



# Improving Economic Instruments for Water Resources Management in the Republic of Buryatia (Contribution to the Baikal Project)

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Lake Baikal accounts for 20 percent of the global fresh water reserves. Lake Baikal was declared the UNESCO world natural heritage site in 1996.





The key challenge related to ensuring sustainable development of the Baikal natural area and the Republic of Buryatia (RB) is the need to strike a reasonable balance between the two key policy objectives: Lake Baikal protection; and a rapid social and economic development of the region.

The administrative bans on many types of economic activities (especially in the Central Environmental Zone) has been the main instrument for Baikal protection. However, such bans have resulted in the estimated loss of 5% to 7% of the GRP annually in the Republic of Buryatia.

The key objective of the OECD project has been to develop recommendations on improving the use of economic and other policy instruments for water resources management to achieve the environmental goal while ensuring sustainable development of the water sector and a more buoyant social and economic development of the Republic of Buryatia.

It included examining options for replacing a number of administrative bans with more flexible (economic) instruments.



## The project was implemented through a policy dialogue steered by the Inter-Agency Coordination Group co-chaired by the Minister of Economy and the Minister of Natural Resources of the Republic of Buryatia

МИНИСТЕРСТВО ЭКОНОМИКИ РЕСПУБЛИКИ БУРЯТИЯ  
БУРЯАД РЕСПУБЛИКЫН ЭКОНОМИКЫН МИНИСТЕРСТВО

МИНИСТЕРСТВО ПРИРОДНЫХ РЕСУРСОВ  
РЕСПУБЛИКИ БУРЯТИЯ  
БУРЯАД РЕСПУБЛИКЫН БАЙГААЛИН НӨӨСЭНҮҮДЭЙ  
МИНИСТЕРСТВО  
ПРИКАЗ

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г. Улан-Удэ

О создании межведомственной координационной группы по проекту ОЭСР в Республике Бурятия

В целях координации проекта Организации Экономического Сотрудничества и Развития (ОЭСР) в Республике Бурятия по совершенствованию использования экономических инструментов управления водными ресурсами и водохозяйственным комплексом республики **п р и к а з ы в а ю:**

1. Создать межведомственную координационную группу в составе:

- |                                  |   |   |
|----------------------------------|---|---|
| 1. Ангаев Баир Дугарович         | - | министр природных ресурсов Республики Бурятия - Сопредседатель  |
| 2. Думнова Татьяна Гавриловна    | - | министр экономики Республики Бурятия - Сопредседатель   |
| 3. Мартусевич Александр Петрович | - | представитель ОЭСР (по согласованию)  |
| 4. Манзанов Александр Николаевич | - | министр сельского хозяйства и продовольствия Республики Бурятия (по согласованию)   |
| 5. Трифонов Федор Мартемьянович  | - | министр строительства и модернизации ЖКК Республики Бурятия (по согласованию)   |
| 6. Кривошеев Николай Павлович    | - | заместитель руководителя Республиканского агентства лесного хозяйства (по согласованию)   |
| 7. Борталевич Юрий Николаевич    | - | заместитель руководителя Республиканской службы по тарифам Республики Бурятия - начальник отдела контроля тарифов (по согласованию) |
| 8. Оттенс Андрей Генрихович      | - | руководитель Управления по недропользованию по Республике Бурятия   |

- |                                  |   |  |
|----------------------------------|---|--|
| 9. Миронова Любовь Ивановна      | - | (Бурятнедра) (по согласованию) заместитель руководителя Управления Федеральной службы по надзору в сфере природопользования по Республике Бурятия (по согласованию)                  |
| 10. Молотов Валерий Сергеевич    | - | заместитель руководителя - начальник Территориального отделения водных ресурсов Енисейского бассейнового водного управления Федерального агентства водных ресурсов (по согласованию) |
| 11. Куриленко Юрий Александрович | - | Руководитель Управления Федеральной налоговой службы по Республике Бурятия (по согласованию)   |
| 12. Казьмин Сергей Григорьевич   | - | руководитель ФГБУ «Управление мелиорации земель и сельскохозяйственного водоснабжения по РБ» (Бурятмелиоводхоз) (по согласованию)  |
| 13. Гармаев Ендон Жамьянович     | - | и.о. директора, заведующий лабораторией геоэкологии Байкальского института природопользования СО РАН (по согласованию)   |
| 14. Шеховцов Александр Андреевич | - | Национальный Технический директор Байкальского проекта ПРООН (по согласованию)   |
| 15. Куделя Сергей Викторович     | - | Руководитель Байкальского проекта ПРООН (по согласованию)  |
| 16. Базарова Оюн Аюровна         | - | начальник отдела регулирования водопользования и водного хозяйства Министерства природных ресурсов Республики Бурятия  |

2. Назначить уполномоченным лицом по координации оперативных вопросов связанных с реализацией проекта межведомственной координационной группы с ОЭСР начальника отдела регулирования водопользования и водного хозяйства Министерства природных ресурсов Республики Бурятия Базарову О.А.

