



Action funded by  
the European Union

# EU4Environment

Armenia, Azerbaijan, Belarus, Georgia, Republic of Moldova, Ukraine

## Concept note

### “Strengthening administrative capacity for environmental management in the Eastern Partnership countries”

Assignment under Output 3.4 of the EU4Environment’s Result 3  
“An environmental level playing field”

*November 2020*

Action implemented by:



## Background and rationale of the project

Ministries of Environment are the key drivers in developing environmental policies and regulations in six countries of the EU's Eastern Partnership (EaP) (Armenia, Azerbaijan, Belarus, Georgia, Republic of Moldova and Ukraine). They have been instrumental in developing ambitious strategic and legal framework for environmental improvements and supporting the policy implementation at the national and sub-national level. The national level structures have been supported but many environmental units at the sub-national level, whether as part of the national administration or regional and local governments.

More recently, in all EaP countries environmental agencies efforts on greening public policies have been supported by the Ministries of Economy and other line Ministries. For instance, in many cases, Ministries of Economy took the lead on developing national green economy strategies or more specific policies or regulations, such as on sustainable public procurement or green finance. The engagement of economic government agencies was a result of a growing recognition of environmental problems affecting economic growth but also a worldwide push to engage economic decision makers in addressing some of the most critical environmental problems.

Despite progress made in strengthening institutional capacities and governance of public institutions for greening the economic growth, many government agencies in the EaP countries remain poorly resourced and exposed to high staff turnover. Those in charge of the environment face particular challenges as they are often at the bottom of the scale in terms budget allocations or the remuneration of public civil servants. In addition to deficiencies in human and financial capacity, they have been subject to frequent structural changes, including mergers with other line Ministries. Even though the sectoral Ministries are engaged in environmental policy development, their actions are not sufficiently co-ordinated or monitored. There are still only few mechanisms for inter-ministerial dialogues and co-ordination mechanisms on environment and green economy issues.

Public authorities in the Eastern Partnership countries are the key target group of the EU-funded EU4Environment Action<sup>1</sup>. The general objective of EU4Environment is to help the partner countries preserve their natural capital and increase people's environmental well-being by supporting environment-related action, demonstrating and unlocking opportunities for greener growth, and setting mechanisms to better manage environmental risks and impacts.

Output 3.4 of EU4Environment, that is implemented by the OECD, aims to provide analytical and technical support for strengthening the institutional and human capacity of public administration for greening the economy. It also envisages the provision of on-going and ad-hoc expert support, capacity building and institutional strengthening in the six EaP countries. This support also extends to the Ministries of Economy as their steering force for green economy development has become stronger and require reinforcement.

EU4Environment also aims to engage, as relevant, the government units in charge of horizontal public administration reforms to ensure that innovations in the policy development and coordination system in the environmental sector is in line with relevant reforms applying horizontally to the whole public administration, and vice versa. The OECD/SIGMA's Principles of Public Administration<sup>2</sup> and its comprehensive

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<sup>1</sup> The "European Union for Environment" (EU4Environment) Action aims to help six Eastern partner countries - Armenia, Azerbaijan, Belarus, Georgia, Republic of Moldova, Ukraine - preserve their natural capital and increase people's environmental well-being. It is structured around five Results: (1) Greener decision-making; (2) Circular economy and new growth opportunities; (3) An environmental level playing field; (4) Ecosystem services and livelihoods; and (5) Regional knowledge sharing and coordination. EU4Environment is funded by the European Union and implemented jointly by five international organisations - OECD, UNECE, UNEP, UNIDO and the World Bank. The Action implementation period is 2019-2022. For more information on EU4Environment please see: <https://www.oecd.org/site/eu4environment/>

<sup>2</sup> The Principles of Public administration and the related assessment methodology are available on the SIGMA website <http://www.sigmaweb.org/publications/principles-public-administration.htm>.

assessments of the functioning of Public Administration in the EaP countries against the Principles are used as guidance. The project will be also built upon the previous work done by the OECD in the region.<sup>3</sup>

## Objectives of the assignment and expected outputs

EU4Environment will prepare six analytical country reports (one for each of the EaP countries: Armenia, Azerbaijan, Belarus, Georgia, Republic of Moldova and Ukraine) with analysis and assessments of existing and required administrative capacity for greening the EaP country economies. The analysis should cover those issues that are dealt with by Results 1-3 of EU4Environment.

