Tibor Faragó

International environmental and development policy cooperation and the transition process of the Central and Eastern European countries

Abstract

The political and economic changes in countries of the Central and Eastern European region during the recent two decades had significant implications on their participation in international environmental policy-making. These changes were motivated by the changing international political priorities and economic interests, realization of their part in the "common but differentiated responsibility" for the global environmental processes and the relatively modest capacities for international development cooperation. The situation of these countries was acknowledged by the international community by granting specific provisions to these "economies in transition" in international environmental policy mechanisms. In spite of the rapidly diverging external relations of the various groups of these countries, to some extent and in different forms the transition phase is still prevailing and has its effect on the ongoing international environmental negotiations. The paper describes the background of these changes, demonstrates the specific provisions for these countries that made possible their participation in the common efforts to tackle the emerging global and regional environmental problems by acceding to the relevant international mechanisms.

Introduction

Emerging large-scale and global environmental problems could be closely analysed by the scientific community since the 1960s due to the gradually improving observing systems and numerical models. Based on this accumulating information, the politicians turned also attention to the socio-economic drivers and impacts of these processes. The first milestones in the truly multilateral environmental policy collaboration were the 1972 UN Conference on Human Environment and the Conference on European Security and Cooperation in 1975 that also addressed the common and interlinked problems of economy and environment in its Final Act. These meetings contributed to the intensification of environmental policy-making both in Western Europe and in Eastern Europe. First environmental programmes and institutions were developed parallel by the European Communities and by the Council for Mutual Economic Assistance.

The effective pan-European collaboration in this field was catalyzed by recognizing *the East-West interdependence* in terms of the long-range air pollution, which was leading

to the increased environmental acidification and its harmful impacts. Other large-scale environmental problems were also dealt with already in the 1970s and early 1980s at various international meetings. During this period the East-West relations in this area were relatively less conflicting compared to the general political, economic and ideological issues, as the transboundary character of the environmental problems was admitted by all actors.

In this period, the countries of Central and Eastern Europe (CEE) collectively acted in relation to these international meetings and negotiations, and generally were undertaking similar commitments as their Western counterparts. The situation has profoundly changed from the late 1980s as a consequence of the substantial socio-economic transformation process and the beginning of a so-called *transition period*. The reflection of these changes on the positions of the CEE countries regarding the international environmental and development cooperation is the subject of this paper.

The pre-transition period

The after-war rapid economic recovery in Europe from the middle of the previous century led to an accelerated demand for various natural resources and also to increasing environmental pollution. Thanks to the amounting observational data and extensive research activities, scientists revealed the increasing human effects on the environment, which could have already long-range, transboundary impacts. In the late 1960s, the acidification problem was one of these discoveries: the sulphur-dioxide emissions from the increased level of fossil fuel based energy production were identified as the prime causes of the acidification of lakes and forests even far away from the sources of the pollutants (Odén 1967). In the early 1970s another man-made environmental hazard was recognized: the damaging effect of some synthetic substances on the ozone layer (Molina and Rowland 1974). The harmful influence of a chemical compound was also in the limelight since the early 1960s: the dangerous side-effects of the DDT (an extremely useful pesticide and an agent in fight against malaria) were publicized. The harm caused by DDT to bird reproduction by thinning eggshells was dramatically described by Carlsson (1962). The gradual globalization of the pollution from the intensification of economic activities went ahead together with the increased depletion and degradation of various natural resources. Recognition of international responsibility and the need of collaboration for conservation of global wildlife strengthened in the 1960s when researchers indicated the alarming rate of extinction of species together with their habitats. From those years the international mechanisms were significantly reinforced: from 1959 there was an enhanced UNESCO-IUCN collaboration, in 1961 the WWF was founded, in 1971 the Ramsar Convention on wetlands, in 1972 the Convention on protection of world cultural and natural heritage, in 1979 the Bonn Convention on migratory species were adopted. Also in this period at international level an extremely noticeable problem was the 1973 oil crisis, which clearly demonstrated the huge dependence of many western countries from this resource.

Politicians have turned attention to the harmful environmental problems when their transboundary nature, the mutual interdependence and the adverse socio-economic

impacts were perceived. In 1968 an important resolution was adopted by the UN General Assembly (UNGA 1968): "Noting that the relationship between man and his environment is undergoing profound changes in the wake of modern scientific and technological developments, Aware that these developments, while offering unprecedented opportunities .., also involve grave dangers if not properly controlled". As a followup, the UN Conference on Human Environment was held in 1972 in Stockholm; however, it was boycotted by the Soviet Union and its CEE allies (Engfeldt 2009) for certain political reasons.

Afterwards, the East-West tension was again ''melting" and it was clearly demonstrated in the environmental field: (i) the two Great Powers signed an accord on cooperation in environmental protection; (ii) both of them signed the 1974 Helsinki Convention on the Protection of the Marine Environment of the Baltic Sea; (iii) the Conference on Security and Co-operation in Europe in 1973 was already attended by their representatives and the process launched by that conference has led to the adoption of the Helsinki Final Act (1975) on the pan-European cooperation. The latter also underscored the importance of collaboration in environmental affairs: "The participating States .. Affirming that the protection and improvement of the environment, as well as the protection of nature and the rational utilization of its resources in the interests of present and future generations, is one of the tasks of major importance to the well-being of peoples and the economic development of all countries and that many environmental problems, particularly in Europe, can be solved effectively only through close international cooperation".

