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Strengthening capacities in the Western Balkans countries
to address environmental problems through remediation of high priority hot spots

The Western Balkans Environmental Programme: Review of Policy Integration and Capacity Development Need Assessment Studies



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Foreword

The Western Balkans is a region of natural beauty and relatively high environmental quality. However, due to previous heavy industrialisation followed by various conflicts, instability and transition have left a legacy of environmental problems which range from unsustainable patterns of personal behaviour to heavily polluted mining and industrial ‘hot spots’. These present a threat to human health, the natural environment and the quality of future development in affected communities. A physical clean-up of these ‘hot spots’ is necessary, but there is an insufficient prerequisite for securing a more environmentally, economically and socially sustainable future in the region. Policies, institutions and practices are also necessary to prevent similar environmental problems from arising in the future and to steer development in a sustainable direction. This is the reason that institutional strengthening and the raising of awareness represent such an important component in the Western Balkan ‘Environmental Hot Spot Programme’. This is aimed at drawing lessons for the future from the current analysis to enable the environmental rehabilitation of the top priority ‘hot spots’.

During the ten years since the end of the Balkan conflicts, the countries/territories have made large steps forwards in harmonising their legislation with the EU and in developing their strategies and central institutions. Legislation and strategies are still being checked for compliance with the EU and with other international standards. They have yet to prove their effectiveness within the context of each country/territory. Rapid legal development has actually increased the implementation gap between standards and the situation and practices at ground level. The focus of environmental and sustainability management is thus shifting from capital cities to local communities, businesses and institutions and finally to individuals. This requires two main things:

- » Better communication and cooperation between stakeholders to secure the integration of environmental objectives into everyday practices, and
- » A significantly higher level of capacity for environmental management and the sustainability of all stakeholders, both in terms of their number and their knowledge.

The present report summarises the analysis of situation and gives recommendations for policy integration and capacity development across the Balkan countries and territories. It points out both the common issues and the individual issues faced within the context of each country/territory. It provides an important resource for guiding the future activities of governments in the region, of the international community, and of other stakeholders. It also provides a platform on which to share knowledge, experience and work within the Western Balkans, viewed as an ecologically, socially and economically well integrated region.

Jernej Stritih

About the Project

The United Nations Development Programme (UNDP) Country Offices in Albania, Bosnia and Herzegovina, FYR Macedonia, Montenegro, Serbia and UN ATSCR 1244 Kosovo developed a regional environmental programme in eight locations in the mentioned Western Balkans countries/territories suffering from the legacy of polluting industries and requiring industrial renewal, environmental cleanup and new economic initiative.

The goal of this three-year Programme is to improve the environmental situation and quality of life for citizens living in and around polluted areas through the best cost measures, improved local and national policy dialogue and identify and develop the supply of domestic professional services in the environmental management sector. While the main focus will be the physical works needed to mitigate the ecological problems, institutional strengthening and capacity development are an equally important components running throughout the Programme.

The objectives of this 3-year, \$15 million Western Balkans Environmental Hot Spots Programme – www.westernbalkansenvironment.net - involving 6 countries/territories and eight environmental hot spots locations are threefold:

- a. To enhance regional cooperation in the Western Balkans (by showing added value and by influencing the way that people perceive initiatives, and also the way they act in regional cooperation),
- b. To improve living conditions in communities around targeted environmental ‘hot spots’, through progress in clean-up/remediation activities in selected locations (making progress and communicating this effectively to stakeholders),
- c. To ensure the control of existing pollution and to prevent similar environmental problems occurring in the future, through building up knowledge and capacity in both local communities and at a national level.

The three components of the programme are: clean-up works at eight environmental ‘hot spots’, strengthening/capacity development of environmental institutions and the raising of public awareness.

The objectives of the institutional strengthening/capacity development elements of the programme are to:

- a. Promote the necessity for countries to move from legislation to implementation in protecting the environment and managing natural resources.
- b. Demonstrate concrete results, ensuing from the benefits of good environmental management, to local communities through concrete demonstration projects.
- c. Involve relevant environmental and other ministries, institutions and stakeholders in concrete capacity development activities.

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Executive Summary

The 'The Western Balkans Environmental Programme: Review of Policy Integration and Capacity Development Need Assessment Studies' prepared within the Western Balkan Environmental Programme includes the presentations and analyses of the six country/territory Environmental Policy Integration and Capacity Development (CD) Needs Assessment Reports, developed during 2008, for: Albania, Bosnia and Herzegovina, FYR Macedonia, Montenegro, Serbia and UN ATSCR 1244 Kosovo.

Based on discussions from the main findings during the *Exchange Workshop on Capacity Development and Policy Integration Need Assessments* (held in May 2009, in Montenegro), the report aimed to:

- » Identify common CD thematic areas for participating countries/territories
- » Suggest follow up cooperation/exchange activities, at a regional (Western Balkan) level and/or on a bilateral basis, between involved countries/territories, in relation to future institutional capacity development programmes.

The Report was developed during the period from mid April to mid June 2009. The main findings from the national reports (developed during 2008) were presented and discussed during the regional *Exchange Workshop on Capacity Development and Policy Integration Need Assessments*, organised on 8th May in Becici, Montenegro. Its recommendations were taken into account in this Report.

Methodology

The methodology used in development of this regional synopsis consisted of the following tasks:

- » A review of six *Capacity Development and Policy Integration Needs Assessment Studies* developed for each participating country/territory.
- » An analysis of the major findings/recommendations presented in the *Needs Assessments*.
- » Identification of the common regional CD thematic areas (grouped by topic).
- » Presentation of the main findings and discussions with country/territory teams held, during the regional workshop in Montenegro, on 8th May 2009.
- » Recommendations for potential follow up action/exchanges at a regional (Western Balkans) level and/or on a bilateral basis, between participating countries/territories, in relation to future capacity development programmes.

Country/Territory Reports

In order to identify the status of environmental policies, their level of integration, CD needs and thematic areas, *Capacity Development and Policy Integration Needs Assessments* were developed for all participating countries/territories, through consultations with the most relevant stakeholders. Although there were certain differences regarding specific country/territory situations and characteristics of the different hot spot locations, the main findings and conclusions of the reports were comparable. The reviews of individual country/territory reports are given in Part B, while complete national reports are available on the CD attached to this report.

The contents of each country/territory report includes: a presentation of the institutional and legal set up in the specific field of environmental protection, a summary of the existing situation regarding environmental policy integration, the status of environmental legislation and the status of its transposition to the EU environmental acquis, the identification of gaps and capacity development (CD) needs assessments and the identification of CD thematic areas.

However, each report also includes country/territory specifics and therefore has a somewhat different focus, e.g.:

- » The Albanian report focuses on the assessment and analysis of national capacity at a variety of different levels, regarding environmental 'hot spot' management and remediation,
- » The Bosnia and Herzegovinian report focuses on overall policy integration and energy efficiency,
- » The FYR Macedonian report focuses on 'hot spot' management and the remediation fund,
- » The Montenegrin report mainly focuses on capacity assessment and the needs of the Mojkovac community ('hot spot' located in Mojkovac),
- » The Serbian report focuses more on CD needs assessments, which primarily relate to the competency of the Ministry of the Environment and Spatial Planning, and
- » The UN ATSCR 1244 Kosovo report focuses on general capacity needs assessments and potential assistance required within different sectors.

A summary of gaps, issues and priorities in the field of environmental protection showed that there are couple of topics/issues similar throughout the whole region. The main issues which arise are: slow economic development; a lack of budget planning for the sector of environmental protection combined with insufficient budget funds; the necessity to upgrade and modernise existing environmental institutions, although at different levels the existing environmental legislation/regulations need further harmonisation with EU *acquis* along with strengthened implementation; a general need within the region to upgrade national environmental strategic planning; insufficient cooperation regarding environmental issues across national competences; insufficient to weak environmental policy integration; the fact that the region is burdened with historical, industrial and mining pollution and there are numerous environmental 'hot spots';

a poor knowledge of administrative staff for the implementation of EIA, SEA, IPPC procedures at a local level; a lack of implementation of the Law on IPPC; a lack of knowledge regarding the importance of environmental protection measures for local community development at a decision making level; the need to regulate past (historical) pollution and environmental liabilities; the absence of a clear remediation policy; a lack of modern environmental monitoring and enforcement; inadequate waste, water and chemicals management , etc.

Capacity Development in Thematic Areas of the Western Balkan Region

Based on needs assessments, the wide scope of thematic capacity development areas has been identified as follows:

The General Group - applies to all countries/territories and includes:

1. Legal, strategic planning and environmental policy integration – capacity development can be carried out only country by country
2. Environmental ‘hot spots’
3. EIA, SEA, IPPC

The Specific Group – identified by specific country/territory

4. Energy, Waste, Chemicals, Air, etc.

Groups (1-3) CD thematic areas are identified in each country/territory report. Group 4 thematic CD areas are identified selectively in country/territory reports.

Thematic areas Groups 2-4 are recommended for potential follow up actions/exchanges at a regional (Western Balkan) level and/or with bilateral cooperation between involved countries/territories through future capacity development programmes. The proposed priority list for CD implementation, on a regional level, is based on feasibility criteria:

Priority 1: Group 3 - feasibility criteria: legislation in place, institutions/organisation in place, the predomination of one sector i.e. the environmental sector

Priority 2: Group 2 - feasibility criteria - legislation partly in place, institutions /organizations partly in place, requires a multi sector approach within each country/territory

Priority 3: Group 4 - feasibility criteria - legislation partly in place or not in place at all, requires a multi sector approach within each country/territory.

Conclusion

There is very good compliance regarding the identified, gaps, needs and priority thematic areas in country/territory reports with those presented in the REReP (2006) report. The environmental policy framework, as elaborated in the six country/territory reports, is very much in line with the findings of the UNDP report, “Environmental Policy in South Eastern Europe” (Ref. 2) and the OSCE task force report (Ref. 4). This leads to the conclusion that the four major groups of thematic areas concerning institutional strengthening /capacity development, offer a good foundation for further development and cooperation with the Western Balkan region in this field.

PART A

1. Review of Country/Territory Reports

Six (6) country/territory reports (CTR) on capacity development and policy integration were reviewed:

1. Albania
2. Bosnia and Herzegovina
3. FYR Macedonia
4. Montenegro
5. Serbia
6. UN ATSCR 1244 Kosovo

In general, each of the reports included:

- » a presentation of the institutional and legal set up in the specific field of environmental protection,
- » a summary of the existing situation regarding environmental policy integration,
- » the status of environmental legislation and the status of its transposition to the EU environmental acquis,
- » identification of gaps and CD needs assessments and
- » an identification of CD thematic areas.

However, each report also included country/territory specifics and therefore had a somewhat different focus, e.g.:

- » The Albanian report focused on the assessment and analysis of national capacity at a variety of different levels, regarding environmental hot spot management and remediation.
- » The Bosnia and Herzegovinian report focused on overall policy integration and energy efficiency and
- » The FYR Macedonian report focused on hot spot management and the remediation fund,
- » The Montenegrin report mainly focused on capacity assessment and the needs of the Mojkovac community (hot spot located in Mojkovac),
- » The Serbian report focused more on CD needs assessments which primarily related to the competency of the Ministry of Environment and Spatial Planning,
- » UN ATSCR 1244 Kosovo focused on general capacity needs assessments and potential assistance required within different sectors.

2. Albania

The country report consists of two parts:

1. The Assessment of Capacity Development Needs of National and Local Stakeholders
2. Thematic Areas for Demonstration Projects.

The first part of the *Needs Assessment Report* includes an assessment of the present legal and institutional situation regarding hazardous chemicals/pesticides/waste management and contaminated sites management, SEA, EIA, climate change and protected areas

Within this section, the topics which are further elaborated on are:

- » Waste Management,
- » Pollution and Industrial Risks,
- » Chemicals,
- » Nuclear Safety and Radiation Protection,
- » SEA, EIA,
- » Nature Protection,
- » Climate Change,
- » Environmental Civil Emergencies and
- » The Protection of the Population within the Environmental Framework

In addition to:

- » A comparison of the Albanian regulatory and assessment system with European standards and best international practices.
- » Legal and institutional gaps at both national and local levels.
- » Guidelines for a strategy on capacity development for the safe management of hazardous chemicals/waste and contaminated sites.

The second part of the report defines thematic areas for several possible demonstration projects. The survey presented in CR was based on consultation with relevant national stakeholders, including 19 questionnaires which were filled in by different stakeholders.

Six (6) thematic areas were identified:

- TA 1: Solid waste management
- TA 2: Drinking water supplies
- TA 3: Forestry and anti-erosion measures
- TA 4: Environmental rehabilitation of green areas
- TA.5: Territory usage
- TA.6: Public awareness and information.

Apart from the interviews and questionnaires, the report also included a review of the documents available at different national and international levels, as well as national strategies, policies and reports related to the implementation of an environmental protection framework. Amongst the documents reviewed, the following can be mentioned specifically: The National Strategy for Environment and Integration, The National Plan for the Implementation of the Stabilization and Association Agreement 2007 - 2012, Progress Monitoring for the Countries of South Eastern Europe ("pre-candidates"), Enhancing MEA Implementation in the Balkans, Environmental Enforcement and Compliance in South Eastern Europe.

2.1. Country Profile Summary *(based on CR and PPP from 8 May 2009)*

Over the past decade, Albania has undertaken legislative reforms and has brought environmental institutional structures into line with present reality. The country has realised that changes are necessary, and therefore, new laws have been drafted accordingly. But, in many cases, due to much pressure and limiting factors, little attention has been paid to environmental hotspots. Insufficient attention has been paid to institutional capacity and the capability required addressing this issue properly. Some of the difficulties include:

- » Lack of human, technical and financial resources;
- » An unclear position and ambiguity regarding the sharing of tasks within environmentally-responsible authorities in governmental structures;
- » Insufficient regulatory frameworks;
- » Ineffective compliance and enforcement of activities;
- » Non-compliance with multilateral environmental agreements (MEAs) and slow progress regarding the transposition of legal frameworks with the *acquis communautaire* and
- » A lack of public participation.

The assessment, presented in CR, is based on an analysis of the current situation of the institutional set up, the compliance and enforcement of laws and regulations, shared responsibilities at a vertical level and perceptions of the local population.

According to the progress report (Nov 2007), Albania has made some progress in approximating its environmental legislation towards EU standards. However, there has been a tendency to concentrate efforts on adopting new legislation, with the consequence that the implementation of already transposed legislation is falling behind. Further efforts are needed to move towards ratification and the implementation of international conventions.

The well-reported lack of resources in Albania is reflected in the level of implementation of MEAs and in its transposition to the *acquis communautaire*. This is significant regarding meeting other important obligations under other MEA and EU directives regimes such as reporting. The lack of administrative capacity and the need for strengthening institutions, in particular regarding those related to implementation and enforcement, is particularly clear. However,

there are unclear areas of responsibility, and/or sometimes an overlap of responsibilities (which can result in gridlocks). These continue to impede the proper implementation and enforcement of obligations under chemicals/waste and biodiversity MEAs and in EU related directives.

Whilst much progress has been made regarding the adoption of legislation, there is still a question concerning the quality of the legislation that has been adopted. Much of it is too general and is of a declaratory nature. It is doubtful whether it establishes a clear regulatory framework with the necessary specifications which need to be enforced.

Albania has adopted an approach whereby it has enacted a general framework of legislation which establishes principles, followed by a large number of secondary laws or regulations which set out the specifics. Although the general legislation has come into force, only some of these secondary laws, however, have been adopted. Apart from an obvious legal gap, this situation also presents the danger of perpetuating a general disregard for environmental legislation.

Frequent changes of the staff, and the recruitment of low profile experts for the above mentioned processes, limits the speed of transition and also the quality of the process. For that reason, the administrative capacity of bodies, in charge of environmental protection, need to be strengthened and the coordination of work between them improved.

Albania has made no progress on the IPPC Directive 96/61/EC, "On the prevention and control of integrated pollution". On the other hand, the PRTR protocol of the Aarhus Convention has been ratified. This situation limits both structured and planned action regarding the involvement of businesses in PRTR activities. It will help to prevent risks in industrial accidents and will also promote access to information for the general and interested public. Framework laws, such as the Law on Environmental Protection (2002), has been introduced and scrutinised for the level of its practical application. Some of the environmentally related legislation is still being drafted. Most other laws and bylaws have been reviewed since 2000. Such laws normally take one to two years to be developed. Assistance is required with amendments to the legal framework, especially regarding implementation phases and the development of standards. Most standards nowadays are derived from EU directives. The rapid development processes in the country have raised the need for the integration of policies, strategies and action plans at national, regional and local levels. Vertical integration is absent, and this is frequently justified by a very generalist approach and with sweeping statements. Such approaches frequently result in a conflict of interests between national and local institutions.

Legal Framework Gaps which have been Identified:

- » MEAs: Albania has a system in place which requires consultation amongst governmental agencies that will be involved in the implementation of national legislation which implements MEAs. But, most of the time, this procedure is not sufficient to provide in-depth information on legal, institutional and financial implications for Albania.
- » Legal Framework: Apart from some progress, there is still a question concerning the quality of legislation that has been adopted. Much of this is of a too general and declaratory nature, and it is doubtful whether it establishes a clear regulatory framework with the necessary specifications to be enforceable (example: *hazardous waste*)
- » Secondary Legislation: The failure to translate general requirements into specific requirements, and to adopt concrete management plans, is especially important in some specific areas. Therefore, gaps in legislation, missing management plans and incomplete coordination amongst authorities can have negative consequences.
- » Further needs for modernization of the legal framework is evident in such trends as the move from sector monitoring, inspection and the management of specific 'hot spot' areas to a more integrated approach. This requires a legal framework and other specific laws to be fine-tuned and implemented.
- » Regional and Local Environmental (Development) Strategies: are rare. In addition, a lack of environmental components in regional development strategies, limits synergy between different sectors at both regional and local levels.
- » There is a lack of knowledge and referential case studies regarding developing SEA and public participation procedures for planned investment in the environmental remediation of specific 'hot spots'.

