

Unclassified

English - Or. English

27 June 2022

ENVIRONMENT DIRECTORATE
ENVIRONMENT POLICY COMMITTEE

Cancels & replaces the same document of 24 June 2022

GREEN Action Task Force

Draft GREEN Action Task Force Programme of Work for the Period 2023-2024

This document outlines proposed areas of work of the GREEN Action Task Force for the period 2023-2024. It assumes the mandate of the Task Force will be renewed at the “Environment for Europe” Ministerial Conference (5-7 October 2022).

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JT03498527

Draft GREEN Action Task Force Programme of Work for the Period 2023- 2024

Introduction

1. This document outlines the main elements of the GREEN Action Task Force's Programme of Work for 2023-24. It builds on the implementation of the Programme of Work for the period 2021-2022 and the assumption that the mandate of the Task Force will be renewed at the "Environment for Europe" Ministerial Conference (5-7 October 2022, Nicosia, Cyprus¹).
2. This document is prepared for discussion at the 2022 Annual Meeting of the GREEN Action Task Force (Tbilisi, 30 June-1 July 2022). An earlier version benefitted from review and discussion by the GREEN Action Task Force Bureau at its meeting on 16 March 2022, and has been revised to reflect the Bureau members' views and guidance.
3. This document should be read in conjunction with the document "Future Directions for the GREEN Action Task Force Beyond the 2022 "Environment For Europe" Ministerial Conference (5-7 October, 2022, Nicosia, Cyprus²) [ENV/EPOC/EAP(2022)2/REV],

Overall structure of the Programme of Work proposed for 2023-24

4. Many of the activities in the proposed work programme will be a continuation of projects for which funding (including through multi-year grants) has been received, approved or negotiated as of June 2022. The document proposes only few activities for which funding is not available or not "under discussion" at this time. Should the Task force members wish to flag new and additional topics that could be addressed that are not included in this document, they could raised them in the

¹ Note by Turkey:

The information in this document with reference to "Cyprus" relates to the southern part of the Island. There is no single authority representing both Turkish and Greek Cypriot people on the Island. Turkey recognises the Turkish Republic of Northern Cyprus (TRNC). Until a lasting and equitable solution is found within the context of the United Nations, Turkey shall preserve its position concerning the "Cyprus issue".

Note by all the European Union Member States of the OECD and the European Union:

The Republic of Cyprus is recognised by all members of the United Nations with the exception of Turkey. The information in this document relates to the area under the effective control of the Government of the Republic of Cyprus.

² See Note 1.

context of the discussion on possible future directions of the GREEN Action Task Force [see document ENV/EPOC/EAP(2022)2/REV].

5. This document presents the activities that would be implemented by the OECD, recognising that much of the OECD work would continue to be part of joint projects with other international organisations and partners.
6. It is proposed that the Task Force work programme for 2023-24 builds on the structure for the current period 2021-22, and is organised around four mutually supportive Programme Areas:

Programme Area 1: Economy-wide, cross-sectoral policies for green growth and sustainable development

7. Activities will support national-level policy dialogues on priority issues for greening of the economy in selected countries, including in the context of the post-COVID recovery. Emphasis will continue to be placed on strengthening administrative capacity for environmental management and cross-ministerial coordination for green growth, including on job impacts of green policies. Work will also inform policy development and facilitate political dialogue among Central Asian countries to address the energy-water-land use nexus in light of climate action and resource security in the region. The work will continue to support the development of green growth measurement. Annual Meetings of the Task Force will take stock of cross-cutting issues for greening of the economy.

Programme Area 2: Environmental policies for green growth: Climate change mitigation, air pollution, circular economy

8. Under EU4Environment “Towards a Green Economy” work will continue to support the six countries of the EU’s Eastern Partnership with regional experience sharing and in-country development of “smarter” regulation of environmental performance of large enterprises as well as Small- and Medium-Sized Enterprises, with emphasis on addressing challenges of air pollution and climate mitigation. The activities will also include regional and country-specific activities to strengthen environmental compliance assurance, including compliance promotion and awareness raising, non-compliance responses, and instruments for environmental liability. New work under “Promoting Green Deal Readiness in the Eastern Partnership Countries” (ProGRess) project, which is under discussion for starting in 2023, will support countries to improve the conditions for the transformation of EU trade-related agricultural and industrial value chains.