The outcomes of the 1972 Stockholm Conference and the subsequent 1973 Helsinki Conference had an influence on the internal environmental policymaking within the Western-European and also within the Eastern-European regions. The first Programme of Action on the Environment was adopted by the European Communities in 1973 (EC 1973). Just the same year the Council for Protection and Improvement of the Environment of the Council for Mutual Economic Assistance started its work (Butler 1978). Apparently, the primary purpose of such parallel developments was to demonstrate internally and internationally that both "blocks" took care of environment, including resource management and pollution control.

As the environmental acidification problem turned to be the most known hazardous transboundary environmental issue, its solution clearly necessitated pan-European collaboration. The political "ice-breaking" was done by G. H. Brundtland, prime minister of Norway, who paid a visit to Moscow in 1978 and expressed the need for the cooperation between Western and Eastern Europe to cope with that problem. In turn, the relevant multilateral agreement was adopted in 1979 ("Convention on Long-range Transboundary Air Pollution"). Some progress could also be detected in several other environmental areas of international significance with the participation of the CEE countries (measures concerning nature conservation, science-policy dialogue on climate change etc.).

The beginning of the next phase of evolution in the international environmental cooperation was marked by establishing the World Commission on Environment and Development in 1983, which report was adopted in 1987 (WCED 1987). This is a period when the scientific community provided much more evidence on large-scale environmental processes, which were at least partially induced by human activities.

These included the ozone layer depletion, global climate change, rapid loss of biological diversity, globally shrinking forest cover. The above-mentioned report presented a comprehensive list of such problems together with the key socio-economic drivers, impacts and the indication of possible response policies.

The researchers of the CEE countries took significant part in the scientific activities revealing those environmental processes alike their western colleagues, and the governments of these countries apparently also supported the need to cope with these hazards, to launch international negotiations and to take certain national actions.

Transition status is acknowledged

The situation has profoundly changed at the late 1980s. The serious economic downturn swept through the countries of Central Europe lasting several years (demonstrated for Hungary by Karsai 2006) and having a more prolonged and deeper crisis (Popov 2007) in the countries of the Former Soviet Union (FSU).

The political and economic changes at the turn of the 1990s had important consequences on the multilateral cooperation. It was clearly traceable in relation to the mechanisms on development assistance, where besides the traditional "target" countries (i.e. the developing countries), the "countries in transition" from centrally planned economies to a market economy also appeared as "demanders" for assistance to their substantial economic reforms. The UNCTAD in February 1992 was already explicitly referring to the specific situation of these countries (UNCTAD 2006): "one of the immediate concerns of UNCTAD VIII was how to meet the large and growing financial needs of the transition countries without diverting development resources, particularly flows, away from traditional recipients, i.e. developing countries." As a consequence, these countries wished to be granted with a recipient status in the relevant international mechanisms and at the same time they became reluctant to offer assistance as donor countries to their traditional developing partners.

These changes were clearly reflected in the environmental policy area, for instance at the environmental summit held in 1992 (UNCED 1992): "(1.5) In the implementation of the relevant programme areas identified in Agenda 21, special attention should be given to the particular circumstances facing the economies in transition. It must also be recognized that these countries are facing unprecedented challenges in transforming their economies, in some cases in the midst of considerable social and political tension." It was also clear that besides the newly revealed needs of these countries for their socio-economic changes, they have also admitted the limited capability in participation in the international development assistance for the developing countries: "(33.13) For developing countries, particularly the least developed countries, ODA is a main source of external funding .. Developed countries reaffirm their commitments to reach the accepted United Nations target of 0.7 per cent of GNP for ODA .. Other countries, including those undergoing the process of transition to a market economy, may voluntarily augment the contributions of the developed countries."

Starting from the beginning of the 1990s, the CEE countries generally demanded the acceptance of their specific situation in all ongoing environment-related global or pan-European negotiations. It meant that these countries agreed with the overall objectives, but (i) asked for and were granted with less stringent or flexible provisions concerning the mitigation commitments, (ii) agreed to provide assistance to less effluent countries only on voluntary basis and (iii) required also some financial and technological assistance.

General aspects of the "concessions"

The beginning of the transition period in the CEE region just coincided with the preparation of several new environmental agreements (Faragó 2006) and programmes, which were launched or ongoing those years: abatement of emissions of some hazardous pollutants (Volatile Organic Compounds, VOC); further strengthening of the 1985 convention on phasing out the ozone-depleting substances (ODS); controlling the emissions of the greenhouse gases (GHG); conservation of global biological diversity; establishment of an international financial mechanism to facilitate the implementation of global environmental agreements; initiating a pan-European environmental programme (Environment for Europe, EfE). This was an extremely complicated period for these countries also because of their changing contributions to the international environmental problems and their changing capabilities to take proper actions.

