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**EU4Environment**  
Green Economy in Eastern Partner Countries

# Highlights on regional developments and support provided by the EU4Environment: Green Economy Programme

**EU4Environment 4<sup>th</sup> regional meeting on environmental compliance  
assurance**

11 March 2024

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## Environmental compliance assurance has numerous societal and economic benefits

**Environmental compliance assurance:** governmental activity aimed at ensuring that regulated entities adhere to environmental regulations

- ✓ protects public health and the environment
- ✓ helps obtain better environmental outcomes at lower overall costs
- ✓ promotes the rule of law and good governance
- ✓ increases investor confidence by reducing business risks
- ✓ stimulates innovation and creates new jobs
- ✓ promotes a level playing field
- ✓ enhances transparency and promotes citizen involvement in enforcement

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## An environmental compliance assurance system consists of three main elements underpinned by a supporting framework

- Planned and ad hoc inspections
- Ambient monitoring
- Self-monitoring
- Reporting of violations
- Audits
- Recognition of management systems



- Communication of the importance of compliance
- Assistance with compliance
- Incentives and rewards for compliance
- Enforcement policy
- A pyramid of enforcement measures
- An appeals process
- Environmental liability
- Financial security instruments

### Supporting framework

Polluter Pays Principle (PPP), legislation through a life-cycle approach, standards and regulations, permitting, institutions (e.g. regulatory agency and inspectorate), transparency and integrity

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# Highlights of developments in environmental compliance assurance in the Eastern Partnership

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## Progress

- Countries undertake **awareness-raising campaigns**
- Armenia and Azerbaijan have yearly **awareness raising plans**
- Most countries have **dedicated websites** for environmental inspectorates
- Inspectorates organise some **meetings with the private sector**
- Environmental authorities increasingly **use social media**
- Dedicated institutions exist to **share environmental information and raise awareness** in Azerbaijan and Georgia

EaP countries  
have made  
efforts to  
promote  
voluntary  
compliance...

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...but most  
actions are  
targeted at the  
general public

## Remaining challenges

- **Awareness about environmental regulations remains low** among the regulated community
- Few awareness raising activities are aimed at the **regulated community**
- **Information-sharing** tends to be **reactive**
- The **quality of information on inspectorates' websites** can be improved

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**EaP countries  
have  
strengthened  
their  
environmental  
inspectorates...**

## Progress

- Some **new inspection bodies** have been established, supported by **regional offices** and with **clearly separated permitting and inspection functions**
- **Guidance documents** govern the conduct of inspectors and inspection procedures
- Inspectorates are prioritising **development of electronic information management systems**
- Inspectorates are increasingly using **risk-based approaches**
- **Laws on industrial emissions** have been adopted in Georgia, Moldova and Ukraine (draft in Ukraine)
- Some inspectorates arrange **inspector training** and have **performance monitoring procedures** in place
- Inspectorates from Azerbaijan and Moldova actively take part in **elaboration of environmental laws**



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...but must  
address systemic  
challenges

## Remaining challenges

- **Co-ordination** between permitting and inspection bodies is insufficient
- A complete and up-to-date **overview of all the regulated operations/enterprises** is lacking
- **High staff turnover** leads to **insufficient qualifications**
- Some inspectorates **lack electronic information systems and equipment**
- **Sampling laboratories** lack **accreditation** and have **obsolete equipment**
- There are **too few planned inspections**
- **Integrity** remains a concern
- **Risk methodologies** should be further refined





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**EaP countries  
complement  
inspections  
with other  
monitoring  
tools...**

## Progress

- Countries use various **tools to receive alerts about environmental non-compliance** (hotlines, SMS alerts, letters, websites, social media, applications)
- All countries require regulated businesses to **self-monitor** and report emissions (**penalties** exist for non-compliance with self-monitoring requirements in Armenia and Moldova; **continuous self-monitoring** exists for larger companies in Georgia)
- **Some self-monitoring and reporting systems are digital**
- Moldova and Ukraine have made **progress on establishing a Pollutant Release and Transfer Register (PRTR)**

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...which need  
to be  
strengthened

## Remaining challenges

- There is a **lack of mechanisms to track how alerts are handled**
- **Response times** to alerts are long
- **24/7 response capacity** to alerts is lacking
- **Timely submission and verification of self-monitoring reports** remains challenging
- **Self-reporting** is still **paper-based** in some cases
- **PRTRs** need to be further developed, including a **verification mechanism**



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**EaP countries use a pyramid of penalties for non-compliance and are developing environmental liability provisions...**

## Progress

- Penalties generally follow the standard “**enforcement pyramid**”
- Some countries have or plan to **revise penalties**:
  - Armenia plans to revise environmental damage legislation and increase fines
  - Azerbaijan recently increased environmental fines
  - Georgia is revising the Administrative Offence Code and the Criminal Code, and has increased some fine levels
  - Moldova approved amendments to the Criminal Code and the Contravention Code and plans to revise instructions for calculating environmental damage
  - Ukraine plans to increase environmental fines
- **Georgia adopted a Law on Environmental Liability**
- **Azerbaijan’s prosecutors receive environmental training**

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...but need  
enforcement  
guidance  
documents and  
less reliance on  
administrative  
fines

## Remaining challenges

- Countries do not have a **comprehensive and publicly available enforcement policy guidance document**
- **Legislation** establishing environmental penalties is largely **outdated**
- There is heavy **reliance on administrative fines** and a **reluctance to use other penalties** including criminal
- There is a **lack of prosecutors** that **specialise in environmental matters**
- Environmental **fine levels are low** as are their **collection rates**
- Countries lack **provisions for environmental liability** of polluters
- Countries lack **environmental security provisions** for damage