Institutional Gaps - Central Authorities: The Ministry of Environment and Water Administration - MoEFWA

- » Some of the limiting factors of the process of transition are limited human resources in responsible institutions, as well as limited knowledge, experience and even language barriers.
- » Frequent changes of staff and the recruitment of low profile experts for the above mentioned process limits the speed of transition and also the quality of the process.
- » The designation of respective focal points within the MoEFWA structure for each MEA; their active role in the monitoring and implementation of the country's obligations.
- » The MoEFWA has no "property" on the existing 'hot spot' sites. However, it is in charge of the development of the legal framework and the remediation work concerning these sites, as well as for the enforcement of regulations for the prevention of pollution.
- » The structural and human resource gap is due to an inadequate number of staff available to meet its expanding workload. The lack of the specialist on industrial pollution diminishes the contribution that this directorate should provide for hot spot management.
- » The gap between proper coordination and communication between different structures within MoEFWA. Communication channels within the institution need to be considerably improved in order to reach the required level of efficiency and impact to meet standards that different structures should have regarding policy design and/or supervision regarding enforcement.

- » Cooperation between the MoEFWA (and REAs) with other ministries (and agencies) who have an interest in the environment, and further direct links with 'hot spots' is extremely important, but is currently insufficient.
- » The role of regional authorities (Qarks) involved in the process of regional development is not sufficiently supported by national authorities (MoEFWA, MPTT). The gap which has been identified highlights the fact that there is insufficient communication within institutions regarding guiding the "translation" of national priorities and legal frameworks into regional and local prospects, as well as a lack of models on "institutionalised" vertical integration, piloted for selected hot spots.
- » The use of territory is controlled at both regional and municipal levels. The gap that has been identified shows that in the new composition structure, Territory Councils do not have any environmental authorities (REAs) on board.
- » REA human resources are seriously limited. Changes of personnel are very frequent. Therefore, the efficiency of training programs of donors often shows little in the way of results.
- » Regional and local authorities do not have "ownership" of 'hot spot' sites. They lack the competence and capacity required regarding hot spot management.
- » Communication at both regional and local levels is considered very weak and not well coordinated. Communication channels function on an ad-hoc basis following requests from the highest regional or local authorities.

Institutional Gaps - Public and Academia

- » The re-organization of the Academy of Sciences (and some research institutes) occurred during 2008, omitting the clear definition of tasks between different research players related to hot spot areas. They mainly focussed on studies and monitoring.
- » Public institutions, at a local level (schools, hospitals, libraries), usually have very limited information and knowledge regarding the presence and risks of near-by hot spots. Usually there is no literature, no leaflets or any other type of promotional material to explain the type of hot spot and eventual potential health risks. Combined with poverty, a lack of information is the main factor why, in some cases, individuals use contaminated materials as working tools and for family needs. In addition, the lack of notices, information boards, fences etc makes hot spot areas into daily playgrounds for children or into transit/walking paths.
- » The engagement of NGOs is limited due to financial resources, expertise and access to information. It is most present regarding emergency situations and is mainly focused on awareness and education.

In short, little attention is paid to environmental hot spots due to a great deal of pressure and limiting factors, such as:

- » a lack of human, technical and financial resources;
- » an unclear position and a poor division of tasks by environmentally-responsible authorities within governmental structures;
- » insufficient regulatory frameworks;

- » ineffective compliance and enforcement activities;
- » non-compliance with multilateral environmental agreements (MEAs) and slow progress regarding the transition of legal frameworks to be in line with the *acquis communautaire*; and
- » a lack of public participation.

2.2. Conclusions and Recommendations for Albania

The analysis clearly indicates different stages of development in comparison with the EU or with other countries in the Western Balkans. The future progress of Albania in the process of its accession to the European Union (EU) will increase the importance for it to deal with the proper management of environmental hot spots at all levels, hopefully using the knowledge and experience of other countries in the region. In addition, it is hoped that capacity development and knowledge can be transferred relatively easily. Although Albania's environmental laws and regulations have been upgraded and reviewed, the overall weak point is the requirement to complete/update existing legislation regarding hotspot management, and the implementation and enforcement of new regulations and laws in parallel with capacity development and resource allocation.

The basic elements/prerequisites such as: drafting sub-laws, establishing proper monitoring systems, including data compilation and retrieval systems, introducing hardware and software to support these systems and training for personnel in the hot spot management cycle, should be established or further developed. Although this is not the primary target of this assessment, it was clearly indicated that the shortcomings related to the functioning of the system, such as: the clear division of responsibilities amongst different units within certain institutions, and communication and cooperation at both horizontal and vertical levels are of the utmost importance. The information available about existing environmental hot spots in Albania differs greatly and, therefore the results in specific sections of this assessment are more highly developed than others, where information was scarce. Due to a lack of information or unclear in-country methodology regarding the definition and management of environmental hot spots, this might lead to different perceptions of words used, questions asked and the way responses are presented. It should be noted that Albania had neither worked nor described in depth hot spot management systems, nor had Albanian institutions ever previously analysed their needs for capacity development. The prioritisation of these various shortcomings should be one of the first steps in addressing the overall challenge of proper environmental hot spot management in Albania.

Regarding the preparation of this report, the needs identified regarding capacity development have not been prioritised. They mainly represent an overview of existing gaps and help to highlight recommendations for future interventions. In order to design specific programmes leading to sustainable system changes, further institutional dialogue and the broader participation of beneficiaries, i.e. national and local stakeholders would be necessary.

The following main conclusions have been drawn from the main chapters of the report:

National Level:

- » Albania started to adjust environmental laws and regulations to meet new political realities. The country expects assistance from the European Union (EU) and from other international donors and from countries in the process of EU integration.
- » MoEFWA is the key structure at the national level responsible for the policy and legal framework development. But, the institutional capacity and functional level is far from being efficient and plays the primary role in hot spot management.
- » Different structures in MoEFWA and in the Agency of Environment and Forestry claim that there is an unclear division of tasks and responsibilities, in addition to weak or totally absent channels of communication.
- » Various ministries cooperate weakly regarding environmental issues, and their input is based mainly on personal relations rather than on formal relations. The Ministry of Public Works and the Ministry of Interiors hardly cooperates at all with environmental issues, even though hot spot areas lie within their area of administration.
- » Further need for the modernization of the legal framework is evident in trends such as the movement from sectoral monitoring, inspection and management of specific hot spot areas, to a more integrated approach. This requires a legal framework and other specific laws to be fine-tuned and implemented.
- » Data storage and data-retrieval systems are underdeveloped. Albania still relies to a great extent on paper archives. Electronic archiving is improving in Albania, but hardware and software is urgently required, along with training in the use of this equipment.
- » Monitoring and reporting regarding the state of the environment is weak, considering the human resources and information available.
- » Small and simple monitoring equipment required for emergency situations is deficient, and thus hinders a quick response to environmental accidents.

National, Regional and Local Levels:

- » There is a limited number of staff and also knowledge available for the development of management plans for environmental hot spot areas. Specific job descriptions should be developed to appoint staff in the Inspectorate of the Environment and in other directorates. This would help to cover hotspot management and monitoring issues. This approach should be not only be limited to MoEFWA, but should also include other ministries involved in such matters. In addition, this approach should be extended to authorities at a regional level (Qark) and at a Local level (Municipalities and Communes).
- » There is a lack of knowledge and applications available for SEA procedures in areas where hot spots have been identified. Models and case studies are needed as part of the technical assistance procedures, through the training of staff in different ministries and institutions, both at national and region levels.
- » The Inspectorate of the Environment indicates a lack of legal knowledge, necessary to develop structured compliance monitoring, to enable a consistent non-compliance response, and to enforce procedures.
- » Programme compliance inspection is weak.

Regional and Local Levels

- » Most regional and local authorities strongly indicated the need for training — including courses on legal frameworks — they need stronger support in the area of human resources. A special emphasis should be given to MEAs and their responsibilities regarding different authorities.
- » Training is very much undervalued in Albania. Management gets no training whatsoever, whilst other staff receive only a few days per year, if any. The lack of staff training creates very static organizations. In addition, no specific training related to different hot spots has been designed.
- » Public awareness and action is very weak in areas around hot spots. There is lack of specific school programmes in schools to teach about the prevention of the impact of specific hazards on health.
- » NGO action is still weak and is based on ad-hoc action. It is mainly only reactive to specific emergency cases.
- » Local authorities pay no active role in informing the public regarding different aspects related to the presence of hot spots, and the impact and potential intervention of these.

Recommendations are summarized as follows:

Central Level:

- » Support the establishment of inter-ministerial committees on hot spot remediation.
- » Support technical staff at MoE and also environmental monitoring institutions, by setting up training courses about specific hot spot monitoring practices/models, according to specific types of hot spots.
- » Support the establishment of hot spot databases with e-accessible information at AFM.
- » Support the inspection of hot spot areas by providing assistance regarding the drafting of specifically formatted reports for hot spot areas, including sanitary inspection.

Regional/Local Level:

- » Provide know-how assistance to local and regional authorities on EIA and SEA related issues for specific hot spots.
- » Provide know-how assistance to local and regional authorities on environmental standards for specific hot spots.
- » Provide know-how assistance to public institutions and to non-profit sector organisations on health related impacts.
- » Develop stakeholder databases for each identified hot spot and establish channels of communication through pilot projects to provide the public with information, to facilitate the exchange of ideas and to encourage consultations.
- » Provide assistance on designing public information data sheets regarding the status of the environment and to put forward plans for the remediation of specific hot spots.

3. Bosnia and Herzegovina

The country report focused on the assessment of policy integration in the field of environment in BiH. The following sections were looked at in greater detail:

- » What is policy integration?
- » Policy integration in the environment.
- » Key features of policy integration assessment in the environment.
- » Environmental policy integration in the EU context.
- » The state of environmental policy in BiH.
- » Environmental policy integration in BiH and other priority areas.
- » Uncoupling and recoupling of policy goals.
- » Interaction, coordination and cooperation.
- » The vertical and horizontal dimensions of policy making.
- » Ex-ante impact assessment.
- » Policy focused on outcome/output.
- » Energy efficiency as a precondition for environmental policy integration.
- » Donor support.
- » Discussion.
- » Recommendations.

In addition to the above, Annexes 1 and 2 give further information on strengthening structures in the domain of environmental protection, as well as giving recommendations for capacity development in the fields of:

- » EIA, Ecological Licence, IPPC,
- » Planning and Development of the Environmental Sector (NEAP),
- » Strategic Environmental Assessment,
- » Privatization Process (environmental issues),
- » Chemical Management.

3.1. Country Profile Summary (*based on CR and PPP from 8th May 2009*)

According to the report, the state of environmental policy in Bosnia and Herzegovina can be defined by the following:

- » Complex administrative organisation within the environmental sector.
- » Environmental issues - recognised by BiH's authorities as being very important for BiH's accession to the EU.
- » That environmental legislation is fully aligned with the relevant EU directives specific to that sector
- » A very slow implementation of environmental plans and regulations
- » That a National Steering Committee for the Environment and Sustainable Development is established
- » That an Inter-Entity Environmental Body was established in 2006
- » That there is low capacity in governmental institutions regarding environmental policy making

The report is dedicated to presenting the integration of policies and mechanisms for environmental protection in other sectors in Bosnia and Herzegovina. Through the incorporation of the concept of integration of environmentally related concerns into other spheres of country development and into the analysis of properties concerning integrated environmental policy, in the context of Bosnia and Herzegovina, the study addresses flaws in the planning process, and in the development and implementation of mechanisms necessary for the proper functioning of the sector. Energy efficiency is recognised as a first step toward sustainable development and the creation of environmental policy integration. The study addresses a lack of knowledge in society in Bosnia and Herzegovina regarding this issue.

There is an emphasis on the importance of balancing economic priorities in relation to the importance of environmental protection and the necessity for cooperation amongst all stakeholders through vertical and horizontal communication within the policymaking process. The study underlines the importance of strategic planning and emphasises the need for "ex ante" impact assessment as a crucial component for the proper implementation of output-focused environmental policies. The current high priority directives, aimed at sector development, are addressed as well as recommendations for their establishment. In conclusion, the report gives recommendations for the creation of conditions necessary for the proper integration of environmental policy into other sectors in Bosnia and Herzegovina.

Identified priority gaps/needs include the following:

- » Low public awareness regarding energy efficiency.
- » Insufficient capacity in the area of environmental policy.
- » Poor implementation of existing legislation.
- » A lack of legal frameworks in certain priority areas.

Legal framework gaps include:

- » A slow, insufficient and absent implementation of laws due to:
 - » an undeveloped framework of sub laws,
 - » a process of copying legislation from other countries without appropriately adapting them to fit into the BiH system,
 - » a lack of inspections.
- » The Environmental Permit is, in practice, issued for a five year period, during which permit holders must improve their operational standards, bringing them closer to legal requirements. For newly established industrial facilities, a procedure has been implemented. However, the problems remain with the implementation of procedures in old industrial plants and installations.
- » Environmental Impact Assessment
 - » The problem in implementation is evident. Bylaws and a list of installations are missing. However, there are positive examples of EIA implementation, which is the result of an EU project in capacity building.
- » Strategic Environmental Assessment is weak
 - » There are no detailed regulations regarding strategic environmental assessment which means that no strategic environmental assessment has actually been implemented in practice.
- » Integrated Pollution Prevention and Control Directive
 - » This has been identified as a priority and is becoming even more important as Bosnia and Herzegovina gets closer to reaching its goal on the path of accession to the European Union.
 - » The EU progress monitoring report for BiH stated that IPPC is not in use and does not even have a legal basis.
 - » The National Environmental Action Plan is outdated. It is currently the basic policy act for BiH in the domain of environmental protection which was adopted in 2003.

Institutional capacity gaps identified:

- » Communication and coordination between administrative bodies and all stakeholders in relation to legislative implementation is low.
- » The integration of environment policy in other policies is not noted.
- » Vertical and horizontal dimensions of policy integration in Bosnia and Herzegovina are deficient.
- » Financial and human resources are deficient.
- » There is no local team of environmental experts.
- » There is low public awareness regarding the importance of general environmental issues.
- » There is a lack of knowledge and awareness at all levels of governance regarding energy efficiency.

Given the importance of environmental policy integration in Bosnia and Herzegovina, the United Nations Development Program in Bosnia and Herzegovina has supported the facilitation of this assessment of current environmental policy making in the Federation of BiH (FBiH), the Republika Srpska (RS) and at state level in BiH. Below, is an overview of recommendations for building on current strengths and eliminating current weaknesses to be addressed through capacity building components of the programme:

- » Raising awareness regarding the importance of energy efficiency in Bosnia and Herzegovina.

In order to understand the issue of energy efficiency, it should be stressed that this issue should be considered at all political levels, including organization and technical parts. In order to be able to use appropriate activities in any system, it is necessary to know how the system of energy management functions and how it reflects on the price of a final product.

- » Energy monitoring system – analysis of the energy sector audit

In order to have a full overview of the procedure and its importance, it would be beneficial to analyse the energy sector audit in one typical industry and in buildings with apartments.

- » Energy production aspect

For further awareness and for the raising of knowledge, it will be necessary to work on energy production aspects, electrical energy, heating and on the various possibilities for improving energy efficiency regarding these issues in Bosnia and Herzegovina. It would be interesting to analyze the possibility for increasing energy efficiency in the overall electro energy sector, in heating systems, in industrial systems but also in small household appliances.

Bosnia and Herzegovina has an important potential in renewable energy resources and there are a number of options for the production of energy systems at various levels.

Projects related to the use of renewable energy resources are those projects which are easy to integrate into activities for increasing energy efficiency. Therefore, more attention should be paid to these projects.

- » Energy aspect of consumption (including both heating and electricity) should include:
- » Housing
 - » Private houses
 - » Apartment blocks
 - » Public lighting systems
- » Industry
- » The transport sector
- » Energy policy analysis

It is necessary to make comparative analyses with other countries and from this to draw lessons learned and positive practices. Potential stimulation measures for the improvement of activities regarding energy efficiency, as well as available resources, should be analysed within this policy analysis.

3.2. Conclusions and Recommendations for BiH

In order to build on current strengths and to eliminate current weaknesses in environmental policy integration, the recommendations have been focused on three main areas:

- » Strengthening of policy makers' capacity:
 - » Institutional strengthening regarding environmental policy integration into other sectors in Bosnia and Herzegovina.
 - » The development of mechanisms for priority areas in environmental sectors in Bosnia and Herzegovina which would contribute to the overall better functioning of the environmental sector.
- » Capacity development and public awareness raising campaign on environmental issues.
- » Legal framework development in priority areas (for example: Strategic Environmental Assessment)

The following recommendations were made in order to mitigate current weaknesses in the environment sector in BiH and to align and integrate environmental policy making in order to:

1. *Develop a system of effective cooperation between ministries in different sectors and between other stakeholders to improve the integration of environmental policy at a horizontal level*

Since the environment has become an important part of negotiations with the EU, the development of cooperation between ministries will play a major role in the successful

development of environmental mechanisms and the future development of the entire environmental sector.

- » When developing environmental strategies or strategies from other sectors which contain an environmental component, it is essential to articulate a strategic goal framework, specific results-oriented benchmarks with corresponding timescales and clearly identified institutions, responsible for the implementation of each goal. This will reduce ambiguity and keep governments and their partners focused on achieving results. Consequently, it should also create structural incentives for previously independent departments to cooperate with each other.
 - » The next important thing is the creation of a results-based reporting and accountability process.
 - » Use of the budget process, to create motivation for ministries to cooperate with each other, could be an incentive. For example, creating pooled budgets for horizontal policy initiatives has been the common response of several Canadian jurisdictions and has proved to be an effective inter-sector cooperation which has encouraged ministries to cooperate and make such cooperation work effectively.
 - » Within the improvement of cooperation between stakeholders, special attention should be given to inspection procedures and implementation. It will be necessary to support the development and improvement of inspection activities.
2. *Utilize existing mechanisms that already involve different stakeholders and to develop new mechanisms for the development of policies*

In order to involve stakeholders and the general public in the process of making environment policies and in strengthening dialogue regarding the environment, existing and new mechanisms should be used both at the levels of individual entities and also at state level.