Programme Area 3: Water and ecosystems management, biodiversity protection and climate change adaptation

9. A primary aim is the continuation and enhancement of the National Policy Dialogues facilitated jointly by UNECE and OECD in both the EaP and Central Asia regions. Activities will focus on the implementation of the new EU4Environment “Water Resources and Environmental Data” project, launched in January 2022. OECD work is expected to focus on strengthening the economic soundness of water strategies and policies and also finance mobilisation for priority actions. Work in Central Asia aims to enhance the inter-sectoral coordination for water security at the national level. Activities will focus on the economic and financial dimensions of water management, feed into the NPD process and will be complemented by new work on the energy-water-land use nexus (under Programme Area 1).

Programme Area 4: Sustainable infrastructure, green investment and finance

10. In Central Asia work is planned to promote sustainable infrastructure for low-carbon development through analyses of planned infrastructure projects and decision-making frameworks for infrastructure development and strategic planning. Activities will support building national capacity on sustainability assessments to ensure environmental and socioeconomic sustainability of infrastructure projects and enhanced regional connectivity. Work is foreseen with International Transport Forum on decarbonising transport at the country-level notably on urban public transport and alongside large regional transport infrastructure.
11. In the EU's Eastern Partner countries activities will continue supporting the development of domestic public expenditure programmes and financial instruments; energy subsidy reform; mobilising private sector finance; and better use of international finance. Support to national financial institutions to enhance selection and preparation of green and low-carbon and climate-resilient investment is also envisaged. Work on green investment and finance will also be extended to Central Asia, e.g. assessing the development of green bonds and other green financing mechanisms in Kazakhstan and Uzbekistan; the mainstreaming of ESG reporting into public and private finance in Kazakhstan; encouraging the use of environmental assessments (EIA, SEA) in Central Asia and financing long-term decarbonisation strategies.

Specific activities under the 2023-24 Programme of Work

12. Activities, outlined below and organised by Programme Areas 1-4, are defined under the following categories, depending on progress and funding status:
 - A. **"Continuation"** for work streams that have already started under the work programme 2021-22 and are funded,
 - B. **"New"** for activities that have already been scoped and are funded and are to be launched in 2023-2024, and
 - C. **"Under Discussion"** for those being scoped but for which the funding is not yet fully secured, as of June 2022.

1. Economy-wide, cross-sectoral policies for green growth and sustainable development

A. Continuation (Funds available)

Regional high-level policy dialogue through Annual Meetings of the GREEN Action Task Force

13. The Annual Meetings of the Task Force, which in recent year attracted high-level participation of several Deputy Ministers from countries of the Eurasian region, will serve as an important mechanism for an annual review of progress, exchange of country experiences and country-level projects with other countries in a form of regional policy dialogue and building consensus on future priorities.

Monitoring of progress at the economy-environment nexus, including the use of green growth indicators)

14. Work under this area will facilitate further monitoring of progress with integration of economic and environmental goals. This will include assistance to identify performance indicators and to set systemic data collection and processing mechanisms. The development of country reports based on green growth Indicators will be facilitated under “EU4Environment: Green Economy” Programme. This will serve to promote policy debates on green growth and enable progress evaluation, peer review and benchmarking mechanism. The analysis of green growth indicators will also be deepened through specific thematic reviews. Links will be ensured with the System of Environmental and Economic Accounts (SEEA) and the use of indicators that are being developed to measure progress towards SDGs.
15. The work under a recently launched “EU4Environment: Water Management and Environmental Data” Programme will consider the opportunities for further inclusion of environmental data from EaP countries into OECD tools and databases.