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# Activities within the EU4Environment: Green Economy Programme

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## EU4Environment foresaw several activities to support EaP economies with environmental compliance assurance

Activity	ARM		AZ		BEL		GEO		MDV		UKR	
	1	2	1	2	1	2	1	2	1	2	1	2
Activity 3.2.1 <b>Strengthening of Compliance Assurance Systems, Instruments and Tools</b>	V	V	O	V	V	X	X	V	V	V	O	V
Activity 3.2.2 <b>Reform of high impact enforcement and compliance instruments, including environmental liability</b>	X	V	O	V	V	X	V	V	V	V	O	V
Activity 3.2.3 <b>Networking and capacity building</b>	X	O	X	O	X	X	V	V	V	V	O	V
Regional activities <b>Regional meetings on compliance assurance</b>	3 regional meetings											

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**1: initial**  
**2: updated**





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# EU4Environment

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## EU4Environment combined analysis, capacity building and networking

### Analysis

#### 6 country reports

- Assessments of environmental compliance assurance systems: [Armenia](#) (2022), [Moldova](#) (2022), [Georgia](#) (2023), [Azerbaijan](#) (2024)
- Assessments of legal environmental liability provisions: [Moldova](#) (2023), [Armenia](#) (2024)

#### Regional analysis

- Brochure on regional developments in environmental compliance assurance in the Eastern Partnership (forthcoming)
- Chapter in the OECD publication "[Green Economy Transition in Eastern Europe, the Caucasus and Central Asia: Progress and Ways Forward](#)"

#### Analytical support to Ukraine

- Analysis of how Ukraine's draft Law on State Environmental Control corresponds to the OECD Recommendation on Environmental Compliance Assurance
- Analytical support on methodologies for assessing environmental impact of Russia's aggression

### Capacity-building and networking

#### 3 regional capacity building events

- [Information systems](#) (2021)
- [Joint environmental inspections](#) (2022)
- [Environmental liability](#) (2022)

#### 1 online training

- Forthcoming modules on best practices

#### 2 national trainings

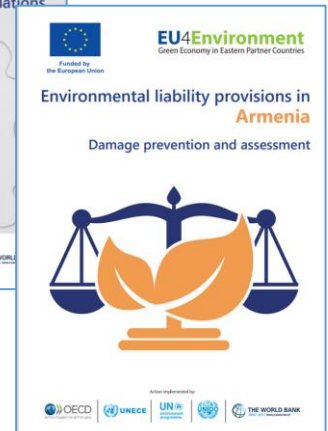
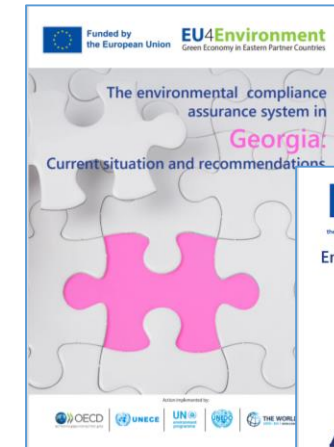
- [Georgia](#) (identification and assessment of remediation measures) (2022)
- [Ukraine](#) (inspections according to the EU IED and the role of laboratories) (2023)

#### 4 regional meetings

- [Risk-based approaches](#) (2020)
- [Enforcement](#) (2021)
- [Inspections](#) (2022)
- [Polluter-Pays Principle](#) (2024)

#### Facilitation of participation in networks

- EU4Environment observer status in [IMPEL](#) and [EUFJE](#)
- 8 IMPEL events and 1 EUFJE events opened to EaP
- Ukraine became IMPEL member in 2023



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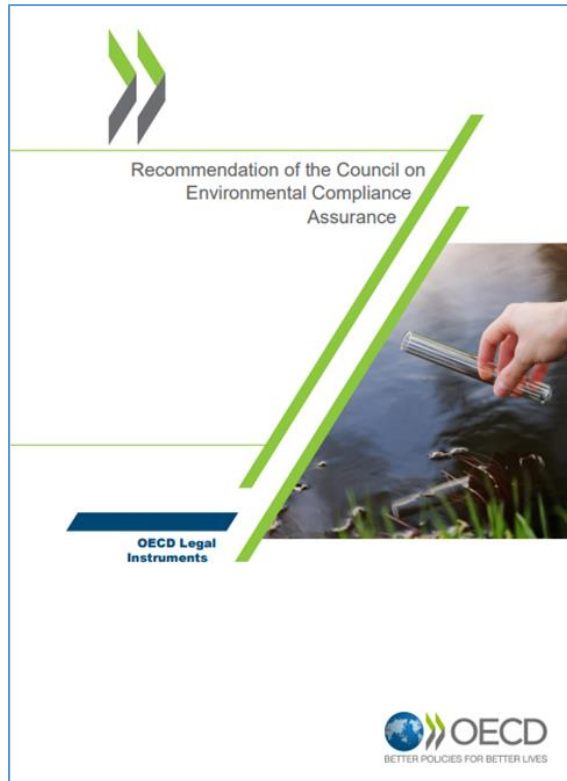




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## OECD Recommendation on Environmental Compliance Assurance



- Adopted by the OECD Council meeting at Ministerial level on **8 June 2023**
- Aims to help Adherents in designing an effective and efficient package of **tools for promoting, monitoring and enforcing compliance with environmental law**
- Complemented by a **Compendium of good practices in promoting, monitoring and enforcing environmental compliance**

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