- » Social-economic council mechanisms can be utilised and in this way the environment will become an item on the government agenda, as well as an agenda item for private and non-governmental sectors.
- » Whilst developing the IPPC Directive, pilot studies in certain enterprises which volunteer to participate in the IPPC development project, should be an important part of the development of IPPC Directive legislation. Experience can be gained from these studies to provide very important input to the drafting of legislation and guidelines. Local authorities should be involved in these field studies.
- » Improvement of citizen involvement and the engagement of civil society organizations play an essential role in policy integration in the environment. Even the most conscientious public officials have a limited and imperfect understanding of problems on local level, so citizen involvement can help to fill in the gaps in the understanding of officials, thus improving policy responses. Furthermore, both the involvement of the general public and of stakeholders in policy making should make policy outcomes more legitimate. It should also strengthen the commitment of citizens and stakeholders to making policy implementation a success, by creating a shared vision and a sense of purpose.

- » The use of public consultations should be strengthened by producing high-quality consultations. Experience from Oregon and Minnesota showed that by establishing standing committees of stakeholders and members of the public, to participate in the policy process on an ongoing basis, successful implementation of those policies was achieved.

3. Develop monitoring systems for assessing environmental policy integration regularly

Once cooperation between ministers and different stakeholders has been improved, the development of a system of indicators for assessing the integration of environmental policy into other sectors would be useful. Some of the indicators that can be used are:

- » Environmental assessment policies - number of policies, programmes and plans for which an environmental assessment has been undertaken at the planning stage.
- » Public expenditure - share of the expenditure made, using criteria including environmental issues.
- » Market access for green products - products or services purchased by organisations as part of their procurement, and which are recognised as being environmentally advantageous.

The development of an environmental integration assessment system and strategies for each of the environmental sub sectors would be useful. For example, the use of the IRENA system of indicators would produce assessments regarding environmental integration in the agriculture sector.

4. Strengthen policy-making capacities in the overall environmental sector with a focus on priority areas

Strengthening capacity in policy making is one of the highest priorities in the future development of the sector. Strategic planning within the sector, a broader understanding of the importance of the development of certain mechanisms, the mitigation of negative environmental effects, coupled with an enhancement of institutional and organisational knowledge and competency, is deemed to be of the highest priority. Recommendations for the development of a legal basis and for regulations for prioritised areas are provided in Annex 2 of the country report "Recommendations for Capacity Building and the Strengthening of Structures in the Domain of Environmental Protection in BiH".

5. Complete legal regulations in the environmental sector, in accordance with existing regulations in the European Union

To implement existing regulations and to develop future ones, it is necessary, during the planning process, to include a time frame as well as to identify relevant institutions responsible for the execution of planned activities. Consider the possibility of organizing expert teams which would work in cooperation with ministries on the development of IPPC and SEA regulations. This has already proved to be successful. Recommendations for development of

a legal basis and for regulations for prioritised areas are provided in Annexe 2 of the country report "Recommendations for capacity building, structures strengthening in the domain of environment protection in BiH".

6. Develop and implement public campaigns which will create interest and increase the knowledge of the general public regarding environmental concerns

Increasing the knowledge of, and including all stakeholders would facilitate the development of current, and the implementation of further, environmental regulations. Recommendations for public awareness campaigns related to specific sector areas are presented in Annexe 2 of the country report, "Recommendations for Capacity Building, the Strengthening of Structures in the Domain of Environmental Protection in BiH".

4. FYR Macedonia

The Country Report consists of 4 parts:

Part I – Environmental Management in FYR Macedonia, with the following topics examined in detail:

- » Moving towards EU membership
- » Development of environmental institutions
- » Managing Natural Assets for Sustainability
- » Improving the living environment

Part II – Needs Assessment, with the following detailed topics:

- » Areas of capacity where there is a deficit in environmental management
- » Capacity constraints
- » Opportunities for cross-cutting capacity development options

Part III – Hot Spot Management and Waste Management in FYR Macedonia, with the following topics examined in detail:

- » Present policy
- » Identification and prioritisation of the problems
- » Overview of the existing institutional situation in FYR Macedonia regarding remediation
- » Legal aspects
- » Donor activities.

This section also covers legal gaps identified:

- » Legal Gap Analyses for the Remediation Issues of Polluted and Contaminated Sites including descriptions of: terminology, monitoring, environmental liability, financing mechanisms, soil-gap identification, remediation time frame, mining directives, analyses of legislation and a gap summary.
- » Funding mechanisms and institutional set ups which includes sections on :
 - » A description of the current situation, a framework for addressing liabilities for past pollution, examples of developed and transitional countries, alternative financing models for remediation, models drawn from international experience

Part IV - Strategy for Capacity Development (an action plan for capacity development):
The assessment of capacity development needs was compiled by the Macedonian Hot Spot Project Team, based on:

- » Recent strategic national documents and project reports, especially the following:
 - » Environmental Policy in South-Eastern Europe, UNDP 2007, prepared for the “Environment for Europe” Conference, Belgrade 2007- Country Report Macedonia
 - » NCSA, 2005. National Capacity Self-Assessment for Global Environmental Management
 - » Development of Remediation Plans with Financial Requirements for Elimination of Industrial Hotspots (EUROPEAID/123674/D/SER/MK) - an EU-funded project, managed by the European Agency for Reconstruction, 2007
 - » Feasibility Study – Volume V, Legal Gap Analyses for Remediation Issues concerning polluted and contaminated sites
 - » NEAS 2008, National Environmental Approximation Strategy-CARDS 06
 - » Sector Approximation Strategies (SAS)
 - » Round Table discussions on Historical Mining Pollution in Macedonia – presentations and discussions

4.1 Country Profile Summary (*based on CR and PPP from 8 May 2009*)

Environmental Management

Environmental management in FYR Macedonia is has been explored in detail through four main topics:

- » Moving towards EU membership
- » Developing Environmental Institutions
- » Managing Natural Assets for Sustainability
- » Improving the Living Environment.

Moving Towards EU Membership

Effective implementation and enforcement, fully compliant with EU legislation, and the adaptation of strategies and principles in FYR Macedonia, requires a high level of investment and a considerable amount of administrative effort.

The basic elements of a legislative framework are in place, although much of the legislation is quite recent. Implementation and enforcement are, in some cases, only in their initial stages.

The following were recognised as the main issues or challenges:

- » Investment in the environmental infrastructure is very low.
- » There are mechanisms for the integration of environmental aspects into other policies, particularly at the level of strategic documents.
- » The Framework Law on Environment of 2004 has been adopted and implementation gradually progresses.
- » A division of responsibilities amongst state administrative bodies should be established.
- » There are major weaknesses in the country's enforcement capacity.

The characteristics of developing environmental institutions include the following:

- » The set up of environmental institutions indicates the existing fragmentation of competencies.
- » The decentralization process is ongoing.
- » At a local level, particular care should be paid to ensuring that local self-government units have the resources necessary to implement their responsibilities effectively.
- » The Aarhus Convention on Access to Information has been adopted.
- » The NGO sector is progressing steadily.
- » The 1990s resulted in intensive changes in socio-economic life.
- » The National Budget of the Republic of Macedonia is the most important source of funds for the environment protection policy (approximately 0,25%)

The following were recognised as the main issues in managing natural assets for sustainability:

- » Characteristics of land management are as follows: fragmentation, abandoned land, the non-existence of a land market, a lack of basic data, no clear distinction of the roles and responsibilities between institutions and finally, a poor and inefficient register (cadastre).
- » There is a spatial plan in place, but there are no implementation mechanisms to accompany it.
- » The National Biodiversity Strategy and Action Plan was adopted in 2004.
- » The new Framework Law on Waters was adopted in 2008.
- » A National Strategy for Sustainable Forestry Development was prepared in June 2006.
- » Agriculture is recognised as a key economic sector – but there has been a delay in the use of IPA funds.

The following were identified as the main issues in improving the living environment:

- » The Second National Communication on Climate Change was prepared in 2008.
- » The administrative capacity of the MEPP, for the implementation of adopted policies, is inadequate.

- » Implementation of the general waste management policy has suffered from significant delays.
- » In the energy sector, further steps are required to meet EU requirements.
- » Industry, including mining, is the main sector of the national economy and contributes in excess of 25% to the GDP.
- » IPPC: legislation is now in place, but the process of implementation is slow, especially at a local level.
- » The basic transport infrastructure is in line with the income level of the economy.

In order to determine the general common issues in the environmental sector, the following nine *areas of capacity deficit* were identified:

1. National policy.
2. Legal and regulatory frameworks.
3. Incentive systems and economic and market instruments.
4. National and international funding.
5. Technology transfer.
6. Institutional mandates, management capacity and performance.
7. Monitoring and observation, data management.
8. Public awareness and education.
9. Scientific expertise.

In the area of *National Policy* two common goals have been defined:

1. To achieve efficient national planning and
2. To integrate environmental protection into strategic plans and into country priorities.

In the area of *Legal Framework*, the approximation of national legislation to the EU *acquis communautaire* was recognized as the main goal. Significant progress has been made in adoption of the legislation. The implementation capacity is still developing.

Economic Instruments are important elements to finance the cost of implementing the policies. Therefore, in the capacity deficit area of incentive systems and market instruments, development and introduction of incentive systems was identified as a priority goal.

Funding appeared to be one of the biggest constraints. In order to overcome this, the NCSA identified the strengthening of capacity to access funding mechanisms as its main goal.

Under the *Institutional Mandate, Management Capacity and Performance*, two major goals have been set :

1. Strengthening the capacity of relevant institutions responsible for the management of the resources and
2. The Improvement of institutional cooperation and coordination.

Monitoring and Data Management was defined as being unsatisfactory. Two objectives were identified:

1. The improvement of monitoring and observation systems;
2. The improvement of data management systems.

Under *Public Awareness and Education*, two goals were set to achieve an improvement in public awareness and in education, namely:

1. To raise public awareness regarding historical pollution and other relevant pollution issues and
2. To improve environmental education and training.

The issue of *Scientific Expertise* is also an area which suffers from a capacity deficit. The goal set in this area is to upgrade scientific expertise and research.

Management of Hot Spots in FYR Macedonia

A lack of suitable infrastructure hampers adequate waste disposal in general and the disposal of hazardous waste in particular. There is only one licensed (though not *acquis* compliant) landfill in the country, compared with around a thousand illegal dumping sites. There are no incineration facilities (except for medical waste), no decomposition sites and very few recycling facilities.

Environmental burdens, left behind by state-controlled industry, have now been transferred over to new owners. However, in most cases, this is without clear specification of environmental liability.

Old environmentally contaminated industrial sites represent a serious risk for humans who live in or near the contaminated areas, because of either their direct negative impact on human health or, indirectly, through pollutants resulting from food affected through the food chain. Currently, FYR Macedonia has no systematic approach or policy for either addressing or remedying any of these environmental hot spots. Their impact is not fully known and clean up costs have been estimated for several locations through technical assistance projects; funding for the most part is unavailable, but for foreign support; even “ownership” of these environmental burdens in a post- privatised setting is not clear.

The national objective regarding waste management may be formulated as the “*establishment of an environmentally sound and financially self-sustainable waste management system*”.

For the purposes of implementing the general waste management policy, several planning documents have been developed¹. The National Waste Management Plan was adopted in 2005, and the Strategy in 2007.

There are numerous and complex reasons why the waste management sector is far behind the standards of developed countries. Inadequate waste management is one of the key environmental problems resulting from:

- » Accumulated waste management problems from earlier periods.
- » An insufficient percentage of the population being serviced by an organized waste collection and disposal system (70%).
- » A limited selection of recyclables and hazardous components of waste.
- » A lack of properly designed waste disposal sites and the illegal disposal of waste.
- » Negligible “reduce – reuse – recycle” activities.
- » A lack of public and professional awareness and education.
- » Fragile financial conditions.

Apart from the highly negative impact on the environment, inadequate waste management also represents an obvious financial loss, concerning the commercial viability of reusing certain waste materials and waste components.

At present, the most significant waste management problems and priorities are:

- » Completion of the existing legal framework with secondary legislation.
- » Poorly trained human resources and inadequate institutional arrangements.
- » A lack of regional waste management systems.
- » The wide existence of illegal waste disposal throughout the country.
- » A lack of organized collection systems and a weak system of separate collection.
- » Poor or absent incentives and other economical mechanisms.
- » A lack of funding for the construction of modern waste management facilities.
- » Low level of waste charge payments.
- » A lack of awareness of the economic potential of waste.
- » Unreliable and inappropriate data on waste volumes and flows.
- » Lack of public waste management capacity.
- » Low public and institutional awareness of all stakeholders.

The existing institutional arrangements for the remediation of industrial hot spots in FYR Macedonia were influenced by constitutional changes, new legislation, and changes of ownership (privatisation). As a result, a number of overlaps, gaps and inefficiencies have been created which are now hindering the process of remediation.

Table 1 presents a summary of the key institutional weaknesses in the present system regarding remediation.

Table 1.

Area	Description of the Weakness
Policy and Legislation	Unclear remediation policy regarding environmental liabilities Incomplete legislation (secondary) and poor implementation Lack of monitoring and enforcement capacity
Institutional Aspects	Absence of a governmental body for implementation Unclear roles and responsibilities of stakeholders Weak institutional implementation capacity within the government Insufficient communication between national and local levels, as well as 'in-house' in key institutions Inappropriate conditions for private sector participation No arrangements for financial/economic instruments in place
Economic/Financial Issues	Lack of funds for the remediation of industrial hot spots Sustainable financing instruments have not been introduced
Public Information	Lack of communication at all stakeholder levels

The following have been identified as major gaps in addressing legislation needs assessments:

- » Unclear and missing terminology.
- » Lack of regulations for protection from pollution from priority substances.
- » Lack of monitoring and reporting regulations.
- » Lack of funds established and an absence of procedural regulations.
- » No legislation regarding soil contamination.
- » No time frames set for the remediation of "hot spots".
- » Harmonisation of legislation with Mining Waste Directive.

4.2. Strategy for Capacity Development

The main objective of the capacity development activities is to increase information and knowledge sharing, to strengthen the system, to increase institutional and individual capacities in the area of environmental management in general, and for the remediation of historical pollution in particular. Achievements of the main and the basic capacity development objectives will be based on strategic principles which emerge from:

- » National ownership and leadership;
- » Multi-stakeholder consultations and decision making;
- » A holistic/integrated approach to capacity development;
- » The integration of capacity development in wider national campaigns to achieve sustainable development;
- » The promotion of partnerships, namely public-private partnerships;
- » A dynamic nature of capacity development and
- » A learning-by-doing approach to capacity development.

Amongst others, the following general needs for capacity development have been identified in several national strategic documents:

- » Strategy for international cooperation.
- » National strategy for combating land degradation/desertification with the National Action Plan (NAP), (including socio-economic impacts of land degradation).
- » Strategy for sustainable management in degraded areas (use of natural resources, quantitative and qualitative identification of natural resources, institutional functional analysis, development of GIS, wetlands)
- » Development of tax and customs incentives for environmentally friendly technologies.
- » Development of criteria and procedures for financing projects in the environmental sector
- » Establishment of information systems for the promotion of financial programmes and instruments.
- » Strategy for implementation of environmentally recommendable and economically feasible technologies.
- » Establishment of a national technology transfer centre.
- » Training programmes for personnel in the governmental institutions regarding implementation.
- » Programmes for training and strengthening the capacity of personnel at a local level for the implementation of environmental monitoring and for reporting obligations.
- » National programme for monitoring and data management (observation and measuring methodologies and research).

- » Improvement of a national monitoring network.
- » Development of a national system of indicators for monitoring the state of the environment.
- » Establishment of mechanisms for cooperation between data management institutions and between the various levels of responsible authorities.
- » Integrated programmes for increasing public awareness regarding environmental hot spot issues (education, training, public campaign, polls and surveys, publication of popular scientific publications, joint web pages, involvement of local governments).
- » Programmes for the integration of environmental issues in educational programmes at all levels.
- » Strategy for intensifying scientific research.

Examples of the possible types of proposed training are as following:

- » Design assessment procedures to evaluate whether environmental damage has taken place and which operator is liable.
- » Develop a procedure for determining when competent authorities should take remedial action.
- » Develop a strategy for preventive measures.
- » Develop detailed consultation procedures with stakeholders on prevention, mitigation, remediation and restoration strategies, recovery measures, etc.
- » Determine the protocols and institutional responses to trans-boundary co-operation and consultation requirements.
- » Investigate the scope for financial instruments regarding liability, to hold seminars and workshops with stakeholders.
- » Investigate procedures available for enforcing liabilities for offending operators.

The Strategy and Action Plan for Capacity Development - Part 2 of the Country Report defines focus areas, as presented in Table 2.

Table 2.

Capacity Development	Focus Area
CD of National Authorities	<p>IPPC implementation – training (MoEPP) Environmental monitoring – training (MoEPP) Environmental management – central database (MoEPP) Development of additional modules (IPPC A and B) By-laws and secondary legislation Soil pollution standards MoEPP (MoAFWE) Effluent standards (water) MoEPP (MoAFWE) Harmonisation with EU Mining Waste Directive (MoE) Remediation of historical pollution (MoE) Environmental liability - training Study tours</p>
CD of Local Authorities	<p>IPPC implementation – licenses B - training Waste management - training Environmental management – municipal environmental database Establishment of database Training of municipal staff Development of specific modules</p>
CD NGO Sector	<p>Pilot Projects: Waste management x 3 Public awareness and education x 3</p>
Improvement of Information and Knowledge Sharing	<p>Needs assessment report Study tours Regular info to the media Regional activities Study tours Documentary movie High level - meetings</p>
Support for EU Harmonisation of Legislation	<p>Harmonization with EU Mining Waste Directive MoE By-laws and secondary legislation Soil pollution standards MoEPP (MoAFWE) Effluent standards (water) MoEPP (MoAFWE)</p>
Strengthening of the Environmental Consulting Sector	<p>Market Survey Recommendations Database of environmental practitioners Update Promotion Support from the establishment of a Chamber of Environmental Consultants</p>

4.3. Conclusions and Recommendations for FYR Macedonia

The policy in FYR Macedonia, in the area of environmental protection, is based on an integrated approach and gradual harmonisation with EU legislation.