B. New (Funds available)

Regional mechanisms for the low-carbon, climate-resilient transformation of the energy-water-land nexus in Central Asia

16. In 2023 and 2024, the OECD-led components of the project “Regional mechanisms for the low-carbon, climate-resilient transformation of the energy-water-land nexus in Central Asia” envisage: an analysis of place-specific energy, water and land-use related risks and opportunities across the region (“Nexus Hotspot Analysis”); guidance on financial decision making for climate-resilient infrastructure; and a study that proposes a modelling framework to quantify economic (and ecological where possible) benefits of regional cooperation on the nexus. The energy-water-land use nexus project also plans to commence a scoping study in 2024 to develop a practical toolkit on climate-resilient infrastructure in Central Asia. Such a toolkit would aim to help practitioners in the region select and apply different economic and financial decision support tools for strengthening climate resilience of infrastructure through the nexus approach. Examples of such decision support tools to be included in the toolkit are cost-benefit analysis, cost-effective analysis, Multi-Criteria Analysis, and other infrastructure planning tools. The analytical work is also intended to inform discussion at the abovementioned high-level dialogue at the regional and national levels.
17. In addition, a series of high-level dialogues at the regional and national levels are envisaged in 2023 and 2024 to expose the barriers to integrated management of energy, water and land at a national level and how these barriers can then impact regional cooperation in Central Asia. The dialogues aim to develop the case for improved economic and financial thinking around these issues and demonstrate the business case for cooperation with the view of to securing the political support for the follow-up activities identified below. In co-operation with UNECE, the dialogues will build on existing regional platforms such as SPECA³ and the IFAS⁴ as well as the existing National Policy Dialogues on Water in Central Asia.

³ SPECA: UN Special Programme for the Economies of Central Asia (<https://unece.org/speca>)

⁴ IFAS: The International Fund for Saving Aral Sea (<http://ec-ifas.waterunites-ca.org/>)

2. Environmental policies for green growth: Climate change mitigation, air pollution, circular economy

A. Continuation (Funds available)

Promotion of “smart” regulation of environmental impacts

18. Work will continue to support countries in establishing differentiated, effective and efficient regimes for strengthening environment and economic performance of industrial and energy production operations and large emission sources. Work, which is undertaken under “EU4Environment: Green Economy” Programme, will continue to support reform of regulatory regimes for large emission sources using the EU Industrial Emissions Directive as reference. It aims to enhance regulatory effectiveness and efficiency, reduce administrative and compliance costs to industry while not compromising environmental objectives.
19. Special attention will be paid to reducing the regulatory burden and to the simplification of environmental procedures low-risk installations, majority of which are Small and Medium Sized Enterprises (SMEs) while respecting the overall legal administrative framework and appropriate environmental requirements. The use of information-based instruments for promoting environmental performance will be supported. Coordination between all relevant ministries and involvement of civil society, including the private sector, will be ensured.

Strengthening environmental compliance assurance and environmental liability regimes

20. Strengthening the efficiency and effectiveness of enforcement institutions and instruments, such as the work of Environmental Inspectorates, carrying out compliance monitoring activities (inspections and other forms of compliance monitoring) and the use of compliance promotion tools, enforcement and non-compliance responses (including administrative measures as well as monetary penalties for non-compliance) will be carried out to enhance compliance with the environmental requirements while not stifling economic performance of the regulated community.
21. Special efforts will be made to work with business associations as agents of compliance promotion and dissemination of good practices.
22. This work, which is also carried out under “EU4Environment: Green Economy” Programme, will address the issue of environmental liability, using the provisions of the EU Environmental Liability Directive as guidance. Furthermore, work will be carried out to enhance administrative capacity for compliance assurance, including by developing interaction between relevant authorities. The judiciary will be involved in capacity building, too. Co-operation will be enhanced with relevant EU and international bodies and networks, such as the European Union Network for the Implementation and Enforcement of Environmental Law (IMPEL) and the European Union Forum of Judges for the Environment (EUFJE).

C. Under discussion (Funds not fully secured)

Support to improve the conditions for the transformation of trade-related agricultural and industrial value chains

23. A new programme “Promoting Green Deal Readiness in the EU’s Eastern Partnership Countries” (ProGRess), which is being under discussion for starting in 2023, will aim to support countries to improve the conditions for the transformation of EU trade-related agricultural and industrial value chains. The project will promote the introduction of innovative technologies, tools and

methodologies that provide a significant impetus for a transition to greater sustainability, climate resilience and long-term GHG mitigation in the region, accompanied by framework conditions that improve implementation and sectoral acceptance. Better access to financing options and support for the development of financing mechanisms and instruments involving for example national banks, development banks and public budgets will facilitate implementation. Good practices and expertise will be anchored in the institutional structures of the regional and national implementing partners.