Ultimately, the situation of the "economies in transition" (EiT) was reflected in the provisions of these legal, institutional and programmatic instruments. It occurred in context of the climate negotiations both in terms of mitigation and financial commitments and was clearly demonstrated in the text of the UN Framework Convention on Climate Change (UNFCCC 1992). Similar distinction in the emission-reduction requirements for some EiT-countries also appeared in a new pan-European protocol on air pollution (LRTAP 1991). There was no specific treatment of these countries as regards the commitments for the protection of ozone layer (neither in the 1985 convention, nor in the 1987 Montreal Protocol and the Montreal Fund), but after 1990 it was made clear by the CEE countries that without foreign aid they were unable to phase out the ozone-depleting substances. Specific provisions on financial contributions and on recipient status were also agreed in course of another international negotiating process, which made possible the almost universal adoption of the Convention on Biological Diversity (CBD 1992).

The group of the economies in transition in early 1990s

The "economies in transition" as a term at the beginning of the 1990s was used for those countries in the CEE region, which were undergoing their transition from a centrally planned economy to a market economy (as part of a comprehensive process of substantial political and economic changes). This process had implications on their political attitude in international environmental policy context. It was depending on each CEE country, whether and when it used a reference to this situation and

requested its acknowledgement by the international community within the framework of an international programme or agreement.

Subsequently, it could lead to some "concessions" on emission or finance related commitments and to the acceptance that these countries also needed some assistance. In some cases, the EiT term implicitly covered almost all countries of the CEE region, as within the framework of the 1992 Earth Summit or the pan-European EfE-process since 1991-1993 (including the successor states of the Soviet Union, Yugoslavia, Czechoslovakia). In other cases, especially when legally binding commitments were at stake, only a subgroup of these countries (primarily those with closer relations with the European Community) were ready to assume similar commitments as the Western countries, but asked for acknowledgement of their transition status and for some flexibility regarding the commitments or their implementation.

Historical contributions to global environmental problems

The selection of the reference level for setting environmental commitments became of crucial importance in particular for the EiT countries. Compared to the rapid rate of economic development in W-Europe since the 18th century, the industrialization in the CEE region was much delayed. Different national and international political and economic factors from 1950s had further significant implications on the economic processes, production and consumption patterns of these countries. These also contributed to the substantial differences in their economic performance and efficiency in comparison to the Western countries. But this kind of delay and lagging had also consequences on environmental impacts of the economic activities. Specifically, the differences in longer term (historical or aggregated) emissions of the pollutants with relatively long atmospheric residence time involve also in differentiating the responsibility for the enhancement of the relevant environmental hazards between the Western countries and the CEE countries. This common but differentiated responsibility for intensifying global environmental problems has been one of the most important principles highlighted by the developing countries during the international negotiations. However, that was also implicitly a basis for the distinction between the Eastern and the Western countries (Baumert et al. 2005).

The basic reason for putting aside the utilization of historical data for these issues was the lack of reliable and comparable country level data. Consequently, the more recent reference data were used for defining the starting points for the various countries when their commitments for mitigating the environmental pollution were formulated. Typically the country level data for one year or the average for several consecutive years were selected from the period between 1985 and 1995 for such reference. It was the case for those agreements, which will be discussed below.

Specific commitments and provisions

Pan-European efforts to control hazardous air pollution

The negotiation on volatile organic compounds (VOC) in 1990/91 was the next building block in coping with air pollution in the UNECE (Economic Commission for Europe) region. These compounds were also responsible for the bad air quality, for formation of surface level ozone and smog with their harmful effects on human health and environment. The main sources included: paints, solvents, combustion of fossil fuels and with the highest share of the emissions from gasoline and exhaust from automobiles. But the economic backdrop was valid for the related activities (chemicals industry, road transport etc.), and it was also unclear how fast the recovery would happen in these sectors: "While industrial particulate emissions are expected to decrease, the trend in future transport emissions is uncertain, particularly with respect to soot, since traffic volume is expected to rise strongly in Central and Eastern Europe" (EEA 1995). The changing tendencies in the transport volume were especially well demonstrated for the Visegrad-4 countries (Burnewicz and Bak 2001). Anyway, these emissions were considerably lower than those in W-Europe partially because of the relative underdevelopment of the transport sector generally in all CEE countries, so that reductions in VOC emissions in West were expected to be larger than in Central and Eastern Europe (EEA 1995, Ch.4 and Ch.32).

Because of the dramatic internal changes many countries from the SE-European and FSU region simply did not take part even in the final phases of this pan-European environmental policy development process. Other CEE countries were very careful in committing themselves to reduce the emissions, while they fully admitted the urgent necessity to tackle this problem. Such an approach was contrary to their active participation in the former rounds when the first reduction targets were adopted for other pollutants together with the Western countries (on sulphur emissions in 1985 or on nitrogen oxides in 1988).

Eventually, the agreement was finalized in November 1991 with various compromises partially reflecting the situation of the CEE countries and the positions of some Western countries, as well (LRTAP 1991). The general goal was to substantially reduce the VOC-emissions, but some flexibility was provided in selection of the reference year: "reduce its national annual emissions of VOCs by at least 30 per cent by the year 1999, using 1988 levels as a basis or any other annual level during the period 1984 to 1990". Moreover, there was an exceptional opportunity to stabilize these emissions (instead of reducing) for those countries, which had relatively low emissions. In spite of these provisions, overwhelming majority of the CEE countries either did not become a party to this agreement (e.g. Poland, Romania, Russia) or a few of them decided to join only after 2000 (Croatia, Estonia, Lithuania, Macedonia). It happened *inter alia* because of uncertainties concerning the future of the relevant sectors. The few exceptions were the ratification/acceptance of the agreement before 2000 by Bulgaria and Hungary both undertaking only the stabilization of these emissions, or the Czech Republic and Slovakia by selecting the latest possible reference year.

