



**Economic and Social  
Council**

Distr.  
GENERAL

CEP/2004/6  
5 August 2004

Original: ENGLISH

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**ECONOMIC COMMISSION FOR EUROPE**

COMMITTEE ON ENVIRONMENTAL POLICY  
(Eleventh session, Geneva, 13-15 October 2004)  
Item 4(a) of the provisional agenda

**REPORT ON THE WORK OF THE AD HOC  
ENVIRONMENTAL PERFORMANCE EXPERT GROUP**

**Note by the secretariat**

**Summary**

1. The ad hoc Environmental Performance Expert Group has provided important expertise and guidance to UNECE environmental performance review programme throughout the first round of reviews, and it has now begun to provide the same valuable service for the second round. In this regard, the Committee may wish to approve both the new structure of second reviews and the proposed list of indicators as a working model for the reviews.
2. The Expert Group, which was established by the UNECE Committee on Environmental Policy in 1997, is now concluding its third mandate. The Committee may wish to extend its mandate, adopt its terms of reference and elect its members.

**Introduction**

3. Environmental performance reviews (EPRs) assess a country's efforts to reduce its overall pollution burden and manage its natural resources; to integrate environmental and socio-economic policies; to strengthen cooperation with the international community; to harmonize environmental conditions and policies throughout Europe, the Caucasus, Central Asia and North America; and to contribute to sustainable development in the UNECE region.

4. The UNECE EPR programme had four main objectives for its first round of reviews: (i) to assist countries in transition to improve their management of the environment by establishing baseline conditions and making concrete recommendations for better policy implementation and performance; (ii) to promote a continuous dialogue between UNECE member countries by exchanging information about policies and experiences, and progress in the current transition period; (iii) to integrate environmental policies into sectoral policies; and (iv) to integrate further health aspects into environmental performance.

5. By early 2003, UNECE had completed or scheduled first environmental performance reviews for all but one of the eligible countries in the region. The Expert Group therefore recommended, in its report to the Committee at its eighth session (CEP/2001/5), that the fifth Ministerial Conference (Kiev, May 2003) should be the target date for closing the first round.

6. The second reviews require a different focus, one that reflects both the progress that has been achieved within the countries and the decisions that were taken at the fifth Ministerial Conference "Environment for Europe". The objectives should now be:

- (a) To assist countries in transition to improve their management of the environment by:
  - (i) Assessing their implementation of national policy targets, legislation and international commitments, and identifying good practices;
  - (ii) Assessing and promoting the generation and allocation of financing for the environment from public and private, domestic and international sources;
  - (iii) Promoting the integration of the environment with other sectors at all decision-making levels; and
- (b) To promote a continuous dialogue among UNECE countries by exchanging information about progress in their policies and experiences.

7. Since 1994, 23 countries have been reviewed through the environmental performance review programme. These include: Poland\* (1994); Bulgaria\* (1995); Estonia (1995); Slovenia (1997); Belarus\* (1997); Republic of Moldova (1998); Lithuania (1998); Latvia (1998); Ukraine (1999); Croatia (1999); Russian Federation\* (1999); Kazakhstan (2000); Kyrgyzstan (2000); Armenia (2000); Romania (2001); Uzbekistan (2001); Albania (2002); the former Yugoslav Republic of Macedonia (2002); Serbia and Montenegro (2002); Azerbaijan (2003); Georgia (2003); Bosnia and Herzegovina (2004); and Tajikistan (2004). Second reviews have been undertaken in Bulgaria (2000) and Estonia (2001), and one is currently under way in Belarus. (\* Marks reviews undertaken by the Organisation for Economic Co-operation and Development (OECD), in cooperation with UNECE.) The environmental performance review reports are available as United Nations sales publications.