Moving Towards EU Membership – Conclusions:

- » Overall, FRY Macedonia will have fully align its legislation with the environmental *acquis*, even though significant progress is made already. Especially considerable and sustained efforts will have to be made to implement and enforce it in the medium term. Administrative capacity needs to be significantly reinforced.
- » There is a need to streamline the management of responsibilities currently fragmented between different ministries and bodies. In some sectors there is a need to clearly define responsibilities in order to ensure that existing legislation is implemented in the most efficient and effective way.
- » At a local level, particular care should be taken to ensure that local self-governmental units have the necessary resources to implement their responsibilities effectively.
- » Effective compliance with EU legislation requires a high level of investment and considerable administrative effort, especially in the areas of waste management and water. Therefore, the recommendation is to concentrate on reaching a consensus on the allocation of competences regarding the decision making level and also regarding support for reforms.

Conclusions Regarding Developing Environmental Institutions:

A lack of sufficient financing sources is often seen as one of the main constraints for the implementation of environmental improvements.

- » The Macedonian economy is not strong and macro economic progress has been slow. Thus, raising domestic financing for major environmental investments has been difficult in the past, and will continue to be difficult for the years ahead. It is thus a key challenge to attract donor support and to use it in an effective manner. Addressing this challenge is, to a large extent, a matter of ensuring that the appropriate institutional set-ups are provided to support environmental projects, and to ensure that there is a sufficiently high level of quality in the proposed projects in the first place.
- » Substantial challenges lie ahead during the coming years. The low collection rates for water and waste have resulted in less than necessary maintenance of the environmental infrastructures, leading to substantial needs for repair. Also, to comply with the EU, heavy cost directives will invoke huge needs for new investments.

Conclusions Regarding Managing Natural Assets for Sustainability

The main problems in land management in FRY Macedonia are fragmentation, abandoned land, the non-existence of a land market, a lack of basic data and finally, no clear distinction between the roles and responsibilities amongst institutions. Another hindrance is the land register (cadastre), which is quite out of data and insufficient for any land management purposes. The spatial plan for FRY Macedonia is a strategic document on the organization,

development, use and protection of space and gives projections until 2020. However, it is mere planning document which does not provide effective implementation mechanisms.

Investments in environmental infrastructures are very low in Macedonia and will need to be increased significantly. This will be particularly important in areas such as waste water treatment and management. The main economic instruments foreseen in the Law on the Environment are the national budget and specific charges. Sector legislation provides for the collection of fees, taxes and customs duties, also used for environmental protection activities.

Agriculture, as a key economic sector, plays a critical role in the social and economic stability of the country. The process of harmonisation and approximation to the EU will, in the foreseeable future, eventually lead to the adoption of the EU Common Agriculture Policy (CAP). In the meantime, the agricultural sector has to face numerous problems such as institutional transformation, privatization and unstable market conditions, to list only a few. Due attention should be paid to strengthening administrative capacity to manage common market organisations and rural development activities.

In order to use the existing comparative advantages and to draw positive benefits from tourism, without having negative impacts, FYR Macedonia needs to have comprehensive strategies and plans in place.

Within the legal framework, a lot of interpretation is required to directly identify links to industrial hot spots. The main gaps in this respect are an absence of environmental liability, which could potentially be handed over from the ministry to potential buyers of industrial sites within privatization activities. In addition, several relevant terms, such as “hot spot” or “historically polluted sites”, which are all well known and used, are legally almost unidentifiable and are or are not covered. Regulations in respect to earmarked funding mechanisms, in order to lead the decontamination of industrially polluted sites in a long-term sustained manner, are also absent.

Therefore, the following is proposed for FYR Macedonia:

- » Environmental liabilities for past pollution have to be clearly defined within the legal framework. Hence, either revision of regulations on Environmental Liabilities and/or of the current Law on the Environment is recommended.
- » Regarding environmental liabilities for the sites that were privatized (without solving liability problems), the state has no option, but to assume full liability for the cleanup, and to conduct the remediation starting with priority sites (based on risk assessments). The new owner will be responsible for conducting an environmental audit and for proposing the scope of remediation required.
- » Regarding facilities that are subject to privatization, the new owner is liable for conducting an environmental audit and for bearing the costs of initial isolation of contamination (if isolation is required). The initial isolation is a short-term alternative to a comprehensive cleanup. The goal of the initial isolation is to sever exposed pathways from the migration of contaminants, rather than virtually eliminating all contamination from a site (e.g. through capping or construction of barriers to limit leaching). The isolation requires much less robust site investigation and the costs are substantially lower than are remediation costs. It buys the government more time to undertake full-scale

remediation without posing a risk to the surrounding environment and to human health. The initial isolation should be completed within a short time after a privatisation deal has been concluded (the time frame should be specified in the privatisation contract). The costs of initial isolation should be subject to deduction from the purchase price. However, the costs are limited and should not significantly reduce privatisation revenue in the state budget.

- » Ultimately, the state will be liable for the remediation of sites – within a given period of time agreed in privatisation contracts (a maximum of 10 years is recommended). Following the final cleanup (verified by an environmental audit), all environmental liabilities for past pollution will be transferred to the new owner.
- » Regarding sites which have no commercial value and that are state owned (and hence not subject to privatisation); the state is liable for conducting environmental audits and for remediation.

5. Montenegro

The country report gives the following detailed information:

1. *Main policy integration instruments in Montenegro* – the section includes analyses of: general context, public authority decision making, public participation, council and office for sustainable development, physical planning, programming for regional development, environmental impact assessment and strategic environmental assessment.
2. *Capacity for Implementation* - the section includes analyses of: institutions, the government, local communities, non-governmental organizations, the private sector, service providers etc.
3. *Professionals* - this section includes analyses of: education, the supply of expert services, conclusions and recommendations for strengthening capacity
4. *Conclusions and recommendations for capacity development*
 - » National level - the recommendations include sections on: the implementation of the laws on EIA and SEA, issuing the permits, the role of the council on sustainable development, developing a market of professional services
 - » Local level – Mojkovac - this section includes recommendations which relate to: SEA of the physical plan, integration of sustainable development initiatives in the physical plan, developing kayaking on the Tara River, hiking, biking, paragliding, touring, skiing, tourist information centres, a tourism train from Bar to Mojkovac, organic farming, renting out buildings to tourists, nature parks, mine closures and tourism mines, wood processing and energy from biomass.

The report is based on relevant national and municipal strategic and development plans, legislation and UNDP work, conducted under different projects (in particular the report 'Environmental Policy' in the SEE), information provided in publicly accessible official documents in Montenegro, reports from the UNDP and from other donors and as a result of interviews with key stakeholders at both national and local levels.

5.1. Country Profile Summary (*based on CR and PPP from 8 May 2009*)

The purpose of the analysed report is to provide the basis for action, categorised under areas of demonstration projects, capacity development and strengthening the supply of professional services in the further stages of the project. This document identifies thematic areas (at local/national levels) where institutional strengthening and capacity building is necessary in the area of sustainable development and in the management of natural resources, to identify thematic areas for the implementation of demonstration projects to serve as “low hanging fruits”, i.e. to demonstrate concrete results from the benefits of environmental management to local communities.

The report looks at the current status of policy development and integration mechanisms and the capacity to implement them at both national and local levels from the point of view of environment and sustainable development. Based on the analysis, the report further continues to give recommendations for project activities both at national and local levels in Mojkovac and in the surrounding region.

Development objectives include maintaining macro-economic stability, accelerating economic growth and improving living standards (through inter alia, by completing the privatisation process, attracting higher levels of direct foreign investments and through the development of small and medium sized enterprises).

The challenge, now facing the country, is how to reconcile the twin objectives of sustainable development, whilst preserving the ecological and social resources of the country and how to manage the rapid economic growth which is based on the use of space and other environmental resources.

The report is based on relevant national and municipal strategic and development plans, legislation, UNDP work conducted under different projects (in particular the report Environmental Policy in the SEE), information provided in publicly accessible official documents in Montenegro, reports from UNDP and other donors and on interviews held with key stakeholders at both national and local levels.

The National Strategy for Sustainable Development was prepared in 2005-2006. SEA and EIA laws were prepared and adopted in 2005; implementation started in January 2008. The National Council for Sustainable Development (which has existed since 2002) was expanded to ensure wider stakeholder representation.

In November 2006, the former Ministry of Environmental Protection and Physical Planning was split and merged with the Ministry of Tourism (environment and communal affairs sectors) and the Ministry of Economy (physical planning sectors).

The Environmental Protection Agency was established in 2007.

The National Strategy for Sustainable Development was prepared, integrating sustainable development principles and linking the country's development objectives with regional (Mediterranean) and global sustainable development objectives.

The SEA Law was adopted (and came into force in 2008), introducing a new sustainability tool into the environmental management system. At the same time, a new Law on EIA was adopted, to replace the existing EIA Decree from 2008 (the new law is expected to eliminate the deficiencies of the old legislation, which included a lack of project thresholds and a lack of public participation).

Co-ordination between different levels of government is unsatisfactory. Inter-municipal co-operation is, however, improving and is partly conducted through the Union of Municipalities. Regional co-operation has also improved during the last years, especially in the northern region, where some initial results have already been achieved.

The potential contribution that the business sector can make towards effective environmental management is largely under-utilised in Montenegro. There are gaps between new legislation and its implementation and there are also disparities between the levels of economic development between different regions in Montenegro.

There is very little policy coordination between national and local authorities. Ministries and municipalities mostly see each other as adversaries or as mutually incompetent. When cooperation and coordination does take place, it is often more along party lines rather than through public authorities. It is also sometimes orchestrated through donor projects and programmes.

Capacity for Implementation

The Ministry of Spatial Planning and Environmental Protection plays a key administrative role in the field of general environmental policy, preparation and implementation of environmental laws and regulations (for the areas under its competencies) and for the supervision of other segments of environmental administration. Areas of the Ministry's competencies include: protection of air, climate and the ozone layer; nature and biodiversity protection, national parks and protected natural assets; hazardous waste; protection from radioactive substances; non-ionising radiation; ionising radiation (except when used for medical purposes); and the protection of soil from pollution.

A number of other public institutions (supervised by this or by other ministries) have responsibilities in the environmental management system – from monitoring to research and for the management of 'special purpose areas' i.e. national parks and the public maritime domain (narrow coastal strip)¹. The capacity of these institutions to contribute to an effective environmental management system varies, and a lack of clarity regarding their mandates (including overlapping competencies), in a changing legal framework, can be identified. Even though there is certainly room for improvement in the efficiency of institutions involved in environmental management, it can be said that the overall size of the environmental administration is small, and that it should be expanded. At the same time, capacity needs to be significantly strengthened in order to provide the administration with the necessary knowledge and skills to address the complex tasks that lie ahead. One attempt to achieve this is work on the establishment of an Environmental Protection Agency which could bring together the capabilities of the various existing institutions. The EPA is envisaged as a body that will have an executive role and will be tasked with the implementation of environmental legislation over the

¹ These include: Hydro-meteorological Institute, Centre for Eco-toxicological Research, Public Health Institute, Nature Protection Institute, Public Enterprise National Parks of Montenegro, Public Enterprise *Morsko dobro*, Marine Biology Institute and others.

coming years. Main areas of future work for the EPA are to include environmental monitoring and reporting, permissions, inspections and enforcements.

Over the last five years, environment institutions (as well as other segments of administration that have competencies related to the environment) have been exposed to a variety of training and capacity building initiatives. In addition, several strategic documents, plans and programmes have been developed with international technical assistance. Several institutional strengthening projects (either through existing or newly established institutions) have also been technically supported by different donors. Even though the results are evident and have contributed to an increased overall capacity, a lot remains to be done and a more systematic approach (meaning more tailored to needs, ensuring continuity, better co-ordinated amongst various programmes etc) to capacity building initiatives would be welcome.

Local governments take part in environmental protection through several departments and/or public companies organised at municipal level. They sometimes organise departments or services tasked with developing and implementing general environmental protection measures at a local level. Municipalities are responsible for the implementation of physical and urban plans and other actions that regulate the use of space and play an important role in managing and operating public utility companies, which are in charge of water supply, waste and wastewater services. With the ongoing legal reforms, environment protection responsibilities are increasingly being delegated to municipalities.

Environmental departments or services in local governments (in municipalities where they exist) employ small numbers of staff and are usually under-equipped. The main activities performed by these units normally include environmental reporting and communication, the preparation (or taking part in the preparation) of local level physical and environmental action plans, the preparation of environmental programmes at a local level and other similar activities.

Environmental NGOs were mostly involved in awareness raising campaigns and projects aimed at generating environmental improvements at a local level. The most visible impacts were made with some large scale campaigns (e.g. the campaign for the protection of the Tara River), and there is also an increasing contribution being made by these NGOs at a policy making level (e.g. through the National Council for Sustainable Development and through participation in several planning processes).

The business/private sector can and needs to make a major contribution to meeting environmental objectives. It is important that the state develops mechanisms to effectively control private/business sector performance and that it stimulates environmentally friendly and socially responsible behaviour with a combination of policy instruments, thus allowing companies to reach their objectives at the least possible cost. Unfortunately, so far, experience in applying different policy instruments in Montenegro has not been satisfactory. The introduction of 'the polluter pays' principle, which was introduced in the 1996 Environment Law and in relevant bylaws, was not followed through with adequate implementation. Therefore, the majority of existing economic instruments have not been applied in practice. Throughout the 2000's, the

enforcement of environmental legislation was at a rather unsatisfactory level. In the area of voluntary mechanisms (such as ISO standards, EMAS, eco-labelling scheme), some progress was made, particularly with the introduction of ISO standards, but some other tools remained unutilised.

The IPPC Law (adopted in 2005), came into force in 2008. It is of paramount importance that it is properly implemented in order to ensure that environmental improvements are achieved with large industries. At the same time, major efforts need to be made to gradually implement the 'polluter pays' principle.

5.2. Conclusions and Recommendations for Montenegro

Efforts are necessary to make businesses more accountable and more conscious of their environmental (also social) responsibilities, through a combination of regulatory and market based measures and extended liabilities, as well as through the creation of partnerships with the business community.

New legislation is bringing more advanced processes of decision making into subjects such as environmental permits, physical planning and construction permits etc. But due to a lack of coordination between various ministries, several of these specific laws remain at odds with each other, thus creating confusion and the potential for loopholes. The perception that planning and permission procedures take a long time and are confused, also provides scope for political pressure to speeding up or even "short circuit" them, either through changes in the law or as a result of direct intervention in the individual processes. All this together leaves applicants and the general public confused about due processes and puts a severe burden on the few officials who conduct the decision making processes.

With its democratic constitution and the harmonisation of legislation with the EU, a legal framework for sound, integrated policy making has been set in Montenegro over the last few years.

The challenge now is to take advantage of the available instruments in a meaningful way, to secure the sustainable development of the country, during a time of rapid institutional, economic and social change.

The main challenges in this process include:

- » Definition, clarification and coordination of institutional mandates for national and local policy development. This includes improved cooperation between ministries and municipalities, the proper functioning of organisations such as the Environmental Protection Agency and a stronger role for the Council for Sustainable Development.
- » Changes in institutional culture, in terms of moving away from an obsolete culture of control of information and institutional rivalry, towards information sharing and institutional cooperation.

- » Increasing both the number and the capacity of experts dealing with policy analysis, policy development, evaluation and implementation in national government, local authorities, the private sector, education and research and in civil society.
- » Replacing donors in the role they are playing today, in terms of policy development and capacity building, with domestic institutions.

Recommendations for the National Level

- » To initiate a series of national expert conferences on EIA and SEA as a more advanced form of capacity building, aiming these mainly at the presentation of professional achievements in this field, and in promoting stakeholder dialogue on procedures and methodologies. The participants in the conference would be representatives from Ministries, interested municipalities, service providers and NGOs. There could be a participation fee and proceedings would then be published on the web, which would give informal recognition to the expertise of those presenting. Some conferences could be dedicated to an evaluation of initial experiences with the new acts on EIA and SEA. These conferences could then be organised annually, under the UNDP, until the end of the project, and later under a domestic institution.
- » Depending on the results of the REC, capacity building for municipalities, the UNDP could organise additional EIA capacity building activities for municipalities over the next few years.
- » To facilitate the supply of expert services in the private sector, the UNDP should set up an EIA and SEA expert database in the framework of actions aimed at developing the market of professional services.

Using experience acquired in relation to the clean-up of the Mojkovac tailings impound, the UNDP could provide feedback and recommendations to national authorities in terms of streamlining and strengthening the permitting procedures. Some options for these include:

- » Setting up inter-ministerial teams for more complex projects.
- » Co-location of the national government offices that are dealing with permits.
- » Pooling of human resources from several municipalities into teams that have a critical mass and can more effectively deal with given tasks.

There is a strong need for a body and a stakeholder forum that will coordinate the numerous policy initiatives at a national level. The Council for Sustainable Development, with secretariat support from the Office for Sustainable Development could perform such a task, if its decision making position were strengthened with the Government

This strengthening could include two functions:

- » Providing opinions for all items that are introduced into the cabinet decision making procedure, i.e. participating in the commissions and
- » Providing a neutral platform for conducting SEA process dialogues with the participation of line ministries and other stakeholders. This could include early scoping exercises, presentations and debates of drafts and SEA reports, along with the facilitation of dialogue between individual ministries.

At a local level, in the Mojkovac Municipality, the challenges are:

- » Development of the SEA of the physical plan.
- » The integration of sustainable development initiatives in the physical plan.
- » Developing kayaking on the Tara River.
- » Organic farming.
- » Mine closure and tourism mines.

6. Serbia

The study includes detailed sections on:

1. *Policy making, planning and implementation* - the section gives detail on: legal frameworks, environmental standards, environmental liabilities, an environmental permitting system, implementation of international agreements and commitments, the status of harmonisation regarding Serbian legislation with EU Directives, draft laws, gap analyses.
2. *Policies, strategies and plans status* - the section gives detailed information on: sector strategies, cross-sector strategies and gap analyses
3. *The section on institutional capacity for environmental management* includes analyses of: the national level, regional and local levels, the capacity for international environmental cooperation, and gap analyses.
4. *Capacity building needs assessment* - includes detailed analyses of: the past, current and future activities, key identified issues and the identification of CB thematic areas.

Thematic areas are grouped into 11 groups: legal frameworks, strategic areas, SEA, EIA, and IPPC, cleaner production, air protection and climate change, water protection, waste and chemicals management, risk management and inspection (accident response), project management (general), municipalities and cross-sector links and cooperation.