Cooperation for a better "Environment for Europe"

The Helsinki process after 1975 was encouraging the European-wide cooperation in the environmental area, however, the continuing political and ideological confrontation constituted a serious obstacle to respond to the emerging common environmental problems. Nevertheless, a few agreements were achieved on coping with transboundary air pollution (1979) or on nature conservation (on the European wildlife in 1979 under the aegis of the Council of Europe). The changes starting from the late 1980s in the CEE region opened the way to begin a new period of cooperation. Representatives of thirty European countries met in Dobris near Prague in June 1991 at the conference entitled "Environment for Europe" to discuss the environmental challenges and the opportunities of cooperation.

Besides agreeing on intensifying the pan-European cooperation and considering also the global environmental problems, the participants acknowledged the special situation of the CEE countries and agreed to develop a programme dedicated to the environmental aspects of their transition period and to the assistance for environmental capacity building in those countries (EfE 1991): "(19.) Increasing transboundary impacts from pollution have led to greater environmental interdependence among European states and hence the need for intensified cooperation. The transition of eastern and central European countries from centrally planned to democratic political systems and market-oriented economies is promising, but should also be accompanied by appropriate environmental protection policies and measures. .. Economic and financial assistance must promote the integration of environmental considerations into the process of restructuring central and eastern European economies .. . (32.) The Ministers and the Commissioner underlined the need to develop an Environmental Programme for Europe (EAP) .. to serve as the framework for the better coordination of national and international efforts in Europe, focusing on central and eastern Europe."

This process proved to be rather efficient and was continued with regular ministerial meetings, assessments of the state of environment throughout Europe, political support to the environmental agreements and their implementation. The latter already included the Convention on Environmental Impact Assessment in a Transboundary Context (1991), further agreements on reduction of air pollution, Convention on the Protection and Use of Transboundary Watercourses and International Lakes (1992), Convention on the Transboundary Effects of Industrial Accidents (1992).

For the EiTs, the most important development was the EAP for Central and Eastern Europe endorsed by the second conference held in Luzern (EAP 1993). It had a clear objective: "The resources available for environmental improvement in the countries of Central and Eastern Europe (CEE) will be severely constrained over the next 5-10 years. The costs of meeting some environmental objectives will, however, be very high. The EAP provides for setting national environmental priorities within each country in CEE and for cooperation between and among Eastern and Western countries". The ministerial declaration made very clear the common pan-European interest in assisting the CEE countries in their improved environmental performance, and it also indicated that primarily these countries themselves were responsible for financing the necessary environmental actions, whilst the purpose of the complementary foreign assistance is

to support these activities (UNECE 1993): "Governments of central and Eastern Europe will undertake essential policy and institutional reform as well as, in accordance with their priorities and capabilities, providing resources for actions and priority investments, while Western governments .. will continue and intensify their support for the reforms and for specific priority projects and programmes."

Problems in implementation of commitments to protect the ozone layer

There was an increasing concern because of ozone layer depletion during the early 1980s, and as a first step a framework type convention was adopted in 1985, followed by the Montreal Protocol in 1987, which included already concrete measures for reducing the production and consumption of the ozone depleting substances (ODS). In this global collaboration the CEE countries were undertaking the same commitments as the most developed countries. Certain distinction in form of financial and technical assistance was provided only to the developing countries (with low annual per capita ODS levels). For the latter purpose, the Multilateral Fund (Montreal Fund) was established in 1990 from the financial contributions of the industrialized countries, including the CEE countries. When the "ozone hole" was discovered and it turned out that more urgent actions would be necessary to halt this dangerous process, the governments decided to introduce more stringent measures. Consequently, new reduction targets were agreed in 1990 and 1992 (the London and the Copenhagen Adjustments/Amendments to the Montreal Protocol) already completely prohibiting the use of certain substances within several years.

The problems accompanying the transition in the CEE countries had their implications on the implementation of these new commitments, including both the reduction targets and the financial contributions. These problems were communicated by many EiTs and in response, an additional budget line was opened within the Global Environment Facility (GEF) to provide assistance only to the EiTs, which were not eligible for such assistance from the Montreal Fund. It was done with a very careful wording because the financial means of the GEF were primarily for helping the developing countries (and only exceptionally the "transition countries") to attain their commitments regarding other global environmental problems. The Council of the GEF agreed on providing complementary assistance to the countries which were not eligible for such assistance from the Montreal Fund (i.e. to the EiTs) with the following arguments (GEF 1995): "(5.3) Many of the remaining major producers and consumers of CFCs and other ozone-depleting substances are the GEF-eligible countries that are required by Montreal Protocol regulations to phase out major ODS-s at the end of 1995. There is a risk that, unless assisted financially, these countries will continue to produce and use such substances and therefore negate much of the ozone layer protection that was already been achieved."