## **I. BRIEF OVERVIEW OF THE MAIN TASKS AND GOALS DURING THE FIRST, SECOND AND THIRD MANDATES OF THE EPR EXPERT GROUP**

### **A. Establishment of an EPR expert group**

8. At its fourth session (May 1997), the Committee on Environmental Policy established the Ad Hoc Expert Group on Environmental Performance Reviews for a period of two years to: (a) provide

guidance to the UNECE secretariat and the Committee on all substantive and organizational matters arising in the implementation of the EPR programme; and (b) assist the secretariat in coordinating the programme with processes under way in other international institutions, particularly in OECD. Experts from Albania, Bulgaria, Estonia, Germany, Italy, Kazakhstan, Latvia, the Netherlands, Switzerland and Ukraine were elected.

#### **B. Work of the Expert Group during its first mandate**

9. During its first two years (1997 to 1999), the Expert Group defined its role in the organizational set-up of the EPR programme. It helped to: (a) raise awareness about both the strategic and the practical constraints, features and options faced by environmental administrations of countries in transition to a market economy; (b) clarify the reasonable scope of ambition as well as the limits of the Committee on Environmental Policy through the EPR programme to become a valid discussion partner for environment ministries and other administrations concerned in the countries in transition; and (c) provide the UNECE secretariat with the necessary backstopping in all matters concerning the adaptation of the EPR process to the conditions of transition, and options for improving the efficiency of the programme.

#### **C. Work of the Expert Group during its second mandate**

10. In September 1999, at its sixth session, the Committee on Environmental Policy renewed the mandate of the Expert Group for an additional two years. Experts from Albania, Bulgaria, Croatia, Estonia, Germany, Italy, Kazakhstan, the Netherlands, Switzerland and Ukraine were elected.

11. During its second mandate, the Expert Group met four times, in Erevan, on 26 March 2000, and in Geneva, on 21-22 September 2000, 8-9 March 2001 and 19-21 September 2001. During this period, the Expert Group addressed itself to what it had identified, in its report to the Committee in 1999 (CEP/1999/6, paras. 27 to 30), as the main unsolved problems, as well as other issues that became more salient over the two-year period. Among these issues were the optimization of the review process, from pre-mission to follow-up; the structure of the peer review; the closure of the first round of reviews; dissemination of information; cooperation; and the future of the Expert Group itself.

12. Overall, the EPR programme has been well received by both the countries reviewed and the other member States of UNECE. Like any successful programme, it requires continued analysis and oversight in order to improve its implementation and identify any problems that may arise.

#### **D. Work of the Expert Group during its third mandate**

13. In September 2001, at its eighth session, the Committee on Environmental Policy renewed the mandate of the Expert Group. Experts from Armenia (Mr. Karen Jenderedjian), Bulgaria (Ms. Vanya Grigorova), Denmark (Mr. Ole Kaae), Estonia (Mr. Harry Liiv), Germany (Mr. Dieter Gottlob), the Netherlands (Mr. Adriaan Oudeman), Romania (Mrs. Serena Adler), the Russian Federation (Ms. Irina

Krasnova), Slovakia (Ms. Tatiana Plesnikova), Switzerland (Mr. Jürg Schneider) and Uzbekistan (Ms. Nadejda Dotsenko) were elected.

14. During its third mandate, the Expert Group met four times, in Geneva, on 7-11 October 2002, 17 February 2003, 16-17 October 2003 and 13-15 September 2004. During this period, seven countries have undergone the first review, thus closing the first round of reviews for all eligible countries (with the exception of Turkmenistan, which has not requested an EPR).

15. A number of recommendations of the Expert Group in its report to the Committee in 2001 (CEP/2001/5, chap.III) were adopted. Of particular importance was the recommendation to change the structure of the peer review by distinguishing between an expert review and a peer review. As a result, the ad hoc Expert Group has been undertaking detailed expert reviews prior to the Committee's annual sessions. At these meetings, the drafts environmental performance reviews are discussed in detail with the participation of experts from the reviewed country. Particular attention is paid to the conclusions and recommendations. The peer review continues to be the responsibility of the Committee on Environmental Policy, which has organized round tables on major policy issues arising from the EPRs, with high-level representatives. The Committee draws its conclusions based on the policy discussion and the results of the expert review and adopts its recommendations accordingly. This change has resulted in a more efficient distribution of work during the peer review, deeper and more thorough analysis of the EPR drafts and an opportunity to focus on the policy issues of particular importance at the peer review. It has been welcomed by the Expert Group, the national experts who participated in the expert reviews and the Committee.