Potential CB topics are listed under each of the thematic areas.

The demonstration projects identified are:

1. Upgrade of protected natural goods (Vrbas).
2. Education of children and young people about environmental protection (Vrbas and Kula).
3. Support for the integral system of waste management in the Municipalities of Vrbas and Kula.

A comprehensive list of documents has been used to identify the issues listed, and it includes:

1. Economic Commission for Europe - Committee on Environmental Policy, Environmental Performance Review – Republic of Serbia, Second Review, UN, New York and Geneva, 2007
2. Human Development Report 2007/2008 – Fighting Climate Change: Human Solidarity in a Divided World, UNDP, New York, 2007
3. Environmental Policy in South-Eastern Europe, UNDP, 2007
4. Report of the Team for the Analysis of Strategic Documents of the Government of the Republic of Serbia (2002-2005)
5. Official strategies of the Republic of Serbia
6. Official documents presented on the Government of Serbia web site.

6.1. Country Profile Summary (*based on CR and PPP from 8 May 2009*)

Serbia, as one of the Republics of the former Federal Republic of Yugoslavia, became a part of the Stabilisation and Association Process (SAP) in November 2000. Since 2001, all the measures and instruments of this process have been accessible to Serbia, but the decision to start negotiations regarding the conclusion of the Stabilisation and Association Agreement (SAA) was not made until April 2005, following the adoption of the 'twin-track' principle for negotiations with the State Union of Serbia and Montenegro. The negotiations were officially opened on 10th October 2005, and the first official round was held on 7th November 2005. In May 2006, the negotiations on SAP were suspended as a result of a decision made by the European Commission, only to be resumed on 10th June 2007, and successfully concluded by initialling the Stabilisation and Association Agreement on 7th November 2007. The agreement was signed on 29th April 2008 at the meeting of the EU General Affairs and External Relations Council in Luxembourg. The beginning of the implementation of the Interim Agreement on Trade and Trade-Related Issues was expected on 1st July 2008, as the requirements, as defined by the conclusion of the EU's General Affairs and External Relations Council, were met on 29th April, regarding the full cooperation of the Republic of Serbia with ICTY.

The assessment of Environmental Policy Integration and Capacity Development Needs has comprised the following steps:

1. Analysis of the present situation (2008) and the status of environmental legislation and its implementation, the level of institutional strength, institutional organization its capability for implementing environmental legislation at both national and local levels. The analyses include (past, present and planned - future) implementation and relevant enforcement aspects of the Law on Environmental Protection, the Laws on EIA, SEA and IPPC at cross-sector and/or national and local levels, as applicable.
2. The identification of thematic areas (at local and national levels) where institutional strengthening and capacity building is necessary in the area of environmental protection in Serbia, the identification of areas for implementation of demonstration projects to serve as road maps i.e. to demonstrate the concrete results of the benefits of environmental management to local communities.
3. Consultation with focal points in the Ministry of Environment and Spatial Planning, with the local community in Vrbas and the UNDP project team, in order to identify the most up-to-date reports available on policy assessment and integration along with recommendations for key areas identified for potential improvement, capacity building and demonstration projects.

Status of Harmonization of Serbian Legislation with EU Directives

Serbia participates in the European Union (EU) Stabilisation and Association Process (SAP), and the European Union's policy framework for the Western Balkan countries, with an ultimate goal of becoming a member of the EU. In November 2005, Serbia started negotiations with the EU on the Stabilisation and Association Agreement (SAA), but the negotiations were suspended in May 2006 after Serbia was found to be non-compliant with its obligations regarding the International Criminal Tribunal for the Former Yugoslavia (ICTY) in The Hague.

In April 2008, the Republic of Serbia signed the Stabilisation and Association Agreement with the European Union. However, this now needs to be ratified by all European Union countries. The National Assembly of Serbia ratified it in September 2008 (Official Gazette of Republic of Serbia, No. 83/2008).

Moreover, work on technical issues, in particular in the area of environmental protection, is ongoing. Serbia has regular meetings with representatives from the European Commission (EC) regarding specific sector policies. These are called "Enhanced Permanent Dialogue" meetings. Serbia is also eligible for EU pre-accession financial assistance under the EU Community Assistance for Reconstruction, Development and Stabilisation (CARDS) programme from 2006, and from 2007 under the IPA (Instrument for Pre-Accession). The Law on Ministries prescribes that ministries are responsible for international cooperation and harmonisation of legislation with the EU *acquis communautaire* in their respective fields of competence.

Harmonisation of environmental legislation with EU directives is under way. In 2004, Serbia adopted the following laws that comply with the respective EU directives: the Law on Environmental Impact Assessment (EIA); the Law on Strategic Environmental Assessment (SEA); and the Law on Integrated Pollution Prevention and Control (IPPC). All these laws allow for public participation and access to information and are in line with the EU Directive on Public Participation 2003/35/EC.

In 2009 Serbia adopted 16 laws, including: the Law on Air, the Law on Chemicals, the Law on Non-ionizing Radiation Protection, the Law on Ionizing Radiation Protection and Nuclear Safety, amendments to the Law on Environmental Protection, the Law on Waste Management, the Law on Packaging and Packaging Waste, the Law on the Ratification of the Rotterdam Convention on the Prior Informed Consent Procedures for Certain Hazardous Chemicals and Pesticides in International Trade, the Law on Biocides, the Law on Chemicals, the Law on the Ratification of Conventions on Trans-boundary Effects of Industrial Accidents, the Law on the Protection and Improvement of Green Areas, the Law on Protection and Sustainable use of Fish Found and the Law on Noise Protection, all of which are in harmony with the requirements of the EU environmental directives .

Moreover, the enforcement of environmental protection legislation in Serbia is weak and suffers from a few serious drawbacks, particularly because of a weak monitoring system, the lack of certain environmental standards, and a generally low awareness of and compliance with the law. The fines and charges envisaged by legal provisions are not high enough to be real deterrents.

A lot of environmental problems are recognised at municipality level. Capacity development and the number of environmental staff at municipal level are inadequate. Another important factor, which influences the level of environmental enforcement, is the insufficient capacity of municipal-level environmental inspection bodies. Although their numbers are sufficient, inspectors lack adequate training and equipment to carry out their duties properly and to guarantee efficient law enforcement when supervising the implementation of important IPPC and EIA decisions at a local level.

For these reasons, the implementation of environmental legislation, after its adoption, is still weak; charges and sanctions, envisaged by the Law on Environmental Protection, are not properly enforced.

However, although increased in numbers each year, SEAs have not been fully implemented yet. The new MESP does not have sufficient capacity to carry them out. The inter-ministerial consultation process is still limited to the formal governmental comments procedure.

The problem in the implementation of the Law on IPPC is insufficient specific technical knowledge of employees participating in the integrated permitting process – personnel in the MESP and employees in the facilities that are subject of IPPC permitting. This refers particularly to the reconstruction of existing installations as per requirements set in BAT reference documents (BREFs) for applied technologies. An insufficient implementation of recommendations, as set out in BREFs, is indicated through a lack of experience in using and applying measures set out in BREFs and for monitoring the best available techniques. Priority is assigned to the adoption of strategic documents and by-laws on the basis of the Law on Environmental Protection relevant to:

- » National Programme of Environmental Protection NPEP
- » National Strategy of Sustainable Utilization of Natural Resources and Goods NSSUNRG
- » Environmental Quality Standard and Emission Standards;
- » The EMAS system;
- » Environmental labelling;
- » Import and export of ozone-depleting substances, or products containing them, whose trade or use is prohibited;
- » Import, export and transit of waste;
- » Handling hazardous substances;
- » Environmental monitoring and information systems and an integral cadastre of polluters; and
- » Economic instruments (user charges and pollution charges).

It is important to underline the fact that the NPEP have not been adopted yet despite the fact that the LEP determined their development and approval in 2005.

The integration of environmental policy with economic and other sector policies is at an early stage in Serbia. Policymaking is still dominated by planning operations within the different sectors of activities, resulting in little horizontal integration. Existing sector policies are also not sufficiently harmonised with environmental protection.

Overall, many strategies have been adopted or are awaiting adoption. However, competent ministries currently do lack both the necessary institutional structures and mechanisms to ensure their implementation and plans to introduce these structures and mechanisms. This problem is closely connected with the problems of institutional frameworks described above. This including insufficient inter-ministerial cooperation, which has led to difficulties during the drafting of the NPEP and of the National Strategy of Sustainable Utilization of Natural Resources and Goods.

Therefore, there is a risk that all strategies and action plans will remain only paper documents, and will not have any real impact on practical policy or on the state of the environment. Coordination of national policies is a crucial precondition for their efficient implementation.

Summary of main institutional weaknesses in environmental protection,

- » Lack of horizontal coordination between the former Ministry for Infrastructure and the MEP (now MESP)
- » Lack of consistent integration of environmental considerations and requirements in the process of adoption of spatial and urban plans and in construction permits.
- » Overlap of competencies between the Directorate for Water and the MESP in relation to water quality and water pollution in practice, no matter that the Law on Ministries clearly defines competences.
- » Potential conflict of responsibilities between the Directorate for Forests, which is performing forestry activities as an economic sector, and the MESP, which has been entrusted with the responsibility of protecting forest ecosystems.
- » Unclear responsibilities for the protection of wild fauna in the context of hunting.
- » Inadequate and unclear division of competences between the Ministry of Mining and Energy and the MESP in the field of geological research.
- » Insufficient institutional coordination and coverage of environmental monitoring activities.
- » Inadequate and insufficient professional staffing at all levels of public administration, including environmental inspectorates (especially for SEA, EIA, IPPC, monitoring, inspection activities).
- » Educational institutions insufficiently prepared to train adequate numbers of environmental experts.

It is expected that with the newly established Ministry for Environmental Protection and Spatial Planning this gap will be minimised.

6.2. Key Issues Identified

1. The key issues identified in the implementation of environmental policy laws addressing SEA, EIA, and IPPC are as follows:
2. Insufficient knowledge of the investors, generators, industry, of the content and procedures of SEA, EIA, and IPPC permitting processes;
3. Insufficient knowledge of administrative staff regarding the implementation of EIA, SEA, IPPC procedures at a local level;
4. Insufficient participation of stakeholders in the decision making process;
5. Insufficient knowledge regarding investors, NGOs, citizens, public consultations and legally defined parts of the Laws on EIA and SEA enforcement;
6. Non-compliance of the Law on EIA and SEA with EU standards regarding public consultations;
7. Small number of competent experts at a local level which sometimes leads to a conflict of interests as the same person is assessing and reviewing the Environmental Impact Statement;
8. Non-compliance of the Law on Construction and Spatial Planning with relevant environmental laws;
9. Lack of implementation of the Law on IPPC;
10. Lack of knowledge on the importance of the impact of environmental areas on local community development at a decision making level;
11. Inadequate internal communication between local governments and competent ministries;
12. Poor inter-sector cooperation at all levels;
13. Lack of planned education for stakeholders to be conversant at public consultations on issues relevant for decision making;
14. Lack of guidelines and necessary training for administrative staff regarding EIA, SEA and IPPC processes;
15. Lack of guidelines and necessary training for the generators of pollution and/or current and /or future owners of industrial facilities in the EIA, SEA and IPPC processes; and
16. Lack of budget planning for the Sector of Environmental Protection.

6.3. Identification of Thematic Areas

A consultant has identified the following 11 capacity development thematic areas during consultation with representatives of competent authorities (MESP):

1. Environmental Legislation

Establishment of adequate environmental legislation is a key issue for setting conditions for environmental policy implementation.

In order to ensure the implementation of legislation, the MESP should: continue to harmonize the legal framework with European Union (EU) Directives and strive to remove existing inconsistencies and should further improve its effective implementation; strengthen the existing unit responsible for environmental legislation, economic instruments and administrative supervision affairs with an adequate number of professional staff.

The starting point of these institutional reforms is the Law on Environmental Protection which introduces significant reforms of environmental policy in Serbia and allows more effective environmental management. Institutional competencies should be clearly defined in the new legislation to address the existing overlaps and inconsistencies.

Horizontal coordination of environmental policy should be strengthened as a high priority. Horizontal coordination is also required to integrate environmental policy with other sector policies, especially the energy policy, the industrial policy, the agricultural policy, the transport policy, the privatisation policy, tourism etc. The role of the National Council for Sustainable Development is to gain sufficient strength to act effectively as a coordinating body for policy integration by setting up a permanent secretariat.

2. Environmental Strategies

The Law on Environmental Protection defines that two strategies need to be further defined and implemented:

- » *The National Programme of Environmental Protection (NPEP); and*
- » *The National Strategy of Sustainable Utilization of Natural Resources and Goods*

3. SEA, EIA and IPPC

In order to set an environmental integration policy it is necessary to provide the implementation of environmental laws at all levels. The Ministry of Environmental Protection should strengthen its capacity to carry out Strategic Environmental Assessment, as envisaged by the Law on Environmental Protection and the Law on Strategic Environmental Assessment, at a national as well as at a municipal level.

On the other hand, it is necessary to harmonise SEA with Espoo convention requirements, thus providing a legal framework for the implementation of the Kiev Protocol and the Espoo Convention. It is needed to provide legal compliance with these requirements and to ensure the necessary capacity development required to implement these additions.

The forthcoming introduction of strategic environmental assessment of policies, plans and programmes should further improve the integration of environmental policy.

The introduction of the IPPC will require setting up and maintenance of the BAT data base. According to the Law on Ministries, SEPA is a reference centre for BAT. The IPPC permitting system has not yet been established. In this regard, a lot of activities should be included in the legal, technical, and economic sectors.

4. Cleaner Production

The pilot project “*Preparatory Assistance for the Establishment and Operation of a National Cleaner Production Programme in Serbia*” established a basis for CPC. The National Centre for Cleaner Production as a sustainable republican institution should be established to support industry by preventing environmental pollution. As cleaner production is very much linked to BAT, it could be foreseen as a precondition for obtaining an IPPC permit. A strategy for cleaner production has been adopted.

All efforts should be consolidated to introduce the benefits of the application of cleaner production in industry and the implementation of those measures by individual industries.

5. Air Protection

Serbia should establish and upgrade its system for air protection through the establishment of a legal framework compliant with EU Directives and through the ratification of the Kyoto Protocol.

The newly adopted Law in Air Protection (May 2009) is a framework for this subject.

As the shift should be made from ambient quality standards to emission and technology based standards, in order to achieve a balanced approach, the emission standards should be revised and missing standards (e.g. for effluent) should be introduced.

6. Climate Changes

Serbia is a party (Non-Annex I) to the UNFCCC (succeeded in 2001). The designated national focal point is MESP. Serbia has to prepare an inventory of greenhouse gas (GHG) emissions in a framework set out by the GEF project “*First National Communication in Response to the Country’s Commitments to UNFCCC*”. UNDP is the implementing agency in partnership with MESP.

On the other hand, it is necessary to establish the body responsible for determining and approving projects within the scope of the Clean Development Mechanism of the *Kyoto Protocol*, including the monitoring of GHG emissions, emission quotas for certain pollutants, and the promotion of clean technology, energy efficiency measures and technology that prevents and limits GHG emissions.

7. Water Protection

Water protection is a specific problem as competences are rather complex and are shared between two ministries: MESP and MAFWM.

The Ministry of Agriculture, Forestry and Water Management, in cooperation with the Ministry of Environmental Protection and Spatial Planning, should speed up the drafting of a new Law on Water, taking into account the country's commitments to introducing EU relevant regulations, including the Water Framework Directive, and provisions of other international multilateral environmental agreements (MEAs), such as the Helsinki Water Convention and the Danube River Protection Convention.

Responsibility for implementing a few key aspects of the water sector, such as the reduction of discharges, the phasing out of hazardous substances and the creation of a register of protected areas is currently shared by the MAFWM and the MESP. Most of the problems arise from the fact that neither the MAFWM nor the MESP have devoted enough time, or have allocated sufficient funds, to cope with these problems. To avoid these and other overlaps and allow for better coordinated action, the Government should clarify the competences of the Ministry of Environmental Protection and those of the Directorate for Water at the MAFWM.

A main feature of the water sector policy is that the current system of highly compartmentalized earmarking of revenue from various water charges. All revenue from a specific section of the water sector (drinking water, wastewater, etc.) is devoted to spending on the corresponding section of the water sector infrastructure, independent of other water sector policy priorities.

8. Waste and Chemicals Management

The current situation in waste management in Serbia is not satisfactory in particular relating to:

- » Framework law which was adopted in May 2009. To implement it, it was necessary to develop around 30 bylaws, addressing special waste streams which are currently missing;
- » Institution capacities for implementation as well as the enforcement of certain laws;
- » Existing waste management infrastructure; and
- » Existing knowledge of integrating waste management especially at a municipality level.

Serbia needs to establish an integral system for hazardous, nonhazardous and inert waste management, as well as establishing specific streams through setting up a legal framework, the construction of an appropriate infrastructure and capacity development within relevant competent authorities.

Horizontal coordination regarding waste management should be strengthened at a municipal level by establishing an Inter-Municipal Waste Management Council to coordinate activities within waste management regions, and to hence achieve greater cost-efficiency.

The newly adopted Law on Chemicals and the Law on Biocides harmonised with EU legislation established a legal framework for chemical management. The New Law on Chemicals prescribed necessary procedures for implementing the obligations of Member States under REACH, and established a base for drafting and adopting bylaws for implementing a Globally Harmonized System of Classification and Labelling of Chemicals (GHS).

The Law on Chemicals has not yet been harmonised with REACH in the part that prescribes procedures which are centrally managed by the European Chemical Agency, such as registration, evaluation and authorisation. The Law has, however, been harmonised with other parts of REACH, which when transposed, will create a sound basis to prepare the state economy for its obligations arising from this EU regulation, at the point of accession to the EU. The law has been fully harmonised with Directive 67/548/EEC; Directive 99/45/EC; Directive 2004/42/EC; Regulation (EC) No. 689/2008 and Regulation (EC) No. 648/2004.