Eventually, many EiTs received such assistance (Azerbaijan, Belarus, Bulgaria, Czech Republic, Estonia, Hungary, Kazakhstan, Latvia, Lithuania, Poland, Russian Federation, Slovakia, Slovenia, Tajikistan, Turkmenistan, Ukraine, Uzbekistan) and were able to phase out those substances.

Negotiations on the global climate change hazard

The economic recession occurring in the CEE region and generally culminating between 1989-1992 in the Central-European "transition countries" had an effect on their (annual) contributions to the global GHG emissions. It also affected their positions in course of the corresponding international negotiations. The uncertainties stemming from the "unclear future" was an additional factor, i.e. when and how the economic recovery and the expected restructuring could happen, and what would be the consequences on those emissions.

Following the resolution by the UN General Assembly, the negotiations on global climate change and on the necessary responses were launched at the beginning of 1991. The new political and economic situation within the CEE region made very complicated the role of these countries in this global endeavor.

There was already adequate scientific knowledge on this hazard by late 1980s and the first report of the Intergovernmental Panel on Climate Change in 1990 profoundly summarized the facts and the scenarios, moreover, the various natural and human factors. Based on this scientific background, the primary purpose of the planned international agreement was to control the GHG emissions, stemming from various human activities (Faragó 2010). The general approach was based on the precautionary principle and on the principle of common but differentiated responsibility. Consequently, the developing nations required from the developed Western countries to take the lead in combating this hazard, but generally, the CEE countries were also considered as important emitters of these gases. As the combustion of the fossil fuels was far the most important source of these emissions, the trends and the future of energy production and consumption were in the focus. But the recession was also apparent in that sector throughout the CEE region (as revealed e.g. by the country profiles available at http://earthtrends.wri.org). With some regional and temporal variations similar tendencies were seen for other GHG-emitting sectors.

Various scenarios were developed incorporating different assumptions on the energy demand and production, but because of the above-mentioned uncertainties, the CEE countries took part with varying enthusiasm in the negotiations and were reluctant to take emission control commitments similar to the Western countries. Ultimately, the Western group and the group of the developing countries accepted the need for some differentiation and this made possible in 1992 at least for several CEE countries to formally committing themselves to controlling their emissions. Some of them had already increasing political and economic relationship with the European Community, which representatives were actively encouraging these CEE countries to undertake those commitments.

According to the general emission stabilization requirement for the developed countries, the emissions in 2000 would not exceed the emissions in 1990. The EiTs accepted that obligation, however with the following condition: "a certain degree of flexibility shall be allowed by the Conference of the Parties to the Parties included in Annex I undergoing the process of transition to a market economy, in order to enhance the ability of these Parties to address climate change, including with regard to the historical level of anthropogenic emissions of greenhouse gases .. chosen as a reference" (UNFCCC 1992, Art 4.6). To avoid any ambiguity, these countries were

explicitly identified in that list and included the following countries: Belarus, Bulgaria, Czechoslovakia, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Russian Federation, Ukraine. Later only some of them (Bulgaria, Hungary, Poland, Romania, Slovenia) used that opportunity in the form of selecting a reference year or period that was preceding the default 1990, since they considered their emission levels in 1990 as being non-indicative due to the significant recession.

The EiTs also excluded themselves from the formal commitments on providing assistance to the developing countries. Again, the general argument was the reference to the severe problems accompanying the transition period. Another reason for restraining themselves from such commitments was their unwillingness to interfere with the North-South relations, which were referred to by the legal instrument: "The extent to which developing country Parties will effectively implement their commitments under the Convention will depend on the effective implementation by developed country Parties of their commitments under the Convention related to financial resources and transfer of technology" (UNFCCC 1992, Art. 4.7). Exactly for the same reasons, the EiTs agreed to provide assistance only on voluntarily basis in the context of the Convention on Biological Diversity that was negotiated parallel to the convention on climate change (CBD 1992, Art. 20.2): "The developed country Parties shall provide new and additional financial resources to enable developing country Parties to meet the agreed full incremental costs to them of implementing measures which fulfill the obligations of this Convention .. . Other Parties, including countries undergoing the process of transition to a market economy, may voluntarily assume the obligations of the developed country Parties."

The emission stabilization commitments were easily accomplished by the EiTs partially due to the recession process lasting during the early 1990s followed by an economic restructuring. But it was evident in time of finalization of the convention, that its provisions would be inadequate to halt the increasing global climate change hazard. As a matter of fact, not all developed countries stabilized their emissions by 2000 and the emissions from many developing countries were sharply increasing. The convention entered into force in 1994 and already next year a new round of negotiations started which resulted in the Kyoto Protocol and emission reduction commitments by the industrialized countries.

International assistance for mitigating global environmental problems

Within a relatively short time period since 1985 international political consensus was formed on several large-scale environmental problems and already either multilateral agreements/programmes on the first coordinated actions were adopted or their preparations began. These global issues included the ozone layer depletion (with the relevant convention adopted in 1985), the climate change hazard (1992), the loss of biological diversity (1992), the problem of desertification (1994), environmental pressures on international waters (Convention on Transboundary Watercourses, 1992; Convention on Danube, 1994; Global Programme of Action for the Protection of the Marine Environment from Land-Based Activities, 1995 etc.).