16. Another important activity accomplished by the Expert Group during its third mandate was participation in preparations for the Kiev Conference. In particular, the Expert Group reviewed and contributed to the draft of the "Report on environmental policy in transition: Lessons learned from ten years of UNECE environmental performance reviews" (ECE/CEP/98). The report was subsequently reviewed by the Committee and welcomed by the Ministers at the Kiev Conference.

17. The Ministerial Conference confirmed that the EPR programme had made it possible to assess the effectiveness of the efforts of countries with economies in transition to manage the environment, and to offer the Governments concerned tailor-made recommendations on improving environmental management to reduce pollution, to better integrate environmental policies into sectoral policies and to strengthen cooperation with the international community. The Ministers reaffirmed their support for the EPR programme and decided that it should continue.

## **II. CONCLUSIONS OF THE EXPERT GROUP AND RECOMMENDATIONS TO THE COMMITTEE ON ENVIRONMENTAL POLICY**

### **A. Second round of reviews**

18. The review mission for the second EPR of Belarus is scheduled for September-October 2004. Other countries have voiced their interest in conducting second reviews in the near future.

19. Since one of the goals is the convergence of environmental conditions and policies throughout the UNECE region, the second reviews would benefit from a uniform structure. At the same time, this structure should be flexible enough to allow focusing on the priorities of the countries, including any new concerns that might have arisen since the first review.

20. The agreed structure for the second EPR of Belarus may serve as a template for future reviews, to be adjusted as necessary with due consideration to the priorities of the country reviewed:

- (a) Overview: implementation of the recommendations in the first review
- (b) Part I. Policy-making, planning and implementation
- (c) Part II. Mobilizing financial resources
- (d) Part III. Integration of environmental concerns and environmental management in different economic sectors

21. Also consistent with the decisions taken by the Ministers in Kiev and the Committee on Environmental Policy, work has begun on identifying a set of indicators that could be standardized for all second reviews, presuming the availability of data. As was decided, these indicators would, inter alia, take into account progress toward the targets and goals specified at the Kiev Conference, the UNECE regional meeting for the World Summit on Sustainable Development, the Plan of Implementation adopted at the World Summit, and the United Nations millennium development goals, as they relate to environmental management at the national level. The proposed indicators are listed in annex II.

**22. The Committee on Environmental Policy may wish to approve:**

- (a) The general structure of the second environmental performance reviews;**
- (b) The proposed list of indicators as a working model, to be further refined on the basis of experience with their application.**

## **B. The Expert Group**

23. During its third mandate, in particular, the Expert Group has maintained its active role in preparing the peer reviews by the Committee on Environmental Policy. In view of its demonstrated value, and taking into account the success in accomplishing its augmented role in peer reviews, its role in preparations for the Kiev Conference and its importance during the second round of reviews, the mandate of the Expert Group should be extended.

**24. The Committee on Environmental Policy may wish:**

- (a) To extend the current mandate of the ad hoc Expert Group on Environmental Performance for an additional two years.**
- (b) To adopt the terms of reference for the ad hoc Expert Group contained in annex I.**
- (c) To elect the members of the ad hoc Expert Group on the basis of proposals submitted by its Bureau.**

**Annex I**

**PROPOSED TERMS OF REFERENCE  
EXPERT GROUP ON ENVIRONMENTAL PERFORMANCE**

**A. Membership**

1. The Expert Group should comprise 10 to 14 members, with due consideration to geographical balance among the countries in the region.
2. It is suggested that, when new members are chosen, due regard should be given to experts from countries that have recently been reviewed as well as to those that have undergone or soon will undergo second reviews.

