.

The Ministry of Environment is not the only stakeholder with regard to Air quality management. The project will pay particular attention to the involvement of other public and private stakeholders in the project activities. Informative activities for sharing successful practices, but also for improving the involvement of all the relevant stakeholders into the decision-making process, must be carried out.

The possibility of unpredictable support from central government due to changes at central government level, coupled with a lack of coherence between local development strategies and policies at central level, may constitute a further potential barrier to the projects' success. The program will therefore have to ensure, whenever possible, that the support of central governments is maintained and that the project being financed is indeed coherent with policies at different government tiers.

3.4. Crosscutting Issues

Achieving environmental sustainability is the main objective of the project. The project will support improvements in environmental governance and environmental mainstreaming in sectoral policies such as transport and industry.

Institution building and support to better legislation, as well as the implementation of international conventions, will contribute to the development of good governance, human rights and gender equality. Moreover, the project will support democratisation and enhance the role of civil society and NGOs through participatory processes, and (assuming the countries' willingness) of fulfilling the commitments made through the Århus Convention, which incorporate access to environmental information and public participation in environmental decision making.

3.5. Stakeholders

The beneficiary countries will be the ENPI partners Armenia, Azerbaijan, Belarus, Georgia, the Republic of Moldova and Ukraine, and the Russian Federation.

The main stakeholders will be the relevant Ministries such as Ministries of Environment, Ministries of Industry, Ministries of Energy and Transport, Ministries of Agriculture and the Ministries of Health and governmental institutions responsible for the development, implementation and enforcement of policies and legislation on air quality. Selected regional and local administrations and agencies involved in implementation of the air quality measures will be involved as well as NGOs and the private sector. The final target groups are the populations of the region.

The Regional Environmental Centres could be implicated at the regional and the local levels. The RECs will be consulted during the ToR preparation stage. RECs contribution would focus on capacity building, involvement of civil society and awareness raising.

4. IMPLEMENTATION ISSUES

4.1. Method of implementation

Direct centralised management.

4.2. Procurement and grant award procedures

All contracts implementing the action must be awarded and implemented in accordance with the procedures and standard documents laid down and published by the Commission for the implementation of external operations, in force at the time of the launch of the procedure in question.

Participation in the award of contracts for the present action shall be open to all natural and legal persons covered by ENPI Regulation 1638/2006 (Regulation (EC) No 1638/2006 of the European Parliament and of the Council of 24 October 2006 laying down general provisions establishing a European Neighbourhood and Partnership Instrument.).

4.3. Budget and calendar

The indicative budget is of € 7 million. Indicative starting date: Beginning 2010. Planned duration is four years. The technical assistance will be provided through one or more service contracts, and possibly one supply contract to support the pilot projects, following a tender procedure. The tendering is planned to be launched by end of 2009. The ToR for the service contract(s) will be drafted in close collaboration with the relevant governments and stakeholders.

The project Identification Fiche has been presented to all partner countries in meetings during October and November 2008. Comments have been received from Georgia, Ukraine and the Republic of Moldova.

4.4. Performance monitoring

Besides the regular follow up by the EC Delegations and the Headquarters, the performance will be monitored by the ENPI Result Oriented Monitoring Team (ROM). The project manager and the implementing bodies will pay particular attention to the recommendations made by the ROM.

There are no "standard indicators" in the domain, however, one of the results envisaged in the programme is to identify and develop indicators. The project "Monitoring and Assessment of Environmental Data" (with EEA) which will start in 2009 will develop comparable indicators based on the EECCA methodological guides (developed with UNECE and UNEP support) in the field of air quality which will feed into this project. Existing monitoring statistics on air quality by the countries involved will be considered.

4.5. Evaluation and audit

Expenditure incurred will have to be certified, as part of the obligations of the contracted party/ies in the framework of the implementation of this project. Mid term and final evaluations of the results achieved will be entrusted to independent consultants, as well as external audits (which will be carried out if necessary). These evaluations and audits will be funded by sources that are separate to the project budget, since no commitment will be possible once the validity of this Decision has expired ("N+1" rule will apply).

4.6. Communication and visibility

A communication strategy, and specific activities dedicated to communication and visibility, will be developed for the project (website, possibly a Newsletter, specific publications, etc) in order to keep the stakeholders regularly informed and to ensure the visibility of the programme.

Visibility and communication activities in the partner countries will be implemented in collaboration with the EC Delegations, in line with the Communication and Visibility Manual for EU External Actions.

The EU visibility guidelines must be followed by the project.