

Environmental Law in East Europe

By Lynda L. Maillet

Legislation Update

As Eastern European governments become more aware of the devastating effects of uncontrolled economic development in their countries, they are beginning to acknowledge the need to implement more stringent pollution control legislation. They have also experienced the wariness of foreign investors concerned about laws which might make them liable for environmental damage caused by the previous state management of firms in which foreign firms might invest (see *E/W Letter*, no. 2, 1992 for a more detailed discussion). For these reasons, the governments of Eastern European nations have picked up the pace in passing laws regulating the environment, although there is still a paucity of specific laws detailing what levels of pollution are allowable. The dire need for pollution monitoring equipment in these countries also makes it difficult for governments to specify pollution levels that firms must meet. Nevertheless, there has been legislative action, a review of which follows.

An environmental statement of cooperation and five accompanying documents were

adopted 22 February by twenty-one East European and former Soviet countries. The agreement outlines the goals of cooperation, including mea-

asures to facilitate the exchange of environmental information. Among other things, they agreed to harmonize their environmental laws and standards and to collect and exchange information about the illegal transfer of toxic and hazardous waste to the East from Western Europe. The countries identified critical environmental areas which should be addressed through regional agreements. They include the radioactive contaminated sites of Chernobyl (Ukraine) and Semipalatinsk (Kazakhstan), the Aral Sea basin, Lake Sevan (Armenia), the Black Sea and the Danube and Dnieper basins, the Baltic Sea and its basin, and the Caspian Sea and its basin. The 21 signatories are: Albania, Armenia, Azerbaijan, Belarus, Bulgaria, The Czech Republic, Estonia, Georgia, Hungary, Kazakhstan, Latvia,

Lithuania, Moldova, Poland, Romania, Russia, Slovakia, Tadjikistan, Turkmenistan, Ukraine, and Uzbekistan.

Czech Republic

The Czech government issued a decree on 9 December 1992 making it less risky for foreign investors in the Czech Republic. Under the decree, a Czech company having more than 40% foreign ownership is not responsible for any environmental damage caused by the firm before the foreign investment. The Czech National Property Fund is liable under the decree for all environmental damage caused by the firms before being taken over by foreign firms. (See page 2, Czech Republic, for additional provisions under this decree affecting foreign investment.)

A draft law was also introduced which would phase out the manufacture, consumption, and import of all products containing chlorofluorocarbons (CFCs). Though there are less than ten manufacturers who would be affected, there are about 100 trading companies who have continued to circulate these products for use in industry and in homes. Under the draft law, the first phase would immediately ban the sale of aerosols containing CFCs. A system of identifying and licensing companies that manufacture or import CFC products would be implemented, leading to the imposition of progressively diminishing quotas. Fines would be imposed on violators. The second phase would add other environmentally-harmful chemicals by 1994; these would include 1,1,1 trichloroethane and volatile organic compounds (VOCs).

Bulgaria

Amendments of 2 December 1992 to the Environmental Protection Law of Bulgaria provide for tighter environmental controls and stiff penalties for polluters. Under the new law enterprises and individuals will have to pay for the use of certain natural resources for the first time. Firms which pollute within permissible levels will pay fees ranging from 1,000 to 300,000 leva (\$42 to \$12,600). Those who pollute above permitted levels will have to pay monthly penalties of up to 30 million leva (\$1.26 million). Revenues from these fines will go to national and municipal funds for environmental protection.

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The law also prohibits the import of wastes for disposal and the import of hazardous substances. Enterprises must now conduct environmental impact assessments for all proposed projects. New laws are also being drafted that will cover the marine environment, protected areas, air and water pollution, and waste disposal.

Modern pollution monitoring systems are being established with aid from the West and should be in place by early 1994.

Albania

In mid-January, Albania passed its first law on the environment governing all aspects of nature protection, pollution control, and environmental protection. It is a framework law

which requires specific laws and measures to be implemented which will actually govern enterprise behavior. The new law requires that environmental impact assessments be prepared for all new projects. Draft laws are being drawn up to cover hazardous waste, protected areas, pesticides, coastal and ground water contamination, and air pollution. With the help of an Italian environmental consulting firm, the Albanian government is also preparing a national environmental action plan to coordinate environmental protection with industrial development. Plans call for importing inexpensive pollution monitoring equipment and control equipment for some industries, although funds are limited. ◇

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