**B. Terms of reference**

3. The UNECE Committee on Environmental Policy renews the mandate of the ad hoc UNECE Expert Group on Environmental Performance for a period of two years to:
  - (a) Carry out the expert review process prior to the peer review to be undertaken by the Committee on Environmental Policy;
  - (b) Provide guidance to the UNECE secretariat and the Committee on all substantive and organizational matters arising in the implementation of the UNECE programme of environmental performance reviews (EPRs); and
  - (c) Assist the UNECE secretariat in coordinating the UNECE EPR programme with processes under way in other international institutions that have a bearing on it, inter alia, the United Nations Environment Programme (UNEP), the World Health Organization (WHO), the World Bank, the European Bank for Reconstruction and Development (EBRD), the Asian Development Bank and the Organisation for Economic Co-operation and Development's (OECD) environmental performance review programme.
4. The guidance of the Expert Group to UNECE and the Committee will include:
  - (a) Identification of opportunities and requirements for improving the conduct of the EPRs;
  - (b) Assessment of environmental trends relevant to the EPR process in countries in transition, including the organization of regional and subregional joint meetings, seminars and workshops, where these are demand-driven;
  - (c) Review and improvement of the data and information used for the EPRs;
  - (d) Proposals on how to improve the adoption of the recommendations contained in the EPR country reports and their implementation.

5. The EPR Expert Group is elected by the Committee on Environmental Policy upon the recommendation of the Bureau. The secretariat will invite international institutions pursuing related work to participate in the work of the EPR Expert Group.
6. The EPR Expert Group determines its rules of procedure in accordance with the relevant provisions of its terms of reference and elects its chair.
7. The EPR Expert Group will report annually on its activities to the Committee on Environmental Policy, and may raise any issue with the Committee that it deems necessary for the implementation of its mandate.

## Annex II

### INDICATORS PROPOSED FOR USE IN THE SECOND EPRs

1. In its report, to the Kiev Ministerial Conference(ECE/CEP/98), the Committee on Environmental Policy recommended, inter alia, that “the second environmental performance reviews should measure progress made in implementation, including implementation of the recommendations from the first review, using a relevant set of indicators.” This recommendation was adopted by the Environment Ministers in Kiev.
2. The indicators below are proposed for discussion by the ad hoc Expert Group on Environmental Performance, during its meeting on 13-15 September 2004, and by the Committee on Environmental Policy, at its eleventh session.
3. Initial work on these indicators began with a list of 400 indicators chosen from the following sources:
  - Millennium development goals;
  - First round of UNECE environmental performance reviews;
  - OECD in its environmental performance reviews;
  - UNECE ad hoc Working Group on Environmental Monitoring;
  - United Nations Commission on Sustainable Development; and
  - European Environment Agency.
4. The set of indicators was then streamlined by omitting duplication or redundancy and by trying to select a limited set capable of capturing the key concerns in each of the areas likely to be covered by the UNECE environmental performance reviews in their second round.



### Indicators proposed for use in the second EPRs

	Indicator	Indicator used by						
		CSD indicators	OECD key indicators	UNECE (EPRs)	EECCA list	“Kiev” indicator	Millenium development goal	EEA
	<b>Air pollution</b>							
1	Emissions of SO2							
	- Total			X	X	?		
	- by sector			X	X	?		
	- per capita (kg/capita)		OECD EPR	X				
	- per unit of GDP (kg /US\$1000)		OECD EPR					
2	Emissions of NOX							
	- Total			X	X	?		
	- by sector			X	X	?		
	- per capita (kg/capita)		OECD EPR					
	- per unit of GDP (kg /US\$1000)		OECD EPR					
3	Greenhouse gas (GHG) emissions, total (CO2, CH4, N2O, CFC, etc.)	X	X					
	- GHG emissions by key source sector (energy, transport, industry, agriculture, waste)				X	?		
4	Emissions of CO2							
	- Total	X		X				
	- By sector			X				
	- Per capita (ton/capita)		OECD EPR	X			28	
	- Per unit of GDP (ton /US\$1000)		OECD EPR	X				
5	Greenhouse gas emissions vs targets (if established)	X			X	?		?
6	Energy-related particulate emissions				X	?		
7	Urban population exposed to air quality exceedances (e.g. factor of maximum permissible concentration (MPC) or air pollution index)	X	X		X	?		
8	Consumption of ozone-depleting substances	X			X	?	28	?