The Law on Biocides has been harmonized with EU legislation. The law has been partly harmonised with Directive 98/8/EC. This law provides solutions for placing biocide products on the market, from Directive 98/8/EC and introduces permits for placing biocides on the market. It has been prescribed that a positive list of active substances will be taken over from the same regulation, bearing in mind that this procedure has been implemented at a central level in the EU (competent body of the European Commission).

The law has been fully harmonised with EU regulations: Regulation (EC) No. 1896/2000, Regulation (EC) No. 1687/2002, Regulation (EC) No. 2032/2003 and Regulation (EC) No. 1048/2005.

9. Risk Management

National legislation contains provisions on accident risk assessment and preventive measures, as well as other provisions, in line with requirements of the Convention on the Trans-boundary Effects of Industrial Accidents and the EU Directive 2003/105/EC of the European Parliament and Council, amending Council Directive 96/82/EC on the control of major-accident hazards involving dangerous substances (SEVESO II Directive).

The current situation in the Republic of Serbia regarding the organisation of the response to chemical accidents is not satisfactory, particularly in relation to:

- » Institutional cooperation, capacity and expertise regarding accident risk management methodology;
- » Expertise in the preparation of accident risk assessment, as well as the preparation of emergency plans;

- » Additional training for staff on the management of accident response, as well as the improvement of cooperation and harmonisation of action plans in the event of a chemical accident between competent authorities and institutions and companies, municipalities, towns/ cities and the Republic;
- » Number of mobile eco-toxicological units and intervention units.

Establishing an effective chemical accident emergency response system requires systematic solutions at all institutional levels, horizontal and vertical links between responsible institutions regarding the implementation of prevention, preparedness, response and clean-up of the consequences of chemical accidents.

10. Inspectorates

Environmental Inspectorates should be substantially strengthened to extend environmental protection enforcement and cope with the forthcoming EU harmonisation tasks (such as the IPPC). A special focus should be on raising capacity for compliance monitoring and on the assessment of self-monitoring by polluters.

The enforcement of environmental protection legislation in Serbia is weak, particularly due to a weak monitoring system, a lack of certain environmental standards, and a generally low awareness of and compliance with laws.

Furthermore, the capacity of environmental inspection bodies is inadequate

11. Project Management.

MESP has formed a Project Management Unit to prepare projects and to use funds for pre-accession projects. This unit has an important task to provide means for environmental sector

6.4. Conclusions and Recommendations for Serbia

The institutional capacity needed to support the *acquis* in the environmental sector is very diverse. Regarding the role of the public authorities in general, ministries should have sufficient, and properly trained, human resources to master the technicalities of new lawmaking. Furthermore, the various ministries concerned should have appropriate levels of co-ordination amongst themselves to develop the framework of laws and to ensure their legislative implementation.

At least one authority at national level must assume overall responsibility for the implementation of EC law in the field of the environment. A national “competent authority” in the Republic of Serbia is the new Ministry for Environmental and Spatial Planning. Some competencies in this area have been transposed to regional and local levels. The competent authorities, especially where they have licensing or enforcement powers under environmental directives, should normally be public bodies and / or governmental agencies.

In order to ensure the implementation of this legislation, the Ministry for Environment and Spatial Planning should:

- » Continue to harmonise the legal framework with the European Union (EU) Directives and strive to remove existing inconsistencies and further improve its effective implementation; and
- » Strengthen the existing unit responsible for environmental legislation, economic instruments and administrative supervision affairs with an adequate number of professional staff.

The environmental protection legal framework also includes a strategic framework and laws as well as bylaws, which need to be harmonised with EU legislation: preservation of nature, protection of air, water, land, soil, forests, geological resources, management of chemicals, waste management, ionizing and non-ionizing radiation, noise and vibration, etc.

Priority has been assigned to the adoption of by-laws on the basis of the Law on Environmental Protection relevant to:

- » The National Programme of Environmental Protection
- » Environmental Quality Standard and Emission Standards;
- » The EMAS System;
- » Environmental labelling;
- » Import and export of ozone-depleting substances or products containing them, whose trade or use is prohibited;
- » Import, export and transit of waste;
- » Handling hazardous substances;
- » Environmental monitoring and information systems and an integral cadastre of polluters; and
- » Economic instruments (user charges and pollution charges).

The specific problem represents the fact that past pollution needs to be urgently added to the legislation framework due to privatisation issues. In addition, a specialised inter-ministerial committee should be set up between the Ministry for Environmental Protection and the Agency for Privatisation, to address the issues of environmental liabilities and the clean up of past industrial pollution.

On the other hand, the Government, together with competent ministries, should:

- » Reconcile the content of the NPEP as strategic documents on environment and coordinate their implementation; and
- » Further develop and adopt the National Strategy of Sustainable Utilization of Natural Resources and Goods and
- » Consider harmonizing sector strategies and action plans with their own priorities and goals.

It is necessary to establish a consensus of politics between competent ministries: MESP, MEM and MAFWM in order to achieve successful development of the final document.

The Ministry of Environmental Protection should strengthen its capacity to carry out Strategic Environmental Assessment, as envisaged by the Law on Environmental Protection and the Law on Strategic Environmental Assessment.

The Law on EIA should also be upgraded in accordance with the experience from its implementation since 2004:

- » The problems of deadlines for the applications;
- » Revision of the list of projects that are subject to EIA to harmonise the list with the EU Directive; and
- » Re-defining/ clarifying the competencies at municipal and republican levels.

It is necessary to provide the implementation of SEA procedures on all strategic plans at both national and local levels.

The specific problem for the implementation of the SEA and EIA is capacity building at a municipality level. Therefore, the drafting of the guide for SEA and EIA implementation would be of great help.

Capacity building for the development and conduction of procedures for SEA and EIA should be considered for the following areas:

- » Trans-boundary projects and plans;
- » Projects and plans in protected areas, and
- » Linear infrastructure projects.

The introduction of IPPC will need to be set up and the BAT data base will require maintenance. At this moment, the ministry is the reference centre for BAT. The IPPC permitting system has not yet been established due to the ongoing transitional period.

- » Draft bylaw on the work of the IPPC technical commission.
- » In order to implement the IPPC Law it is necessary to:
 - » Elaborate national BREFs as a base for BAT introduction;
 - » Develop a guide for operators and generators on documentation preparation for IPPC permit application;
 - » Simulate the IPPC permit process for specific industries (e.g. the meat processing industry – “Carnex”);
 - » Training for operators on the types of industries and on the procedures of issuing IPPC permits; and
 - » Training for consultants that would support the development of application forms.

Considering the significance of the introduction of cleaner production principles, regarding environmental protection and economic benefits, it will be necessary to integrate these principles into the industrial sector, especially into industries that are subject to IPPC permits.

Therefore, MESP should:

- » Promote the cleaner production principles in various industrial sectors;
- » Provide help and guidance for industries in cooperation with the Centre for Cleaner Production.

The priority in the establishment of an air protection system is the development of a legal framework that is in harmony with EU requirements. Thus, the adoption of the framework for the Law on Air Protection which was recently adopted requires by-laws for the implementation of the law. On the other hand, emission standards should be revised and any missing standards (e.g. for effluent) should be introduced.

In order to build system against climate change, it is necessary to provide capacity development through:

1. Workshops, training, consultation, preparation of guides related to the Emission Trading Directive and ET Schemes, as well as providing a necessary legal and institutional basis for its implementation;
2. Development of National Climate Change Strategy and Action Plan for the Republic of Serbia;
3. CD related to technology transfer and technology needs assessment;
4. CD and awareness raising related to adaptation on climate change;
5. CD of members of the DNA and awareness raising related to CDM projects, as well as possibilities offered by the Kyoto Protocol in general;
6. Financial aspects of negotiation between CDM project owners and project investors before the signing of contracts.
7. Strengthening the Regional Climate Change Centre hosted by the Hydro Meteorological Service of the Republic of Serbia.

In order to establish a system for the protection of water that is in compliance with comprehensive standards, it is necessary to look at a number of activities regarding capacity development and setting the harmonized legal framework:

- » By-law to be compliant with the Directive referring to priority substances - Decision No 2455/2001 of European Parliament and of the Council of 20 November 2001 establishing the list of priority substances in the field of water policy and amending Directive 2000/60/EC;

- » Education programme for administration regarding priority substances and the Council Water Framework Directive; and
- » Translation of relevant documents (guides) and directives (e.g. Decision No 2455/2001 of the European Parliament and Council dated 20th November 2001, establishing a list of priority substances in the field of water policy and amending Directive 2000/60/EC Directive 2006/118/EC, Directive 2006/113/EC Directive 2006/11/EC, Council Directive 75/440/EEC) and Guidance documents 1-15.

Serbia needs to establish an integral system for hazardous, nonhazardous and inert waste management as well as for specific streams. This should be done by setting up an appropriate legal framework (Law on Waste was recently adopted). It also needs to establish the construction of an appropriate infrastructure and capacity building in competent authorities. Therefore, it is necessary to develop comprehensive bylaws and/ or upgrade the capacity building of competent authorities for the development and implementation of the laws and conventions, such as: the Basel Convention, the PIC Convention, and the POPs Convention.

In the area of waste management, there are new Laws on Waste Management and Law on Packaging and Packaging Waste, which are set as framework laws. In order to provide full implementation it is necessary to develop approximately 30 bylaws. The specific problem is the lack of guidance for specific waste streams. The recommendations are to:

- » Upgrade the outline of the laws;
- » Develop necessary by-laws; and
- » Expand on information guidance regarding generators in waste streams.

In the area of chemical management, it is necessary to establish a legal framework which will be harmonised with EU legislation, and to build necessary administrative, institutional and technical capacities for sound chemical management as well as to strengthen inter-sector cooperation in this area.

Establishing an effective chemical accident emergency response system requires systematic solutions at all institutional levels, horizontal and vertical links between responsible institutions in the implementation of prevention, preparedness readiness, response to and clean-up of consequences following chemical accidents. It is furthermore necessary to raise awareness and increase institutional capacity through training and through the provision of equipment (ecotoxicological units and intervention units).

In order to implement a system for risk management and accident response, it is necessary to take the following steps:

- » Outline of regulations regarding content and methodology for major accident prevention policy, safety report and internal emergency plan (planned in 2009.) Verification of regulations by external consultants would be done in compliance with the SEVESO II Directive and two amendments.

- » Development of the guide and training for administrative staff by presenting mathematical modelling in risk assessment. In order to improve enforcement, it would be very useful to have training coupled with inspections.
- » Development of guides for operators for the implementation of regulations on the content and methodology for a major accident prevention policy, a safety report and an internal emergency plan. These are necessary documents which would provide better implementation of the regulation.
- » Trainings for operators and representatives from the local communities and inspectors in Belgrade, Nis, Novi Sad, Kraljevo and Bor, followed by a presentation of the document setting out regulations and guidance.

In order to build capacity in the area of project management, it is necessary to develop guidance for project preparation:

- » Guide for the development of twinning projects; IPA projects;
- » Instructions for project fiches;
- » Instructions for project budgeting; and
- » Instructions for economic realisation, monitoring and reporting.

It also further recommends the development of a strategy of communication as well as the management of human resources. In this respect, it would be useful to prepare terms of reference for the unit, including: IT maintenance work, production of communication and environmental educational materials, PR functions etc.

Introduction of ISO 14010 could also be very useful.

Under the existing laws, a number of environmental competences have been decentralized to a level of autonomy within provinces or within units of local government.

The Government should promote legal and institutional arrangements which strengthen the capacity of municipalities to prepare investment projects and which enable greater access to domestic capital markets for financing these projects. This involves, amongst other things:

- » Supporting the preparation of multi-annual investment plans for municipal infrastructure development programmes;
- » Encouraging local self-government units to invest in environmental infrastructures through greater use of loans based on existing legislation on public debt;
- » Considering the need to relax existing borrowing constraints; and
- » Developing guidelines and procedures for private-sector involvement in the provision of environmental utility services at a municipal level.

The Government should ensure that environmental protection is effectively integrated into all major investment projects financed by the National Investment Plan, especially in the energy, transport and agriculture sectors.

7. UN ATSCR 1244 Kosovo

The Study include

- » Findings/results in following sections:
 - » situation analyses,
 - » main environmental challenges,
 - » findings from assessment /interviews,
 - » central level/ ministries, institutes and agencies, local level government/NGOs.
- » Recommendations for future assistance

Thematic areas identified from analyses cover different sectors, such as:

- » energy and mining,
- » industry and mining,
- » transport
- » agriculture,
- » education,
- » economic development ,
- » corporate sector
- » judicial system,
- » education,
- » information (mass media),
- » land use planning and
- » civil society

Potential fields of interest, based on the above, are:

- » EIA, SEA,
- » environmental awareness,
- » integrated sector programs and plans, etc.

7.1. Summary Profile for the UN ATSCR 1244 Kosovo (based on the country/territory report and PPP from 8th May 2009)

The legislative basis for Kosovo lies in the United Nations Security Council Resolution 1244 of 1999 and the subsequent constitutional framework for self- government (UNMIK/REG/01/19). The body of applicable laws in Kosovo can be divided into three parts. The first are the regulations issued by the Special Representative of the Secretary General. Second, are the laws passed by the Kosovo Assembly and promulgated by the Special Representative under the transferred powers. Third, based on UNMIK/REG/1999/24, there are laws which were applicable in the territory of Kosovo prior to 22 March 1989. Finally, with the new Kosovo constitution, it is expected that all environmental legislation can be completed.

UN ATSCR 1244 Kosovo, more than other societies in transition, is facing problems of inefficient administration, including environmental protection that has not been adequately regulated until now. Furthermore, it is necessary to establish the cooperation its administration with other groups and other countries.

The Government Ministries are relatively young ministries. The *Ministry of Environment and Spatial Planning* MESP was established in 2002. The Department of Environmental Protection is one of five departments that form MESP. This department developed a capacity to coordinate broad groups of stakeholders in policy and programme development. This department developed and produced:

- » “Environmental Strategy for Kosovo” (2005-2015), and
- » “Kosovo Environmental Action Plan” (2006-2010)
- » Law on Environmental Protection (2003/9)
- » New Law on Environmental Protection and,
- » Law on Environmental Impact Assessment (both laws are in the process of being approved by the Kosovo Parliament).
- » Law on Air Protection (2004/30)
- » Law on Water (2004/24)
- » Law on Spatial Planning (2003/30)

These laws require several bylaws to complete the relevant legal framework.

Parties responsible for developing Environmental/Policy, the legal and institutional frameworks in UN ATSCR 1244 Kosovo are:

- » Ministry of Environment and Spatial Planning (MESP)
- » Ministry of Energy and Mining (MEM)
- » Ministry of Agriculture, Forestry and Rural Development (MAFRD)
- » Central level/ Ministries Institutes and Agencies.

Main Environmental Challenges

At a central level, these are dependent on the commitment of cooperating over principles for the protection of the environment in all spheres that are covered through governmental policy, that directly, or indirectly have an impact on sustainable development. Close cooperation amongst different levels of administration is necessary.

It is necessary to clearly define the division of authorities and their responsibilities.

It is very important to provide equal cooperation amongst small communities (smaller administrative units) with large communities, based on territorial principles or principles of interest.

It is not possible to achieve sustainable development at a global level if it is not done first at local level.

The overarching goal is the building of an effective institutional framework to start implementing and enforcing an environmentally integrated policy in the main sectors, from industrial development to industrial and human waste management, and to the protection of natural resources (namely water, forests and agricultural land).

Kosovo's citizens expect to live in a clean environment, which provides a healthy life for all, based on the principle of sustainable development. This implies the development of pollution free industries, the reclamation of polluted sites, the environment as a base for environment-related economic activities.

- » Existing legislation does not result in environmental improvement by itself.

Experience has shown that it is not enough to create institutions and authorities that will introduce and implement environmental legislation. It is also important to change the behaviour of industries and citizens ensuring that the legislation is actually complied with.

- » The lack of qualified local staff is partly due to the fact that the environmental experts have not worked in certain administrative functions,

Naturally all the complexities of the development issues that Kosovo faces today, cannot all be fully explored within these pages, but it is, however, hoped that the discussion contains the main and most important complexities, without too much simplification.

- » There is no official national document/strategy with clear priorities regarding environmental protection.

This is the result of other priorities identified as being part of the Government circumstances and economic situation.

- » There is no policy on environmental education nor any inclusion of it in any curricula, except for in a few places where individuals have undertaken some initiatives.
- » There is no public awareness regarding the environment because of the poor socio-economic situation.

One of the principles that could be relatively easy to agree upon is that environmental policy integration, which is the integration of environmental aspects and policy objectives into sector policies, such as energy, agricultural policy, transport, land use and other important sectors, is not only politically challenging in terms of difficult trade-offs between environmental and other sector objectives, but is also conceptually elastic and vague.

The current situation in environmental policy in Kosovo can be summarised as follows:

- » Inadequate institutional capacities.
- » Lack of complete legislation/regulations for environmental issues.
- » Low capacity for environmental mainstreaming.
- » Ineffective coordination between environmental and sector ministries and scientific institutions.
- » Insufficient cooperation regarding environmental issues across national competences.
- » Diversity of organisational structures in municipalities.
- » Every municipality has its own administrative guidelines for the environment.
- » There are no clear responsibilities between local and central levels.
- » There is no collaboration between civil society and the local authorities.
- » There is a lack of legal bodies/institutions, responsible to draft and develop studies on EIA for the implementation of any project

Government/Local Issues

- » No governmental strategy, policy priorities and sector policy integration.
- » Inadequate institutional framework.
- » No monitoring.
- » No enforcement for the implementation of laws and regulations.
- » Lack of trained and experienced staff.
- » Lack of mutual respect between institutions and authorities.
- » Lack of environmental education.
- » Low environmental awareness.
- » Environmental issues are not considered as a priority.

NGO's and CS Issues

- » Mainly active in urban centres.
- » Lack of experience in the field of the environment.
- » Limited impact on decision making and public opinion.
- » Low environmental awareness.

7.2 Conclusions and Recommendations for UN ATSCR 1244 Kosovo

Based on the above suggested goals and objectives have been made below, from which measures, projects and plans for further activities can be developed.

Main Goals

- » To establish a foundation for developing a comprehensive capacity development in policy integration to address environmental hot spots.
- » Strengthen the mechanisms of good governance and policy integration in local institutions.
- » Strengthen and mobilise capacity for policy development, integration, implementation and evaluation at a national level.