Министр

Т.Г. Думнова

Министр

Б.Г. Ангаев

В.Д. Шаралдаева, 21-34-18



# Case of fruitful cooperation among the international organisations under the Baikal project

**Baikal Project**

**UNDP**

**Key implementing organisation**

**Contribution to the OECD project:  
data on water utilities' cost size  
and structure and analysis thereof**



**Contribution to the  
Baikal Project:**

**UNESCO**

**Groundwater resources data**

**OECD**

**Improving use of economic  
instruments for water  
resources and water sector  
management in the RB**

**Project sponsors: GEF, Russian Federation, UNDP, UNESCO,  
EC and OECD / EAP Task Force**



# Recommendations by the OECD on improving economic instruments for water resources management in the Republic of Buryatia

## Each recommendation includes:

- *A brief description of the issue(s)*
  - *Nature of interventions*
- *Required resources and possible economic effect*
  - *Feasibility and possible timeframe*
    - *Expected outcome(s)*



# 1. Improve instruments for water resources management and protection, regulation; and levying charges for using water as a natural resource

1.1. Optimize water abstraction fee rates

1.2. Improve assessment of adverse environmental impacts and the use of pollution charges

1.3. Introduce quotas for discharges of certain harmful substances into water bodies and develop - in a staged manner - a market for trading in quotas

1.4. Introduce a charge (product tax) on toxic agricultural chemicals (pesticides, herbicides, etc.) and on synthetic detergents.

1.5. Improve waste management system in the “Baikal natural area” “(BNA) and promote safe recycling of environmentally harmful waste



## 2. Develop instruments to promote capitalization of the Baikal natural area

- 2.1. Assess natural capital of the Baikal ecosystem
- 2.2. Streamline the environmental regulation framework in the BNA
- 2.3. Ease the administrative bans and expand the use of economic instruments in relation to economic activities in the BNA's central environmental area
- 2.4. Provide state support to green activities (to enhance the BNA capitalization)
- 2.5. Introduce payment for ecosystem services (PES)
- 2.6. **Re-allocate hydropower rent and introduce compensation mechanisms** for the damage caused to Lake Baikal ecosystem and coastal areas' economies by HES operated downstream
- 2.7. Ensure fluctuations in the level of Lake Baikal water table as close to natural values as possible





### **3. Instruments to improve operational efficiency of the water and sanitation sector (WSS) and irrigation systems**

- 3.1. Improve tariff policies in the WSS
- 3.2. Develop fees for agricultural land irrigation

### **4. Improve the state support to the water sector**

- 4.1. Enhance performance of the system of state support to the water sector in the Republic of Buryatia and in BNA
- 4.2. Set up an ear-marked fund
- 4.3. Support introduction of effluent treatment technologies ensuring the BNA water bodies can achieve water quality standards
- 4.4. Support the development of municipal storm water drainage systems and on-site sanitation, to reduce and gradually eliminate discharges of municipal liquid waste into Lake Baikal



## 5. Instruments to manage water-related risks

5.1. Strengthen enforcement of the ban on new construction in the areas exposed to extreme risk of water-related hazards

5.2. Within the BNA, introduce mandatory insurance against the risk of water-related hazards

5.3. Differentiate land tax and property (real estate) tax rates based on the factor of availability and quality of infrastructure protecting from water-related hazards

5.4. Introduce mandatory insurance against non-critical risks for water resources and related ecosystems and biodiversity in the BNA



## Accompanying and supporting measures:

### 6. Improve the natural resources management system in the Baikal Natural Area (BNA), including:

6.1 Improve target setting

6.2. Improve information base for water resources management, including water sector accounting, reporting, and statistics

6.3. Introduce mandatory disclosure of environmental performance data for entities operating in the BNA

6.5. Improve the BNA ecosystem monitoring system



The project has had certain positive effects in terms of balancing the policy objectives of environmental protection of Lake Baikal and the BNA, and of dynamic social and economic development of the Republic of Buryatia:

- The Government of the RF has already lifted bans on some economic activities in the Central Environmental Zone of the Baikal Natural Area, e.g., on collecting wild plants; commercial bottling of the Baikal water for drinking purposes has started; it is allowed now to engage in a number of other economic activities.

The Republic of Buryatia is going to use the OECD recommendations in the water resources and water sector management. Replication of the project outcomes in other areas of the Russian Federation is being considered.

**Thank you!**