Indicator	Indicator used by						
	CSD indicators	OECD key indicators	UNECE (EPRs)	EECCA list	“Kiev” indicator	Millenium development goal	EEA
<b>Water</b>							
9 Freshwater resources (surface and groundwater)			X	X			
10 Water abstraction (total and per capita)			X	X	?		?
11 Intensity of water use (abstraction / available resources)	X	X					
12 Total water consumption by sector (households, industry, agriculture)			X	X			
13 Household water consumption index (per capita)				X			
14 Nutrient and organic water pollution in rivers							
- BOD	X	X		X	?		?
- Ammonium	X	X		X	?		?
- Nitrates		X	X	X	?		
- Phosphates		X	X	X	?		
15 Nitrates in the groundwater							
16 Untreated and insufficiently treated waste water (%)							
17 Hazardous substances in coastal and marine waters (land-based sources)				X	?		
18 Accidental and illegal discharges of oil at sea			X	X	?		
<b>Biodiversity and living resources</b>							
19 Protected areas	X	X					
20 - Total area	X	X					
- % of national territory	X	X				26	
- by category (World Conservation Union (IUCN))							
21 Forests							
- Total area			X				
- % of land area			X			25	
- Structure (area of species)	X	X		X			
- Naturalness							
- Volume of the wood			X				
- Harvesting intensity (harvest/growth)	X	X					
22 Flora and fauna species richness in proportion to surface area of the countries	X		X	X			
23 Number of threatened species		X	X				
24 Annual fish catch by species	X	X					

	Indicator	Indicator used by						
		CSD indicators	OECD key indicators	UNECE (EPRs)	EECCA list	“Kiev” indicator	Millenium development goal	EEA
	<b>Land resources and soil</b>							
25	Arable land (in ha)	X		X				
26	Land use (% of total)			X				
27	Soil erosion			X				
	- % of total land area			X				
	- % of agricultural land			X				
28	Pesticide consumption	X		X	X	?		?
29	Fertilizer consumption	X		X	X	?		?
	<b>Energy</b>							
30	Total energy consumption by fuel	X	OECD EPR (supply)	X	X	?		
31	Final energy consumption (by fuel and sector in UNECE)		OECD EPR (supply)	X	X			?
32	Energy intensity (energy consumption per unit of GDP)	X	OECD EPR		X	?	27	?
33	Energy productivity (GDP / ton of oil)							
	<b>Transport</b>							
34	Number of transport accidents, fatalities and injured (land, air and maritime)			X	X			
35	Size and composition of vehicle fleet		OECD EPR	X	X	?		
36	Passenger transport demand by mode				X	?		?
37	Freight transport demand by mode							
	<b>Waste</b>							
38	Generation of waste							
	- Total waste generation				X	?		
	- Hazardous (toxic) waste	X	X	X	X	?		?
	- Industrial waste	X	X	X	X	?		?
	- Municipal waste	X	X	X	X	?		?
	- Radioactive (nuclear) waste	X	X	X	X	?		?
39	Transboundary movements of hazardous waste		X		X			
40	Waste intensity (total waste generated per unit of GDP)				X			
41	Waste recycling and reuse	X	X	X				