National Policy Dialogues on Industrial Safety (NPDs)

24. The OECD (Working Party on Chemical Accident - WPCA)⁵, in cooperation with the UNECE Convention on the Transboundary Effects of Industrial Accidents, work on developing National Policy Dialogues for Industrial Safety in a number of targeted countries. The NPDs aim to target the EU Eastern Partners (as well as Western Balkans). Overall, the NPDs on Industrial Safety would include the following activities:

- Series of consultations on industrial safety to enhance cooperation between sectors and institutions at the national level;
- A platform for dialogue to advance policy reforms and improve governance at the national level and across borders in industrial accident prevention, including for new risks related to weather events and changes in climate;
- Tools to establish a stronger safety culture and improve national and transboundary coordination on industrial safety;
- Support to develop sustainable and locally-owned coordination mechanisms, and more coherent legislation and policy making;

25. Another aim will be to develop specific studies looking at the application of the flagship guidance documents of the WPCA, as well as the OECD legal instruments on chemical accidents, in the beneficiary countries.

26. Approaches and actions will be tailored to specific context and needs identified by beneficiary countries. The OECD WPCA is ready to contribute its expertise regarding the prevention, preparedness and response to chemical accidents, on topics as wide as: corporate governance for process safety, the management of ageing installations, and risk management of industrial accidents triggered by natural hazards in the context of climate adaptation.

3. Strengthening water and ecosystems management, biodiversity protection and climate change adaptation

A. Continuation (Funds available)

Water Resources and Environmental Data

27. Launched in 2022, “EU4Environment: Water Resources and Environmental Data” Programme will continue in 2023 and run until the summer of 2024. It is a follow up to two projects that were completed in the EU Eastern Partner countries in 2020-21: the European Union Water Initiative Plus (EUWI+) and the Shared Environmental Information System Phase II project (SEIS II).

⁵ The WPCA is under the responsibility of the OECD Chemicals and Biotechnology Committee

28. Under the Programme's "Water Resources" component, OECD activities will focus on support to the economic soundness of water strategy development and implementation and also consider opportunities to strengthen finance mobilisation for priority measures. Work considering the opportunities for financing nature based solutions in EaP countries will be considered as part of these activities. Under the "Environmental Data" component of this project, work will consider the opportunities for further inclusion of environmental data from EaP countries into OECD tools and databases.

4. Sustainable infrastructure, green investment and finance

A. Continuation (Funds available)

Sustainable Infrastructure

29. To assist Central Asian countries to transition towards cleaner energy, transport and industrial systems through better alignment of infrastructure investment projects with NDC and SDGs, activities will be implemented under the Sustainable Infrastructure in Asia (SIPA) Programme⁶. The Programme aims to enhance upstream strategic planning by supporting the development and/or implementation of long-term low emission development strategies, and improve institutional processes and capacities for long-term infrastructure planning and strengthening capacity to develop asset-level sustainability assessments on strategic infrastructure projects to align short-term decisions with long-term climate goals.
30. Support to upstream policy frameworks for decarbonising energy and industry will be provided by better aligning the incentives with the transition to a low-carbon economy in these key sectors. The work will focus on awareness-raising about fossil fuel subsidies and need for their reform, and assessing the investment and regulatory framework underpinning selected low-carbon technology options.
31. New work will foster sound investment decision-making and good practices for the selection and development of infrastructure projects, through multi-dimensional sustainability assessments (economic, environmental and social impacts) to be applied to key high-impact infrastructure projects in selected Central Asian countries.
32. Regional and national policy dialogues, sustainability analyses and capacity building for low-carbon and climate-resilient infrastructure could be carried out, building on earlier work mentioned above. Also, regional knowledge sharing and exchange will be promoted through a Regional Knowledge Network coordinated in cooperation with the University of Central Asia.

Improving strategic infrastructure planning processes for resilience

33. Specific work will include the elaboration of policy guidance and recommendations on improving strategic planning processes, institutions and instruments to strengthen the resilience of infrastructure against climate change risks, and organise policy dialogues to promote good practices. Work is currently foreseen in Mongolia that is part of the OECD Eurasia Competitiveness Programme as part of SIPA. Subject to further financing, similar activities could be undertaken in other countries in Central Asia.