Objectives

- » Secure and strictly implement existing legislation for environmental protection as well as completing, as soon as possible, absent legislation.
- » Integration of environmental protection in all sectors dealing with the environment or those connected with the environment, so that environmental protection will become part of policies, plans and programmes of sector development.
- » Starting in this phase, and under these conditions, to commence the process of integration into European structures regarding environmental protection proposing solutions to formulate comprehensive training programmes in either content, training methodology or in economic integration, for specific sector target groups.

These processes need to be:

- » Collaborative;
- » Participatory;
- » Multidisciplinary;
- » Action oriented;

This leads to cost-effectiveness, making best use of existing skills, creating self-sustaining approaches, and delivering policy outputs with broad ownership.

When developing capacity building programmes it is necessary to consider how the various elements will be combined, who will be involved, and at what stage.

Five integrated and complementary activities:

- » Thematic research on major issues in the sector-environment-development domain, aimed at designing practical approaches and policies, which maximise the contribution to sustainable development.
- » Pilot projects based on practical learning-by-doing activities, involving key stakeholders, to enhance country capacities to develop mutually supportive environments and development policies.
- » Training to enhance Kosovo's appreciation of relationships and complementary communication between sectors, environments and ways of development.
- » Policy dialogue, to facilitate the raising of awareness, consultations and the exchange of perspectives amongst relevant ministries, experts, practitioners and negotiators at central and local levels.
- » Networking and information exchange, to provide technical and operational support at governmental and local levels.

Based on these activities, it is possible to develop several programmes and projects for capacity building and public awareness for environmental protection and development.

Programmes could be developed and implemented through the proposed components of the programme. They could be implemented through:

- » Workshops with specific modules on topics.
- » On the job assistance.
- » Different seminars and open discussions for specific issues.
- » Pilot project implementation with joint financing by different key stakeholders, donors and local governments.

Target Groups Identified

Sustainable development cannot be implemented if all partners are not involved. It is important that the leading role in administration is one that should provide conditions for all partners and enable the mobilisation of all capacities in all sector policies and at all different administrative levels.

The local level is the level where the major environmental protection concerns were identified. It is also the level at which general opinion has a major impact in solving problems.

The local level is, in fact, a crucial factor in the process of creating conditions for changing behaviour, production, consumption and land use.

Therefore, it is very important, as soon as possible, to provide legal measures for the division of competences between these two levels, to work towards bringing them together to one level.

Firstly, integrated knowledge should be disseminated to the management level in all sectors, secondly to officials in the state management sector and public services sector, including teachers, and later, it should be extended to other groups such as technical staff.

In general, no age limit should be set for participants to receive and be included into general integration knowledge courses, but there should also be some internal departmental training courses in the following sectors:

- » Energy sector
- » Education sector
- » Business and Economic Development sector
- » Agricultural sector
- » Mass Media
- » Corporate sector
- » Representatives from CS (associations, environmental organizations, NGO's and others)
- » Trepca workers,
- » Feronikel workers,
- » Cement factory workers (Sharrcem)
- » Spatial and urban planners (Municipal planners)

Fields of Interest

- » Establishing licensed institutions for analysis and research by the EIA for the implementation of each project (according to the Law on EIA).
- » Cooperation with medias and development of projects for raising public awareness regarding the environment, due to better communication and information.
- » Involving business and the corporate sector in partnerships for investment in environmental projects.
- » Enabling the implementation of administrative regulations and laws of EIA and concerning environmental protection.
- » Integrating sector programs and plans into priority areas for intervention.
- » Promoting strategic environmental assessments

Expected Outputs

- » Promotion of access to information and links with Environmental Impact Assessment (EIA) and initiatives with Strategic Environment Assessment (SEA) as mechanisms through which to implement policy recommendations. (This can be achieved by seminars and training programmes with specific training modules).

EIA is usually reactive to development proposals which assess the effect of proposed developments in the environment. It generally addresses a specific project, has a well-defined beginning and end and assesses direct impacts and benefits. It focuses on the mitigation of impacts, has a narrow perspective and a high level of detail and focuses on project-specific impacts.

“SEA is a systematic process for evaluating the environmental consequences of a proposed policy, plan or programme initiative, in order to ensure they are fully included and appropriately addressed at the earliest appropriate stage of decision-making and that they are at the same level as economic and social considerations”.

During these training programmes, participants will undertake pilot projects for policy integration, using clean-up sites as case studies, or different projects, with the aim of protecting the environment through policy integration amongst different sectors.

- » Establishment of a network of qualified environmental experts and professional services (specialized for EIA and SEA).
- » Establish a sustainable development practitioners’ network, with studies on sustainable development, natural resources such as: mining (e.g. Lignite Power Technical Assistance Project – LPTAP, produced a Strategic Environment Assessment), energy, industry, agriculture, land use planning and the economic sector in UN ATSCR 1244 Kosovo.

PART B

8. Findings from the International Reports

Various international reports dealt with environmental status, needs, gaps and priorities for the Western Balkan region.

In order to compare and cross check findings from existing international reports to the findings of 6 country/territory reports, a summary of the short and medium term environmental priorities, in the context of the EU partnerships, from the priority areas identified in the Environmental Snapshot of South-Eastern Europe Country Profiles (Ref 1.), Regional Environmental Reconstruction Programme (REReP) is presented below as follows:

Albania

Short Term Priorities	Medium Term Priorities
<p>To strengthen administrative capacity and coordination at national and local levels;</p> <p>To implement legislation on environmental impact assessment;</p> <p>To adopt a strategy to further align environmental legislation with the EU <i>acquis</i>, and properly implement existing legislation, especially regarding enforcement;</p> <p>To take action on environmental hot spots at Sharra solid waste landfill and the Patos-Marinez oil extraction area;</p> <p>To further develop and implement the National Water and Sanitation Strategy and the Rural Strategy for Water Supply and Sewerage;</p> <p>To develop and implement a strategy for progressive alignment to the <i>acquis</i> in the areas of water supply and sanitation;</p> <p>To implement international conventions to which Albania is party in the field of nature protection.</p>	<p>To continue efforts to address toxic hotspots;</p> <p>To reduce pollution produced by the Balsh refinery, including discharge into the Gjanica River, and to take general measures against water pollution;</p> <p>To strengthen environmental monitoring and ensure sufficiently dissuasive sanctions against polluters.</p>

Bosnia and Herzegovina

Short Term Priorities	Medium Term Priorities
<p>To adopt a State Environmental Law to create a framework for nationwide harmonised environmental protection;</p> <p>To establish and ensure the proper functioning of the State Environmental Agency.</p>	<p>To continue strengthening administrative capacity of the institutions involved in environmental protection, particularly at a state level, and to ensure the implementation of already transposed legislation;</p> <p>To ensure that a functioning environmental monitoring system is in place.</p>

FYR Macedonia

Short Term Priorities	Medium Term Priorities
<p>To improve the implementation of legislation and environmental monitoring,</p> <p>To strengthen Environmental Inspectorates and other enforcement bodies, to establish credible enforcement record, and to ensure that fines and other sanctions are effectively applied and have a dissuasive effect;</p> <p>To strengthen administrative capacity at national and local levels, and to start the preparation of strategic plans, including financial strategies,</p> <p>To develop mechanisms for financing and implementation of an environmental investment strategy.</p>	<p>To integrate environmental protection requirements into other sector policies, in particular through development of environmental impact assessments,</p> <p>To increase investment in the environmental infrastructure, with a particular emphasis on waste water collection and treatment, drinking water supply, tackling air pollution.</p>

Montenegro

Short Term Priorities	Medium Term Priorities
<p>To continue approximating national legislation to EU legislation and standards, notably environmental protection framework legislation;</p> <p>To implement and enforce adopted legislation;</p> <p>To develop an overall environment protection strategy for water, waste, and air;</p> <p>To adopt the Land Use Plan;</p> <p>To adopt the sustainable development strategy and other sector strategies, e.g. integrated coastal zone management, biodiversity, climate change;</p> <p>To strengthen administrative capacity.</p>	<p>To continue approximating legislation to EU legislation and standards, notably legislation on air pollution, water and waste.</p> <p>To begin implementing the land use plan and the overall environment protection strategy.</p> <p>To develop an overall environment protection strategy for water, waste, and air;</p> <p>To begin implementing the sustainable development strategy and sector strategies, i.e. integrated coastal zone management, biodiversity, climate change;</p> <p>To continue strengthening the administrative capacity of line ministries and bodies in charge of environmental planning, permitting, inspecting, monitoring, and project management</p>

Serbia

Short Term Priorities	Medium Term Priorities
<p>To continue approximating legislation to EU legislation and standards in air pollution, waste management and nature protection;</p> <p>To adopt and begin implementing the National Environment Protection Strategy;</p> <p>To strengthen administrative capacity, notably of institutions and bodies responsible for planning, permitting, inspecting, monitoring, and project management;</p> <p>To develop a multi-annual plan for financing investment;</p> <p>To implement adopted legislation, notably on environmental assessments and industrial pollution;</p> <p>To start the construction of a facility for the treatment and safe disposal of hazardous waste.</p>	<p>To adopt and start implementing strategies on air pollution, waste management and nature protection;</p> <p>To continue implementing the National Environment Protection Strategy and the Water Strategy.</p> <p>To continue strengthening the administrative capacity of environmental institutions and bodies;</p> <p>To begin implementing the multi-annual plan for financing investment;</p> <p>To finalize construction of a facility for the treatment and safe disposal of hazardous waste.</p>

UN ATSCR 1244 Kosovo

Short Term Priorities	Medium Term Priorities
<p>To prepare the adoption and implementation of legislation on environmental impact assessment in line with the EU <i>acquis</i>;</p> <p>To prepare a comprehensive environmental action plan, particularly relating to public health issues, with a goal of approximating the EU <i>acquis</i>;</p> <p>To prepare activities to increase public awareness and civil society participation in environmental matters.</p>	<p>To adopt and implement the environmental action plan with a view to approximating with the EU <i>acquis</i>;</p> <p>To implement and support activities to increase public awareness and civil society participation in environmental matters.</p>

The REReP report also describes, in detail, activities that each of the countries has to conduct within REReP priority areas:

- » State of Legal, Policy and Institutional Frameworks,
- » Environmental Policies and Strategies,
- » State of Regional and Cross-border Cooperation,
- » State of Environmental Civil Society and
- » State of Environmental Health Threats and Loss of Biodiversity.

9. Findings From Hot Spots Needs Assessment Reports

Based on detailed presentations in Part A and in the six (6) country/territory reports, **gaps, issues and priorities in the field of environmental protection are summarised for the Western Balkan region into:**

- » The region copes with economic development and subsequently with environmental protection.
- » Lack of budget planning for the sector of environmental protection and insufficient budget available is evident in the whole region.
- » Environmental institutions are in place, but need upgrading and modernisation.
- » Environmental institutions suffer from inadequate capacity levels (both at national and local levels).
- » Environmental legislation/regulations are generally in place, but need to be improved and/ or implementation strengthened.
- » Environmental legislation needs to be upgraded and/or harmonised with EU directives (different levels amongst countries/territories).
- » There are gaps between new legislation and its implementation.
- » The region needs to upgrade national environmental strategic planning.
- » There is insufficient cooperation regarding environmental issues across national competences, co-ordination between different levels of government could be upgraded.
- » Insufficient to weak environmental policy integration.
- » Ineffective coordination between environmental and sector ministries and scientific institutions.
- » The region is burdened with historical, industrial and mining pollution and there are numerous environmental hot spots.
- » Insufficient knowledge of administrative staff for the implementation of EIA, SEA, IPPC procedures at a local level.
- » Lack of implementation of the Law on IPPC.
- » Lack of knowledge on the importance of the incorporation of environmental protection measures regarding local community development at the decision making level.
- » Lack of planned education for stakeholders to converse convincingly at public consultations on issues relevant for decision making.
- » Lack of guidelines and necessary training for administrative staff on EIA; SEA and IPPC processes.
- » Past (historical) pollution and environmental liabilities, incomplete legislation, lack of monitoring and enforcement.
- » There is no clear remediation policy; there is incomplete legislation and a lack of environmental monitoring and enforcement.
- » Inadequate waste, water and chemicals management.

Each item listed is detailed at a very different level when compared on country/territory basis, ranging from general to detailed and including national, regional and/or local institutional needs.

A detailed presentation of the gaps, issues and needs is given in Part A for each country/territory individually, and with different level of elaboration.

Nevertheless, the numerous gaps and issues indicate that there are significant capacity development needs in environmental protection in the Western Balkan region.

Compared to the REReP priorities (section 5.1) there is very good compliance with the needs assessment findings in the country/territory reports. In addition, the environmental policy framework from the hot spots reports is very much in line with the findings of the UNDP report “Environmental Policy in South Eastern Europe (Ref. 2) and the OSCE task force report (Ref. 4). This leads to the conclusion that the country/territory reports gave a solid basis for the identification of Capacity Development thematic areas.

10. Capacity Development Thematic Areas For the Western Balkan Region

In line with the identified needs and priorities, each of the six (6) country/territory reports identified WB thematic areas for environmental institutional capacity development (Part A).

The CD thematic areas were elaborated at different levels, ranging from very general to very detailed and are grouped into 2 major groups, General and Specific.

- » The *General Group* consists of activities identified in all country/territory reports; it is divided into 3 subgroups, namely General - Groups 1, 2 and 3.
- » The *Specific – Group 4* consists of topics that are specific to a certain country/territory. To be more precise, the activities which are identified in some country/territory reports as priorities, but are not of the highest importance in other countries/territories at the moment.

10.1 General Group – all countries/territories

Each group contains a list of thematic CD areas, but is not limited to:

General - Group 1 – legal frameworks, national strategic planning and environmental policy integration

Thematic CD areas are:

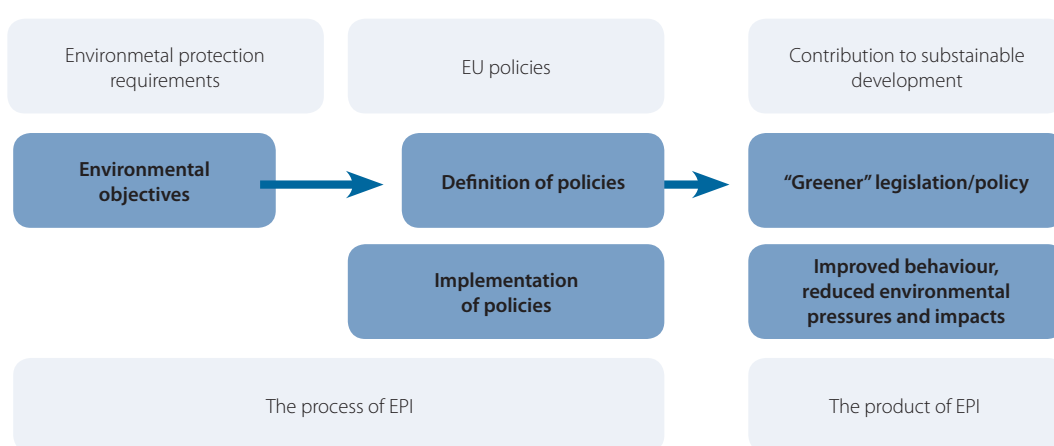
1. Legal area Lack of environmental *acquis* and transposition of EU environmental *acquis*
2. National strategic planning. Development of environmental and cross sector environmental strategies and action plans
3. Develop system of effective cooperation between ministries and local authorities in different sectors to improve policy coordination and integration
4. Upgrade environmental policy integration at the horizontal level
5. Develop a monitoring system for assessing environmental policy integration regularly.

Explanation/Discussion

The policy integration concept has increasingly become a precondition for the sector development of countries in the European Union. Simultaneously, political demands to integrate environmental policy concerns into other policies are increasing. The incorporation of environmental goals into all stages of policy making cycles in non-environmental policy sectors, and balancing environmental and economic policy goals is becoming more important.

“Environmental policy integration (EPI) involves a continual process to ensure that environmental issues are reflected in all policymaking. This generally demands changes in political, organisational and procedural activities, so that environmental issues are taken on board as early as possible and are continued during implementation. The product of EPI should be an overall improvement in policy and its implementation, in line with sustainable development needs.”

Figure 1: Environmental Policy Integration – According to Article 6 of the EC Treaty (source Ref.5)



Environmental policy areas are: environmental legislation, policies, institutions, policy integration, environmental expenditure, public participation, education, trans-boundary cooperation.

The strategic frameworks for integrating environmental considerations into other sector policy (e.g. transport, construction, agriculture, tourism, energy) are national environmental action plans, national sustainable development strategies, etc.

All Western Balkan countries have EU accession as a principle objective. Sound environmental governance is needed to address the environmental challenges and continue to integrate environmental values into all relevant areas of international cooperation. Environmental and sustainability principles figure in various international, regional, national and local policy agendas and plans (Ref 1).

It is important that the environmental institutions, their capacities and policy integration principles are further developed and that policy coordination among government institutions becomes effective.

Comment: General - Group 1 - legal, national strategic planning and environmental policy integration – CD thematic area identified in all country/territory reports.

General - Group 2 – Environmental Hot Spots

Capacity Development thematic areas are:

- » Establishment of legal frameworks and methodologies.
- » Setting up cleanup standards, definition and classification of contaminated sites.
- » Risk assessment for hot spot sites.
- » Designing an effective financing system for the remediation of contaminated sites.
- » Environmental liabilities for past pollution. It is crucial to take a decision regarding the approach to tackling liabilities for past pollution as this decision will fundamentally affect the set up of a viable financial and institutional system.
- » Historical pollution of hot spot mining sites, the modernisation of the legal framework and a move away from sector monitoring, inspection and management of specific hot spot areas, towards a more integrated approach.
- » During the past privatisation process of various state owned companies, an opportunity has been missed in the region, to make a clear provision or state fund for the closure and reclamation of polluted industrial areas, as part of the state revenue for these privatisations.

