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NOTE

from:	General Secretariat
to :	Working Party on the Environment
No. prev. doc. :	SN 1395/01 – Working document ENV/01/05
Subject :	The Northern Dimension Action Plan 2000-2003 – Progress report in the area of environment

Delegations will find attached a note from the Presidency on the abovementioned subject.

Following a decision by Coreper II of 24 November 2000 (doc. 13793/00), the Environment Working Party is invited to take note of this paper. The paper presents progress to date on the environmental priority actions in the Northern Dimension Action Plan and suggests some further measures to implement these actions.

The paper will be sent to the Working Party on Eastern Europe and Central Asia for further delivery to Coreper with a view to the Foreign Ministers' Conference on the Northern Dimension in Luxembourg on 9 April 2001. The paper will be used as an input to a report to the Göteborg Summit in June on the Northern Dimension policies, which the Swedish Presidency will prepare together with the Commission.

Introduction

The implementation of ND means mainly EU action, in addition to on-going bilateral co-operation and work in regional bodies, with the ambition to increase contribution to the development in EU's vicinity and, in particular, to reduce cross-border problems. A number of Member States have an extensive co-operation with countries in the ND area, in particular in the field of water and air pollution. In the ND area several environmental "hot spots" still exist.

It is proposed to hold a seminar sponsored by the Commission, the Swedish Presidency and the Russian Government in Moscow in the first half of this year to assess progress in implementing the environmental priorities of the ND Action Plan.

Actions

1. Supporting investment projects in major "hot spots" in the Baltic Sea and Barents regions

St Petersburg

The municipal discharges from the St Petersburg area (5 million people) are the largest source of pollution into the Baltic Sea. It is a priority goal to promote an agreement on a package solution for financing of the completion of the South-west Wastewater Treatment Plant.

A pre-feasibility study of the plant is underway in a joint Swedish-Finnish project together with the Nordic Investment Bank (NIB) and St Petersburg Vodokanal. An interim report estimates the total cost to 80 mUSD, excluding incineration. Possible further TACIS funding for this project is under consideration.

Barents region

Five million people live in the Barents region. Great distances, an Arctic climate, vast supplies of natural resources and sub-optimal management of production resources are characteristic factors.

One project with TACIS co-funding is the rehabilitation of Sortavala Sewage Treatment Plant under the Cross-Border Programme 2000 with Finland and the Karelian regional authorities.

Concrete projects in energy saving and energy efficiency and in sustainable forestry would be needed.

The recent Communication on the EU and Kaliningrad underlined the need to focus on the environment and in particular on reducing water pollution. Current TACIS projects include one dealing with water quality on the borders with Lithuania and Poland and one waste management project in Kaliningrad's coastal zone. There is also an EBRD/NEFCO/NIB loan for a sewerage treatment plant in Kaliningrad city. There is a need for a broader approach on water issues aiming at, in line with the EU framework directive on water, co-ordination and exchange of information to create shared responsibility for administrative plans and a common view on water management.

Kaliningrad is a priority for further TACIS environmental projects in 2001.

2. Exploring the possibility of supporting an Investment Financing Facility for small and medium-sized environmental projects and cleaner production.

A basic idea within ND is the possibility of using existing institutional capacity. EU's financing instruments should act as catalysts in co-financing of projects between EU and IFI's.

The TACIS Regional Co-operation Indicative Programme 2000 – 2003 mentions the development of a cleaner production activity as one of the potential topics for environmental co-operation in the context of the Environment for Europe process. Funding of clean production and small/medium sized environmental projects could be integrated into TACIS Programmes for regional co-operation and cross-border co-operation as well as the TACIS Programme for Russia.

The environment is one of six priority areas and a horizontal issue in the new TACIS regulation. It is important to promote environmental issues when developing programmes under TACIS.

3. Reinforcement of Environmental Impact Assessment (EIA) review mechanisms

It is important to stress the use of EIA as an environmental policy tool.

The Commission (DG ENV) is funding a scoping study to define priorities and opportunities for action regarding EIA. This study, to be conducted in the first half of 2001, is intended to raise the awareness of EIA harmonisation issues with Russian officials who are likely to be involved in the development of EIA policies in the short to medium term.

A secondary objective is to create a network for further co-operation activities between the EU and the Russian Federation in the field of EIA. The study will take into account the design of the planned project on harmonisation of Environmental Standards in the TACIS Russia Action Programme for 2000.

EIA also relates to the need for harmonisation of environmental legislation, which is a priority issue in the Environmental Work Programme for the Russian Federation under the PCA that now shall be implemented.

4. Co-operation on Climate Change

There are ongoing discussions with the Russian government on the climate issue in the context of the negotiations after COP6/6bis. The EU Commission is discussing with Russian counterparts the priorities for future assistance on climate change matters, with particular attention paid to capacity building activities dedicated to the establishment of national inventories of greenhouse gases and national systems for monitoring and reporting.

The EU-Russia Energy Dialogue launched in October 2000 is focussing, as one of its four themes, on energy efficiency and environment.

Further consideration will be given by Commission services to possible concrete climate change mitigation projects in the context of the TACIS Russia Action Programme in the future.

It could be noted that within the framework of the Nordic Council of Ministers (energy and environment) and BASREC (Baltic Sea Region Economic Co-operation) there are proposals to initiate a Testing Ground for the flexible mechanisms under the Kyoto Protocol in the Baltic Sea Region.

5. Support to monitoring and reporting on the environmental state of the region in co-operation with the European Environment Agency (EEA) and in the context of the "Environment for Europe" process.

International co-operation on monitoring and assessment is a basic prerequisite for signing and ratifying environmental conventions.

A UN-ECE Working Group on Environmental Monitoring has been established under Russian chairmanship with a central role for the European Environment Agency (EEA).

The focus on implementing actions on monitoring, agreed at the European regional meeting on monitoring held in Moscow in December 1999, includes strengthening monitoring and reporting capacity in the NIS and preparation of the 3rd Pan-European State of the Environment Report to be prepared by the EEA to the Kiev Conference of European Environment Ministers in 2003. A key objective of the working group will be to contribute to the development of an indicator-based report. The working group will undertake an in-depth analysis of inland surface waters to identify major gaps and obstacles to a comprehensive assessment.

There is provision in the TACIS 2000 Regional Action Programme to develop projects in this sector. Terms of Reference are currently being prepared for tendering in the first half of 2001.