⁶ The SIPA programme support countries in Central as well as in Southeast Asia.

Mobilising public and private resources for green finance

34. Building on the previous work on green finance, new work will identify best ways to access financing options for green investment and support the development of financing mechanisms and instruments involving for example national banks, development banks and public budgets in both EaP and selected Central Asian countries. The work will be implemented as part of the EU4Environment: Green Economy” and an envisaged new “Promoting Green Deal Readiness in the EU’s Eastern Partnership Countries” (ProGRess) Programme which is under discussion and for which funds not fully secured yet.
35. The work will continue reviewing interested national funding entities and businesses, providing evidence-based analysis and policy recommendations to enhance their capacity in appraisal and implementation of green projects as well as reduction of various project-related risks and transaction costs. Activities will include reviews of selected national public funding entities’ practices and support their capacities for providing and mobilising green finance, and the promotion of responsible business conduct among businesses in selected countries.
36. This work will also review approaches to blending public and private resources and leveraging private capital in a cost-effective way to help stimulate more demand for green investments. This will include analysis of the feasibility of establishing a special-purpose “green investment bank”, or refocusing activities of existing public financial institutions and businesses to mobilise private investment in green infrastructure.

Budgetary situation

37. The total indicative budget for the GREEN Action Task Force Work Programme (Areas 1-4) for the 2023-24 biennium is EUR 7.488M. Table 1 provides the breakdown of funds available and funds under consideration for the full Programme of Work for 2023-24.

Table 1. Budgetary situation for Programme Areas 1-4 for 2023-24

PROGRAMME AREA	Funds available (EUR k)	Funds under consideration (EUR k)
1. Economy-wide, cross-sectoral policies for green growth and sustainable development:	2.411	200
2. Environmental policies for green growth: Climate change mitigation, air pollution, circular economy	75	1.126
3. Water and ecosystems management, biodiversity protection and climate change adaptation:	860	400
4. Sustainable infrastructure, green investment and finance:	1.290	1.126
TOTAL	4.636	2.852

38. The budgetary situation to support the Programme is considered generally sound for 2023-24, in particular due to multi-year programmes funded by Germany and the European Union (Annex 1). In addition, Switzerland and Germany have continued to provide regular contributions on an annual basis.

Box 1 presents financial contributions already in hand or under consideration as of June 2022.

Box 1. Financial contributions to the Work Programme (2023-2024)

Fund available:

- **Germany:** Programme Area 1 (national GREEN Action Platforms, regional Task Force Annual Meetings, regional cooperation for energy-water-land nexus transformation,), and Programme Area 4 (green finance and sustainable infrastructure).
- **Switzerland:** overall annual support for Programme Areas 1, 2, 3 and 4
- **EU:** Programme Areas 1 (monitoring progress); Programme Area 2 (environmental regulations and compliance promotion), Programme Area 3 (water resources and environmental data) and Programme Area 4 (green finance).

Funds under consideration:

- **Germany:** Programme Area 2 (environmental regulations and incentives), Programme Area 3 (strengthening water management) and Programme Area 4 (green finance)
- **Switzerland:** overall annual support for Programme Areas 1, 2, 3 and 4

Annex A. Brief descriptions of Programmes contributing to the GREEN Action Task Force's Programme of Work

Regional mechanisms for the low-carbon, climate-resilient transformation of the energy-water-land nexus in Central Asia

39. This multi-year project for Central Asia aims to operationalise the energy-water-land nexus through economic and financial analytical work at regional and national levels in Central Asia. The project helps Central Asian countries identify nexus opportunities, demonstrate the business case for cooperation, identify pilot investment projects, raise capacity and increase trust, creating the political momentum necessary to pave the way for the countries to improve planning processes and adopt a whole-of-government approach to addressing the nexus.
40. This Programme is funded by the International Climate Initiative of the Germany's Federal Ministry for the Environment, Nature Conservation, Nuclear Safety and Consumer Protection. The OECD, as the consortium lead, collaborates with UNECE, EBRD, SIC ICWC⁷ and FAO, and in addition to substantive work, provides an overall co-ordination of various work streams under the project. The Programme implementation period is 2022-2026.