Comment: *General - Group 2 - Environmental Hot Spots - CD thematic area identified in all country/territory reports*

General Group - Group 3 – implementation of EIA, SEA, IPPC Laws

CD thematic areas are:

- » achievement of efficient national and local planning (SEA)
- » integration of environmental protection in the strategic plans and priorities of the country (SEA)
- » SEA – as a tool to improve the process and level of integrating environmental protection in the development and implementation of national development strategies, sector and area-based development plans, programmes and policies
- » Raising public awareness regarding environmental issues
- » Education for (local)administration on EIA, SEA and IPPC, general or particular subjects
- » Stakeholder participation in EIA,SEA,IPPC processes
- » Establishment of a network of qualified experts and professional services for EIA, SEA, IPPC.

Explanation - Discussion

Strengthening the implementation of EIA, SEA and IPPC laws is of vital importance for environmental protection. EIA, SEA and IPPC are environmental policy instruments which incorporate environmental principles into policies, plans and programmes.

Strategic Environmental Assessment (SEA) is the process by which environmental considerations are required to be fully integrated into the preparation and adoption of plans and programmes. The objective of the SEA process is to provide for a high level of protection of the environment, and to contribute to the integration of environmental considerations into the preparation and adoption of specified plans and programmes, with a view to promoting sustainable development.

The EIA procedure ensures that the environmental consequences of projects are identified and assessed before authorisation is given. The public can give its opinions and all results are taken into account in the authorisation procedure of the project. The public is informed of the decision afterwards.

EIA is being implemented at a local level, whilst SEA is used at a strategic level (e.g. spatial and urban planning, policy) in national or trans-boundary contexts.

The IPPC defines the obligations with which industrial and agricultural activities with a high pollution potential must comply. It establishes a procedure for authorising these activities and sets minimum requirements to be included in all permits, particularly in terms of pollutants released. The aim is to prevent or reduce pollution of the atmosphere, water and soil, as well as the quantities of waste arising from industrial and agricultural installations, to ensure a high level of environmental protection.

Comment: *General - Group 3 - EIA, SEA, IPPC - CD thematic area identified in all country/territory reports*

10.2 Specific - Group 4: Energy, Waste, Chemicals, Air, etc.

CD thematic areas are:

- » Energy efficiency, energy from biomass, wood processing
- » Waste management (waste and hazardous waste management)
- » (Sound) Chemical management
- » Air protection and climate change
- » Cleaner production - institutional support to projects that are based on clean technologies, ecologic enterprises and renewable resources
- » Environmental education (potential WB cooperation is through Green Pack Project <http://www.rec.org/REC/Programs/GreenPack/Default.html>)

Explanation/Discussion

A clean air supply is essential to citizens' health and that of the environment. The issue of air quality is now a major concern for European citizens as well as for citizens living in the South Eastern Balkans. Since the early 1970s, the EU has been working to improve air quality by controlling emissions of harmful substances into the atmosphere, improving fuel quality, and by integrating environmental protection requirements into the transport and energy sectors. The EU is acting at many levels to reduce exposure to air pollution: through EC legislation, through work at international level to reduce cross-border pollution, through co-operation with sectors responsible for air pollution, through national, regional authorities and NGOs, and through research

Erosion, loss of organic matter, compaction, salinisation, landslides, contamination, sealing... Soil degradation is accelerating, with negative effects on human health, natural ecosystems and climate change, as well as on our economy. Different EU policies (for instance on water, waste, chemicals, industrial pollution prevention, nature protection, pesticides, agriculture) are contributing to soil protection. But as these policies have other aims and other scopes of action, they are not sufficient to ensure an adequate level of protection for all soil in Europe.

As European society has grown wealthier, it has created more and more waste, and it is clear that treating and disposing of all this material - without harming the environment - becomes a major challenge. The EU is aiming for a significant cut in the amount of waste generated, through new waste prevention initiatives, better use of resources, and encouraging a shift to more sustainable consumption patterns.

The European Union's approach to waste management is based on three principles:

- » Waste prevention: This is a key factor in any waste management strategy. If we can reduce the amount of waste generated in the first place and reduce its hazardousness by reducing the presence of dangerous substances in products, then disposing of it will automatically become simpler. Waste prevention is closely linked with improving manufacturing methods and influencing consumers to demand greener products and less packaging.
- » Recycling and reuse: If waste cannot be prevented, as many of the materials as possible should be recovered, preferably by recycling. EU directives now require Member States to introduce legislation on waste collection, reuse, recycling and disposal of these waste streams.
- » Improving final disposal and monitoring: Where possible, waste that cannot be recycled or reused should be safely incinerated, with landfill only used as a last resort. Both these methods need close monitoring because of their potential for causing severe environmental damage. The EU has recently approved a directive setting strict guidelines for landfill management. It bans certain types of waste, such as used tyres, and sets targets for reducing quantities of biodegradable rubbish. Another recent directive lays down tough limits on emission levels from incinerators.

It is perhaps more useful to define cleaner technology in terms of how it differs from the traditional end-of-pipe approach to pollution control. The European Commission describes this difference thus:

“End-of-pipe solutions do not usually result in efficiency or productivity gains, therefore representing a pure cost to the firms. Cleaner technology on the other hand, improves process efficiency. Furthermore, cleaner technology usually reduces polluting emissions to all media instead of shunting them from one to the other”.

One factor in defining cleaner production is therefore the reduction in production costs that result from improved process efficiencies. In terms of investment, the key difference is that investment in end-of-pipe technologies is nearly always additional investment, whereas investment in cleaner production is usually, at least partly, in replacing existing systems or equipment. This has obvious implications for employment.

The institutional capacity development within these listed thematic areas would enhance the improvement of the living environment in the region. Each area is cross-sectoral and complex. Existing legislation is limited in the region. The existing institutional structures and capacities are weak. The overall implementation requires great governmental commitment.

Comment: *Specific - Group 4 - Energy, Waste, Chemicals, Air, Climate Change etc. – CD thematic areas that were identified selectively in country/territory reports, but that does not mean that they are of less importance than in other WB countries/territories*

Potential for WB cooperation in the identified capacity development thematic areas is presented in Table 3.

Table 3. WB Regional CD potential

Country / Territory	GENERAL all countries/ territories				SPECIFIC by country/territory		Comments
	Group 1	Group 2	Group 3	Group 4	Main thematic areas		
	Legal, strategic planning, environ. policy integration	Environmental. Hot Spots	EIA, SEA, IPPC	Energy, waste, chemicals, air, etc.			
Albania	+	+	+	+/-			Hazardous waste, chemicals/pesticides /waste management, climate change, environmental education
Bosnia and Herzegovina	+	+	+	+/-			Energy efficiency, environmental education and awareness
FYR Macedonia	+	+	+	+/-			Waste /hazardous waste management, environmental education and awareness
Montenegro	+	+	+	+/-			Wood processing, Energy from biomass
Serbia	+	+	+	+/-			Waste and hazardous waste management, chemicals, air protection and climate change, cleaner production, environmental education
UN ATSCR 1244 Kosovo	+	+	+	+/-			Waste/hazardous waste management, cleaner production, renewable energy
Single Country/Territory implementation.*	+	+	+	+			
Bi-or multi-lateral implementation.*	-	+	+	+			

*applies to each listed thematic area within the group, but is not limited to it

Discussion

The analyses of the 6 country/territory reports aimed to identify common gaps, needs and capacity development thematic areas, as well as potential for future regional cooperation.

The reports were framed (by the ToRs) to environmental policy integration, status of environmental legislation, status of its transposition to EU *acquis*, identification of gaps, CD needs assessment and identification of CD thematic areas. In addition, each report detailed country/territory specific issues (e.g. hot spot management and remediation, assessment of local capacities and needs, institutional CD needs, policy integration and energy efficiency, general capacity needs assessment) which resulted in reports each having a different focus. The level of elaboration within reports ranged widely from general to more detailed. They were, however, comparable in terms of identifying common thematic areas. However, in order to obtain the comparisons at a more detailed level additional research would be needed.

The analyses of the summarised presentations of the Western Balkans Environmental Programme: Review of Policy Integration and Capacity Development Need Assessment Studies points out the following:

1. There are two major groups of capacity development thematic areas common to the Western Balkan region, a General group, divided into 3 sub-groups and a Specific group consisting of topics relevant for particular country/territory at the specific moment. The General group includes activities identified in all country/ territory reports, while the Specific group contains activities specified in some country/ territory reports. They are:
 - a. The General group: Environmental Policy Integration (CD can be carried out only country by country); Environmental Hot Spots; EIA, SEA, IPPC.
 - b. The Specific group: Energy, Waste, Chemicals, Air, etc.
3. CD thematic areas Groups 2-4 can be the subject of single country/territory exercise and/or bilateral or multilateral implementation. To allow regional cooperation, two conditions are required: that there is enough capacity in the relevant institution/ministry and that each participating country/territory has the required subject legislation in place.
4. In Groups (1-3) CD thematic areas were identified in each country/territory report. In Group 4 thematic CD areas were identified selectively in country/territory reports. This does not mean that they are of a lesser importance than in other countries/territories.
5. Western Balkan regional cooperation, in strengthening environmental institutions and their capacity development, would save time and resources and would allow for more efficient environmental protection.
6. CD project implementation in Bosnia and Herzegovina needs special attention in respect to project organisation within specific entities.

7. CD project implementation in UN ATSCR 1244 Kosovo should take into consideration difficulties related to newly established institutions and legal frameworks or the lack of them.
8. FYR Macedonia, Montenegro and Serbia have harmonised and are implementing the Law on Environmental Protection, the Law on EIA, the Law on SEA and the Law on IPPC.
9. Topics within Groups 2-4 are cross sector per country/territory and regional implementation would require complex project organization.

11. Conclusions And Recommendations

“Although at differing levels, all of the countries are steadily advancing in harmonising their environmental policies, institutions and standards with those of the EU. New environmental laws are being adopted and steps taken to strengthen institutions and environmental enforcement bodies. The nations’ environmental civil societies are also growing, developing their expertise and are creating focused networks. The state of regional and cross-border cooperation has been enhanced since the beginning of REReP, and the number of cross-border memoranda of understanding, agreements and initiatives has rapidly increased. Yet, significant environmental problems which threaten human health and biodiversity still exist. Whilst real signs of environmental improvement are showing, there are still enormous obstacles to overcome. The efforts of these countries and their dedication in developing environmental policy and legislation, strengthening state institutions and civil society, and reducing environmental pollution should continue.” (REReP Report, ref 1.)

Six countries/territories conducted the Environmental Policy Integration and Capacity Development Needs Assessment studies. This report is based on the analyses of the six studies prepared for: Albania, Bosnia and Herzegovina, FYR Macedonia, Montenegro, Serbia and UN ATSCR 1244 Kosovo. The studies are up to date, country specific and each one, when compared, has a somewhat different scope and different level of elaboration. However, the main identifications of each country’s/territory’s institutional gaps, issues and capacity development needs were comparable and common in many aspects.

Main conclusion is that there are significant needs in the Western Balkans for cooperation in the field of environmental protection.

The findings of country/territory reports were cross checked with the REReP (2006.) report. There is very good compliance regarding identified, gaps, needs and priority thematic areas.

Based on needs assessments, the wide scope of thematic capacity development areas has been identified:

The General Group - applies to all countries/territories and includes:

1. Legal, strategic planning and environmental policy integration – capacity development can be carried out only country by country
2. Environmental hot spots
3. EIA, SEA, IPPC

The Specific Group – identified by specific country/territory

4. Energy, Waste, Chemicals, Air, etc.

Thematic areas Groups 2-4 are recommended for potential follow up actions/exchanges on regional (Western Balkans) level and/or on the bilateral cooperation between the involved countries/territories through future capacity development programmes.

The proposed priority list for CD implementation on a regional level is based on feasibility criteria:

Priority 1: Group 3 - feasibility criteria: legislation in place, institutions/organisation in place predominates environmental sector

Priority 2: Group 2 - feasibility criteria - legislation partly in place, institutions /organization partly in place, requires multi sector approach within each country/territory

Priority 3: Group 4 - feasibility criteria - legislation partly or not in place at all, requires multi sector approach within each country/territory.

There is great potential at the WB regional level to cooperate.

Environmental institutions are in place in the region as is environmental legislation, with the exception of the UN ATSCR 1244 Kosovo.

In the regional context, the cooperation of two or more countries/territories is feasible if capacity development relates to strengthening existing capacities of environmental institutions at a national level, whilst at a local level CD could be organized in the next phase.

The minimum conditions are that there is enough capacity on behalf of national institutions to undertake the exercise/actions and that the required legislation is in place.

Cooperation might be evident in various modalities, and should include, but not be limited to different technical capacity development aspects, such as:

- » development of practical procedures and guidelines for daily work,
- » training of staff,
- » presentation of successful case studies,
- » development of environmental data bases,
- » development of inter country procedures and exchanges of information,
- » promoting the use of successful practices, the exchange of good institutional practices,
- » coordinated participation in international programmes applicable for the region (e.g. Green Pack), etc.

Recommended steps for the preparation of future projects are:

- » For a selected sub group and CD thematic area to identify focal points in environmental ministries in each of the participating country/territory.
- » To develop, disseminate and process questionnaires to identify common implementation issues for a pre selected thematic area (please see example of the questionnaire in Annex 1).
- » Organise/facilitate regional initiation meetings with relevant institutional staff from each country/territory – focal points.
- » Based on collected information, use brain storming or other methods to identify potential concrete CD projects and modalities of implementation.
- » Based on the above, develop draft ToRs for one or more CD projects in consultation with regional focal points (e.g. the list from the Serbian report could be used as an example for concrete CD projects).
- » Assessment of the resources required.
- » Organise regional meetings to define and plan practical steps.
- » Raise funds.

Annex 1

Example of the questionnaire

Priority 1 , Group 3	Thematic Area			Comment
	EIA	SEA	IPPC	
Topic				
Is the law enacted?	Yes/no			Since when?
Is the law harmonised with EU <i>acquis</i> ?				
Is there secondary legislation in place?				
If the answer is no – what is missing				
Is the law being implemented?				Since when?
Is there unit/team in operation?				
Is there enough capacity for implementation?				
What is missing in CD for implementation?				
Additional explanation:				
Potential WB Capacity Development Projects				
<i>Please tick the field of interest in</i>				
Guidelines for trans-boundary projects and plans ...				
Guidelines for infrastructure projects (roads, gas network, oil lines)				
Project and plans in protected areas				
Elaborate national BREFs for chemical/ cement industry as a base for BAT introduction;				

Elaborate BAT for landfills				Specific because there is no BREF
Guidelines for wind farms/wind turbines				
Develop guide for operators and generators on documentation preparation for IPPC permit application				
Training for operators on the types of industries and on the procedures of IPPC permit issuance				
Training for consultants that would support the development of application forms				
Other				
Please list other CD projects that you might be interested in :				
Will your country be interested to manage a regional project?				
Institution/Ministry Focal point Name Position Contact details Signature				

Endnotes

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Abbreviations and Acronyms

AP	-	Action Plan
BAT	-	Best Available Technique
BiH	-	Bosnia and Herzegovina
BREF	-	BAT Reference Document
CARDS	-	EU Community Assistance for Reconstruction, Development and Stabilisation
CB	-	Capacity Building
CS	-	Civil Society
CD	-	Capacity Development
CDM	-	Clean Development Mechanisms
CR	-	Country Report
CARDS	-	Community Assistance for Reconstruction, Development and Stabilisation
CBD	-	Convention on Biological Diversity
EC	-	European Commission
EEA	-	European Environmental Agency
EIA	-	Environmental Impact Assessment
EMAS	-	EU Eco-Management and Audit Scheme
EPA	-	Environmental Protection Agency
EPI	-	Environmental Policy Integration
EU	-	European Union
FBiH	-	Federation Bosnia and Herzegovina
FYR	-	Formal Yugoslav Republic
GDP	-	Gross Domestic Product
GHG	-	Green House Gases
GIS	-	Geographic Information System
GMO	-	Genetically Modified Organisms
IPA	-	Instrument for Pre-Accession
IPPC	-	Integrated Pollution and Prevention Control
LEP	-	Law on Environmental Protection
MAFWM	-	Ministry of Agriculture, Forestry and Water Management
MDG	-	Millennium Development Goals
MEA	-	Multilateral Environmental Agreement
MEM	-	Ministry of Energy and Mining
MEP	-	Ministry of Environmental Protection (former)
MESP	-	Ministry of Environment and Spatial Planning
MH	-	Ministry of Health
MoAFWE	-	Ministry of Agriculture, Forestry and Water Economy
MoEFWA	-	Ministry of Environment, Forestry and Water Administration
MoEPP	-	Ministry of Environment and Physical Planning

MPPTT	-	Ministry of Public Works, Transportation and Telecommunications
NEAP	-	National Environmental Action Plan
NCBS	-	National Council for Biological Safety
NCSA	-	National Capacity Self Assessment
NCSD	-	National Council for Sustainable Development
NPEP	-	National Programme of Environmental Protection
NPI	-	National Programme for the Integration of Serbia into the EU
NSA	-	National Strategy for Agriculture
NSSD	-	National Strategy for Sustainable Development
NSSUNRG	-	National Strategy of Sustainable Utilization of Natural Resources and Goods
OG	-	Official Gazette
POP	-	Persistent Organic Pollutant
PPP	-	Power Point Presentation
PRTR	-	Pollutant Release and Transfer Register
PRS	-	The Poverty Reduction Strategy
RA	-	Recycling Agency
REA	-	Regional Environmental Agency
REACH	-	European Community Regulation on chemicals and their safe use (EC 907/2006) - Registration, Evaluation, Authorisation and Restriction of Chemical Substances
REC	-	Regional Environmental Center
RS	-	Republic of Serbia
SAA	-	Stabilisation and Association Agreement
SAP	-	Stabilisation and Association Process
SEA	-	Strategic Environmental Assessment
SEE	-	South Eastern Europe
SEPA	-	Serbian Environmental Protection Agency
SRD	-	Strategy for Regional Development in the Republic of Serbia
TDS	-	Tourism Development Strategy
TR	-	Territory Report
UN	-	United Nations
UNDP	-	United Nations Development Programme
UNECE	-	United Nations Economic Commission for Europe
UNFCCC	-	United Nations Framework Convention on Climate Change
UNIDO	-	United Nations Industrial Development Organization
UNITAR	-	United Nations Institute for Training and Research
WB	-	Western Balkans