In case of the new environmental legal instruments and programmes one of the most critical problems was the financial mechanism, that is the ways and means of

supporting the capacity building and actions of the less effluent countries. The idea of a common financial mechanism was raised in 1989 by France and the Global Environment Facility (GEF) was established in 1990 by 17 developed and 7 developing countries. According to the agreed rules, the minimum national contribution was 4 million SDR (about 5.6 mUSD) for the pilot phase between 1991-1994. Only the participating countries with less than 4000 USD/capita GDP could receive assistance within three thematic areas: climate change, biological diversity, international waters. Thus the GEF started its functioning without the participation of any CEE country.

When the conventions on climate change and biological diversity were completed in 1992, the GEF was requested to operate their financial mechanisms. This had an important effect on GEF, since those conventions did not exclude the "transition countries" from receiving support for the implementation of their commitments. As mentioned above, the more stringent requirements for phasing out the ozone depleting substances were also agreed in 1990 and 1992, and rather soon it turned out that the EiTs would be unable to meet those requirements because of lack of necessary domestic resources.

The intention for supporting primarily the developing countries but to some extent also the EiTs was generally referred to in the global programme adopted in 1992 at the Earth Summit (Agenda 21: Art. 33.3, 33.5), whilst the more concrete guidelines for the GEF were implicitly "opening" the door for supporting the EiTs, as well (Art. 33.14): the GEF "should cover the agreed incremental costs of relevant activities under Agenda 21, *in particular* for developing countries." As a consequence, the GEF was restructured in 1994, gradually all countries acceded to it, EiTs could also apply for supports, and the GEF offered some assistance in the area of protection of ozone layer exceptionally for the EiTs. The rules on the financial contributions were changed and the majority of the developing countries and the EiTs joined the GEF with no such contribution. (Later only two EiTs, the Czech Republic and Slovenia transferred voluntarily some contributions to the GEF.) From that time on, the GEF efficiently assisted the implementation of various global agreements, and besides supporting many projects with global environmental benefits in the developing countries, the EiTs also received some financial support for their projects in the energy sector resulting in reduction of the GHG emissions or for projects in line with the objectives of the conventions on biological diversity and the protection of the ozone layer.

The governance structure also duly reflected the changing and diversifying position of the "transition countries". Some of those EiTs (e.g. Czech R., Hungary, Slovakia, Slovenia) which already had closer relations with the W-European countries, were represented by various donor countries in the 32 member GEF Council, i.e. they became members of the "mixed" donor-recipient constituencies. Other EiTs (Armenia, Russia, Ukraine etc.) were granted with two seats in the Council. Besides these "EiT seats", the developing countries had 16 seats, the developed countries had 14 seats (including the seats for "mixed" country groups). This peculiar composition was symbolic from the point of view of the ongoing power changes in the world that had its imprint on the institutional structures of global environment protection.

Transition from the transition status: some leave, others confirm it

The transition status of the countries approximating the EU

The formal transition status for the CEE countries approximating the EU already from early 1990s was maintained for about one decade within the framework of the international environmental mechanisms. For example, its application was prolonged in the Kyoto Protocol (1997) with similar flexibility for the same countries as in the 1992 convention on climate change. When the new negotiating round started in 2007 on the post-2012 policy regime, the CEE countries being already EU-members, of course shared the common positions of the EU on the further emission reduction targets.

The transition status was acknowledged in the next stage of pan-European cooperation on abating air pollution, that is, within the so-called "second sulphur protocol" adopted in 1994. Concretely, in determination of their emission reduction commitments the EiTs could take into account their financial and technological capabilities and commit themselves to lower reduction targets than the members of the European Community (LRTAP 1994, Preamble Art. 2.1): "Cognizant that any sulphur control policy, however cost-effective it may be at the regional level, will result in a relatively heavy economic burden on countries with economies that are in transition to a market economy; .. The Parties shall control and reduce their sulphur emissions in order to protect human health and the environment from adverse effects, in particular acidifying effects, and to ensure, *as far as possible, without entailing excessive costs*, that depositions of oxidized sulphur compounds in the long term do not exceed critical loads for sulphur".

This opportunity was used by those EiTs that took part in preparation of this agreement: compared to the 62% average emission reductions commitments by the EU members states (in 2000 with 1980 as reference year), the EiTs undertook lower targets (Belarus 38%, Bulgaria 33%, Croatia 11%, Czech R. 50%, Hungary 45%, Poland 37%, Russia 38%, Slovakia 60%, Slovenia 45%, Ukraine 40%).

Transitional provisions for the new members in the EU

The new Member States of the EU since the preparation for their membership were obliged to accept the EU's common environmental policies and legislation, which requirements usually were more demanding than those stemming from the relevant international agreements. It was the case for controlling the emissions of air pollutants or for the reduction of the GHG emissions.

The transitional situation of these countries was acknowledged in form of temporary derogations in course of the accession negotiations or even later when new instruments were developed within the enlarged EU. For instance, limited derogation was provided to many accession countries to meet the requirements of the directive on VOC emissions (94/63/EC) and to some extent for the later regulations on these emissions (directive 99/13/EC etc.).