EU4Environment: Green Economy

41. The "European Union for Environment" (EU4Environment: Green Economy) Programme helps the six EU partner countries: Armenia, Azerbaijan, Belarus, Georgia, Republic of Moldova, and Ukraine 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.
42. The Action is funded by the European Union and implemented by five Partner organisations: Organisation for Economic Co-operation and Development (OECD), United Nations Economic Commission for Europe (UNECE), United Nations Environment Programme and United Nations Industrial Development Organisation. The Programme implementation period is 2019-2023.

EU4Environment: Water Resources and Environmental Data

43. The programme aims at improving people's wellbeing in the EU's Eastern partner countries and enabling their green transformation in line with the European Green Deal and the Sustainable Development Goals (SDGs). The programme's activities will be clustered around two specific objectives:

⁷ SIC ICWC: Scientific-Information Center of the Interstate Commission for Water Coordination of Central Asia.

- Support a more sustainable use of freshwater resources through improved water policies and practices and help reduce the adverse impact of human activities on water quality and ecosystems; and
 - Extend and improve the use of sound environmental statistics by the partner countries, and ensure greater availability of policy-relevant data for decision-makers and citizens.
44. The Action is funded by the European Union and the Implementing Partners are: Environment Agency Austria (UBA), Austrian Development Agency (ADA), International Office for Water (OiEau) (France), Organisation for Economic Co-operation and Development (OECD), United Nations Economic Commission for Europe (UNECE). The Programme implementation period is 2022-2024.

Sustainable Infrastructure Programme in Asia

45. The Sustainable Infrastructure Programme in Asia (SIPA) helps selected Central and Southeast Asian countries scale up energy, transport and industry infrastructure investments, and shift them towards infrastructure projects consistent with low-emission, resilient development pathways and the Sustainable Development Goals. SIPA provides countries with capacity development and policy advice at different stages of the infrastructure investment cycle: i) long-term strategic planning, ii) project-level evaluation, iii) aligning national policy frameworks for energy, transport and industry and iv) green finance and investment.
46. SIPA primarily focuses on Kazakhstan, Mongolia and Uzbekistan in Central Asia as well as Indonesia, the Philippines and Thailand in Southeast Asia. Other countries in both regions benefit from SIPA's activities through regional policy dialogues and capacity building seminars. SIPA also engages with stakeholders in China as a major centre of infrastructure investment as well as source of outward foreign investment in infrastructure.
47. This project is funded by the International Climate Initiative of the Germany's Federal Ministry for the Environment, Nature Conservation, Nuclear Safety and Consumer Protection. SIPA is implemented by a consortium of international and regional experts from: the International Transport Forum (ITF), Institut du développement durable et des relations internationales (IDDRI), International Institute for Sustainable Development (IISD), United Nations Development Programme (UNDP), World Wildlife Fund for Nature (WWF), University of Central Asia (UCA) and the OECD. The Programme implementation period is 2021-2025.

Promoting Green Deal Readiness in the EU Eastern Partner Countries (ProGRess)

48. The Project aims to support the countries of the Eastern Partnership (EaP) in their transition to a climate-friendly economy. Necessary changes in EU trade-related agricultural and industrial value chains are to be accelerated so that EU market access for these sectors can be maintained. The Project promotes the introduction of innovative technologies for sustainability, climate resilience and greenhouse gas reductions. This also includes driving digital change in these countries, such as e.g. a stronger digital link between government consulting services and research, as well as the development and implementation of digitization strategies for selected economic sectors. The implementation of green technologies in agriculture and industry as well as green regulatory reforms also support the achievement of national climate targets and the implementation of the concept of "Green Recovery".
49. This project is expected to be funded by the International Climate Initiative of the Germany's Federal Ministry for the Environment, Nature Conservation, Nuclear Safety and Consumer Protection. The Implementing Partners are Deutsche Gesellschaft für internationale Zusammenarbeit (GIZ) GmbH and Organisation for Economic Co-operation and Development

(OECD) in co-operation with the Regional Environmental Centre for the Caucasus (REC Caucasus), European Business Association (EBA) Moldova and Institute of Economics and Forecasting of the National Academy of Sciences of Ukraine (IEF). The expected implementation period is 2023-2028.