The reports should present the following elements for each country:

- current **institutional framework** (structure, legal basis), for environmental and green growth policy making and implementation at the national level and for the implementation at the sub-national level (regional and/or local as appropriate). The analysis should cover in particular those issues that are dealt with by Results 1-3 of EU4Environment (ie. environmental strategic planning, development of environmental laws and regulations, compliance assurance and economic analysis and financing in the areas of air and waste management, environmental regulations for large enterprises and SMEs, SEA/EIA, environmental awareness raising/education).

The presentation may indicate any recent changes or short-term upcoming institutional reform plans (including targets and indicators). The analysis should look not only at the Ministries of the Environment and of Economy, but also other line Ministries (ex. Finance, Industry, Investment, etc.), other government agencies and other relevant public institutions, such as autonomous or independent bodies.

- current **institutional framework** (structure, legal basis) for co-ordinating and managing external technical assistance to support environment/green investment projects. Analysis should also include an assessment of the absorption capacity of external support, in particular of green finance (e.g. development of pipelines of investment projects);
- current and recent information on **budget allocations** to the environmental sector and possibly wider green economy activities, including recent trends and projections (also related to impacts of Covid-19 pandemic). Information about staff numbers, and recent trends, should be presented where feasible, at the national and sub-national level;
- current **coordination mechanisms** (horizontally across Ministries and vertically – national, regional, municipal levels) / institutional arrangements for integrating environmental concerns into **sectoral policies** (economic, finance, transport, energy, etc.) and for greening economic policies by other Ministries (again with focus on issues covered by EU4Environment). This could include examples of responsibilities by sectoral agencies for green policies or more specific policy instruments, the operations of inter-agency bodies for green policies or specific policy elements, green economy co-ordinators in sectoral Ministries and similar arrangements;
- current role of the **Parliaments**, and in particular Parliamentary Environmental Committees or working groups as well as any judicial bodies, if relevant;
- any institutional arrangements for **dialogues** on environmental and green issues **with business and NGOs**;

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<sup>3</sup> See OECD/GREEN Action Task Force publications: <http://www.oecd.org/environment/outreach/eaptaskforcelibrary.htm>

- existing **evaluation mechanisms** in the country to assess efficiency of institutions / environmental management in the country, performance targets/indicators, available data;
- assessment of **gaps and needs** with regard to the support on governance, legislative changes and economic analysis at the national and sub-national level (taking into consideration the current context – virtual modes of operation, e-government);
- **recommendations** for strengthening institutional settings in any of the frameworks mentioned above and recommendations for feasible capacity building activities. Special attention should be placed on the analysis of the need and feasibility of setting up Reform Support Teams or Project Preparation Units in the Ministries of Environment and/or Economy, and capacity building activities in the Environment or other Ministries. This should include identification of up to 3-5 key issues, to be further developed (to become basis for roadmaps development).

The analysis will be carried out against international benchmarks and comparisons with EU/OECD countries.<sup>4</sup> Therefore, the report will present a set of quantitative and qualitative indicators for the assessment of institutional capacities and for comparison and peer learning across countries.

## Implementation arrangements

The project implementation will be carried out in close collaboration with the relevant national stakeholders in six EaP countries and will include:

- Review of previous OECD work (in particular, on capacity development) and any recent relevant studies, including the report on Administrative capacity in EU members (in particular, analytical approach/methodology used in this report);
- Research and analysis of information on the existing institutional arrangements in each of the six countries, identification of gaps and possible solutions, with inputs from the national counterparts (EU4Environment National Action Coordinators, National Focal Points and other relevant stakeholders) and EU4Environment Implementation Partners (UNEP, UNECE, UNIDO).
- Consultations with relevant units of the European Commission;
- Production of six country reports (about 20-30 pages each) and confirmation of its recommendations with the national public authorities;
- Identification of synergies with other projects and building upon their experience, as relevant as well as on the work, carried out within the OECD.

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<sup>4</sup> Eg. Development of an assessment framework on environmental governance in the EU Member States No 07.0203/2017/764990/SER/ENV.E.4 Final report May 2019 <https://www.ecologic.eu/16731>