The "climate-energy package" was adopted in 2009 in harmony with the EU's independent commitment on reduction of the GHG-emissions by 20% by 2020 with

some concessions provided to the new member states. One component of that package was dedicated to the emissions from those sectors (e.g. transport), which were not regulated by the emission trading scheme. As a recognition of the much lower level of development of these sectors in the new member states, a sharp distinction was introduced by setting strict emission reduction targets for the older member states (between –14 and –20% only with few exceptions), whilst determining "positive limits" for all new members (between +4 and +20%): "Member States that currently have a relatively low per capita GDP, and thus high GDP growth expectations, should be *allowed to increase their greenhouse gas emissions* compared to 2005, but should limit this greenhouse gas emissions growth to contribute to the independent reduction commitment of the Community." (EC 2009: Preamble Art 8)

The changing focus of the "Environment for Europe" process

The focus of the pan-European environmental cooperation process was gradually shifting from the general consideration of the problems for the whole CEE region (as reflected in the 1993 "Environmental Action Programme for Central and Eastern Europe") to assisting those countries, which were not part of the EU's enlargement process. The division of the CEE group was evolving especially from the second half of the 1990s. Two subgroups could be distinguished based on their diverting positions on the new environment-related international commitments and requiring special provisions: the subgroup of the CEE countries approximating the EU and another group including the Newly Independent States (NIS consisting of 12 countries of FSU) and other CEE countries.

As the first group was gradually adjusting to the environmental standards of the EU, it was recognized by the pan-European environmental ministerial meeting in 1998 that more attention should be paid to the other group of the CEE countries: "In the light of the need to create a stimulus for meeting the current and future environmental challenges in the newly independent States and those CEE countries which were not part of the EU’s enlargement process, the Ministers agreed to give greater priority to these countries within the 'Environment for Europe' process" (EfE 1998). This issue received an even stronger emphasis in 2003: "We .. recognize the severity of existing environmental challenges, in particular in South-East and East European, Caucasian and Central Asian countries. Many of these countries face serious financial and other difficulties in achieving national environmental objectives" (EfE 2003).

Consequently, the transition situation and needs of the South-East European (SEE) countries (Albania, Bosnia and Herzegovina, Macedonia, Serbia, later also Montenegro and Kosovo) and the so-called EECCA countries (East European, Caucasian and Central Asian countries) were admitted in the pan-European cooperation. Moreover, occasionally the recognition of this status was also requested by and provided to these countries at global environmental meetings.

Slow changes in the recipient and donor status

As concerns the requests for financial assistance, the "EU-approximating" group was gradually giving up the recipient status in various international environmental funds.

Instead these countries were relying on the direct assistance from the western countries, especially from the EU (from the pre-accession funds, later from the cohesion and structural funds). But international financial and technological assistance is still strongly expected by the above-mentioned SEE and EECCA countries. To demonstrate how "elementary" is this problem, only one example will be drawn, which indicates that for various reasons the representatives of majority of that group were not even taking part in international preparations of various legal instruments on air pollution, and subsequently these countries did not accede to those instruments. For instance, only less than half of the countries of the UNECE region acceded to the 1994 VOC protocol and only about half of the countries acceded to the 1998 second sulphur protocol, and in both cases, there is no EECCA country among them (LRTAP 1998). It explains why a decision was passed in 2003 by the Executive Body of the relevant convention (LRTAP 2003): "To facilitate the participation of certain countries with economies in transition, which would otherwise not be in a position to take part, Parties are invited to contribute to the Trust Fund for this purpose. The secretariat is authorized to fund, subject to available resources, the participation of one governmentally designated representative from each of the following countries: Armenia, Azerbaijan, Belarus, Bosnia and Herzegovina, Bulgaria, Croatia, Georgia, Kazakhstan, Kyrgyzstan, Republic of Moldova, Romania, Russian Federation, Serbia and Montenegro, the former Yugoslav Republic of Macedonia and Ukraine, to meetings .. . Upon their accession to the Convention and their expressed intention to take part in the work of the Executive Body, the following countries may also qualify for funding: Albania, Tajikistan, Turkmenistan and Uzbekistan."

As to the commitments on contributions to the environment-related international financial mechanisms, the situation remained generally unchanged for all CEE countries up to now. These countries contribute to these funds still on a voluntary basis (except to the Montreal Fund). However, formally such a demand already is explicitly articulated or reiterated only by EECCA representatives. Typically, in 2010 just before the Cancun session of the climate negotiations in relation to the future of the climate policy regime, the request for the following draft decision was submitted by Belarus, the Russian Federation and Ukraine (UNFCCC 2010): "The Conference of the Parties, Recalling the special national circumstances of Parties undergoing the process of transition to a market economy .. Decides that the Annex I Parties undergoing the process of transition to a market economy shall not be bound by legal commitments under the new post-2012 climate change agreements to provide new and additional financial resources, technology transfer and institutional capacity-building in support of developing country Parties in enabling enhanced implementation of mitigation and adaptation actions, although they may wish to consider to do so on a voluntary basis".