	Indicator	Indicator used by						
		CSD indicators	OECD key indicators	UNECE (EPRs)	EECCA list	“Kiev” indicator	Millenium development goal	EEA
	<b>Health and demography</b>							
42	Drinking water quality (proportion of samples failing the standard)			X	X			
43	Population with access to safe drinking water (%)				X			
44	Population with access to improved sanitation (%)						31	
45	Incidence of typhoid, paratyphoid and other salmonella infections			X				
46	Morbidity rates for selected causes (per 100,000 population)			X				
47	Tuberculosis incidence rate (per 100,000 population)			X				
48	Viral hepatitis incidence rate (per 100,000 population)			X				
49	Health expenditure (% of GDP)		OECD EPR					
50	Birth rate (per 1000)			X				
51	Fertility rate			X				
52	Mortality rate (per 1000)			X				
53	Infant mortality rate (deaths/1000 live births)		OECD EPR	X			14	
54	Female life expectancy at birth (years)		OECD EPR	X				
55	Male life expectancy at birth (years)			X				
56	Life expectancy at birth (years)			X				
57	Population aged 0-14 years (%)			X				
58	Population aged 65 years or over (%)			X				
59	Ageing index (over 64/under 15)		OECD EPR					
60	Total population (100 000 inh.)		OECD EPR					
	- % change (1990-2000)		OECD EPR					
	- Population density, (inh/km2)		OECD EPR					
	<b>Socio-economic issues</b>							
61	GDP		OECD EPR	X				
	- (change, 1989=100)			X				
	- (% change over previous year)		OECD EPR	X				
	- in current prices (million national currency)			X				
	- in current prices (million US\$)			X				
	- per capita (US\$)		OECD EPR	X				
	- per capita (US\$ Purchasing power parity (PPP) per capita)			X				

	Indicator	Indicator used by						
		CSD indicators	OECD key indicators	UNECE (EPRs)	EECCA list	“Kiev” indicator	Millenium development goal	EEA
	<b>Socio-economic issues</b>							
62	Industrial output (annual 1989=100)			X				
63	Industrial output (% change over previous year)		OECD EPR	X				
64	Agricultural output (% change over previous year)			X				
65	Share of agriculture in GDP (%)		OECD EPR	X				
66	Labour productivity in industry (% change over previous year)			X				
67	Consumer price index (CPI) (% change over the preceding year, annual average)			X				
68	Producer price index (PPI) (% change over the preceding year, annual average)			X				
69	Registered unemployment (% of labour force, end of period)		OECD EPR	X				
70	Labour force participation rate (% 15-64-year-old)		OECD EPR					
71	Employment in agriculture (%)		OECD EPR					
72	Current account balance			X				
	- Total (million US\$)			X				
	- (as % of GDP)			X				
73	Balance of trade in goods and non-factor services (million US\$)			X				
74	Net FDI inflows (million US\$)			X				
75	Net FDI flows (as % of GDP)			X				
76	Cumulative FDI (million US\$)			X				
77	Foreign exchange reserves			X				
	- Total reserves (million US\$)			X				
	- (as months of imports)			X				
78	Exports of goods (million US\$)			X				
79	Imports of goods (million US\$)			X				
80	Net external debt (million US\$)			X				
81	Ratio of net debt to exports (%)			X				
82	Ratio of net debt to GDP (%)			X				
83	Exchange rate: annual averages (national currency/ US\$)			X				

	Indicator	Indicator used by						
		CSD indicators	OECD key indicators	UNECE (EPRs)	EECCA list	“Kiev” indicator	Millenium development goal	EEA
	<b>Income and poverty</b>		<b>OECD EPR</b>					
84	GDP per capita (US\$1000/cap)		<b>OECD EPR</b>					
85	Poverty (% of pop.<50% median income)		<b>OECD EPR</b>					
86	Inequality (Gini levels)		<b>OECD EPR</b>				<b>3</b>	
87	Minimum to median wages		<b>OECD EPR</b>					
88	Education expenditure (%)		<b>OECD EPR</b>					
89	Communications							
	- Telephone lines per 100 population			<b>X</b>			<b>47</b>	
	- Cellular subscribers per 100 population			<b>X</b>			<b>47</b>	
	- Personal computers in use per 100 population			<b>X</b>			<b>48</b>	
	- Internet users per 100 population			<b>X</b>			<b>48</b>	
90	<b>Education</b>							
	Literacy rate			<b>X</b>			<b>8</b>	