Actually, in this particular case, the new members of the EU committed themselves to contribute to the overall amount of funding by the EU for the 2010-2012 period (EUR 7.2 billion) that was declared in 2009 during the Copenhagen climate summit and reconfirmed in 2010 at the Cancun session (ECOFIN 2011).

Conclusions

During the 1960s and 1970s the identification of transboundary environmental problems and their realization by the policymakers contributed to melting the East-West relations and to the development of a multilateral framework of cooperation on environment and development at pan-European and global levels. These relations by the late 1980s can be characterized generally: by political competition and parallelism concerning the internal environmental policymaking, and by formally similar engagement and commitments of the Western and Eastern European countries in the international environmental policy area.

The special situation of the CEE countries was acknowledged by the international community, in particular in the new international environmental policy mechanisms since early 1990s and it had an influence on further development of international environmental and development cooperation, on the role played and commitments undertaken by the countries of this region.

The CEE countries were undergoing a critical phase of their development during the past two decades. The countries being already EU-members were ready to give up gradually their transition status in international environmental mechanisms, however, there are still specific or transitional environmental provisions for them within the EU. Other countries of the region for understandable reasons still reconfirm their positions as EiTs at various multilateral fora.

References

Baumert, K.A, Herzog, T. & Pershing, J. (2005). Navigating the Numbers. *Greenhouse Gas Data and International Climate Policy*. World Resource Institute

Burnewicz, J. & Bak, M. (2001). Transport in economies in transition. In: *Analytical transport economics* (327-367) Edward Elgar Publ.

Butler, W.E. (1978). A Source book on socialist international organizations, *Brill Archive*

Carson, R. (1962). Silent Spring. *Houghton Mifflin* (Boston)

CBD (1992). Convention on Biological Diversity

EAP (1993). Environmental Action Programme for Central and Eastern Europe. Setting priorities - 1993. *The Word Bank and the OECD*

EC (1973). Retrieved from http://eur-lex.europa.eu/Notice.do?val=33481

EC (2009). Decision No 406/2009/EC

ECOFIN (2011). Council conclusions on climate finance, 3115th Economic and Financial Affairs Council meeting, Luxembourg

EEA (1995). Europe' environment, Dobris Assessment. *European Environment Agency*

EfE (1991). Conclusions of the conference "Environment for Europe"

EfE (1998). Fourth Ministerial Conference "Environment for Europe", Report, Art. 14

EfE (2003). Fifth Ministerial Conference "Environment for Europe", Declaration, Art. 22

Engfeldt, L.G. (2009). From Stockholm to Johannesburg and beyond. *Gov. Offices of Sweden*

Faragó, T. (ed.) (2006). Multilateral environmental agreements and their implementation in Hungary. *Ministry of Environment and Water*

Faragó, T. (2010). International climate policy cooperation and Hungary. In: "Climate Change and Hungary: mitigating the hazard and preparing for the impacts" (4-11)
GEF (1995). Operational Strategy, GEF/C.6./3. Retrieved from http://www.thegef.org/gef/node/1346
Karsai, G. (2006). Ciklus és trend a magyar gazdaságban (Cycle and trend in economy), *GKI* (Budapest)
LRTAP (1991). Protocol on the Control of Emissions of Volatile Organic Compounds or Their Transboundary Fluxes
LRTAP (1994). Protocol on Further Reduction of Sulphur Emissions. Preamble Art. 2.1
LRTAP (1998). Retrieved from http://www.unece.org/fileadmin/DAM/env/lrtap/status/Status%20of%20the%20Convention.pdf
LRTAP (2003). Decision 2003/11 (ECE/EB.AIR/79/Add.1, annex XI) on Facilitation of participation of countries with economies in transition
Molina M. & Rowland, F.S. (1974). "Stratospheric Sink for Chlorofluoromethanes: Chlorine Atom-Catalysed Destruction of Ozone" *Nature 249* (28 June 1974), 810-812
Odén, S. (1967). Nederbördens försurning (The Acidification of Precipitation), *Dagens Nyheter* (24 Oct. 1967)
Popov, V. (2007). Shock Therapy versus Gradualism Reconsidered: Lessons from Transition Economies after 15 Years of Reforms. *Comparative Economic Studies 49*, 1-31
UNCED (1992). Agenda 21. Retrieved from http://www.un.org/esa/dsd/agenda21/res_agenda21_00.shtml
UNCTAD (2006). A brief historical overview. UNCTAD Secretariat. UNCTAD/GDS/2006/1
UNECE (1993). Declaration by the Ministers of the Environment of the region of the United Nations Economic Commission for Europe and the Member of the Commission of the European Communities responsible for the Environment, Luzern
UNFCCC (1992). UN Framework Convention on Climate Change
UNFCCC (2002). Scientific and Methodological Assessment of Contributions to Climate Change, Report of the expert meeting. FCCC/SBSTA/2002/INF.14
UNFCCC (2010). Ad Hoc Working Group on Long-term Cooperative Action under the Convention, FCCC/AWGLCA/2010/MISC.6/Add.2
UNGA (1968). Resolution 2398 (XXIII) on "Problems of the human environment"
WCED (1987). Our Common Future. Retrieved from http://www.un-documents.net/wced-ocf.htm