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Russia Shuts Its Independent Environmental Agency

"Letting the Cat Guard the Cream"

In a move widely denounced by environmentalists in and outside Russia, newly-elected President Vladimir Putin closed the country's independent environmental regulatory body and transferred its powers to the ministry responsible for developing Russia's oil and mineral resources. Besides reflecting a conflict between proponents of development and ecologists, the move reflects longstanding Russian and Soviet attitudes toward nature and the environment.

Mr. Putin's 17 May decree, issued with no fanfare, contained a number of administrative restructuring measures. None have been as controversial, however, as the closing of the State Committee for Environmental Protection along with the Federal Forestry Service, which came as a surprise even to members of the parliament's environment committee. The responsibilities of these two agencies were transferred to the Ministry of Natural Resources—giving the government agency which is in charge of licensing oil, gas and other resource development projects the added responsibility of gauging their environmental impact and enforcing pollution regulations. The day after the decree was issued, the Ministry of Natural Resources announced plans to "simplify" environmental regulation.

In addition to the outcry from environmental groups in Russia, the move raised the ire of opposition parties at both ends of the political spectrum. Communist Party leader

Gennadi Zyuganov commented that "Our country has already been turned into a mine, allowing some 'businessmen' to fill their pockets quite handsomely." Boris Nemtsov, reformist cabinet member and leader of the liberal Union of Right Forces said: "I think that we should not have disbanded the State Ecological Committee.... We need these structures." A spokesman for the newly formed cabinet disagreed: "You do not need an environment ministry to protect the environment."

The move also prompted a lawsuit from the Russian environmental law group Ecojuris, which contends that the decree violates the Russian constitution's guarantee of a healthy environment, as well as violating federal laws which mandate an independent environmental agency.

Natural Resources Minister Boris Yatskevich announced plans for a federal-level body of experts which would perform environmental assessments; members would be appointed by the cabinet at his ministry's nomination. Critics argue that such a body will in the end be answerable to the natural resources ministry, rather than being independent, and is likely to bow to that organization's priorities.

Clearing an obstacle

Observers described the closure of the independent state committee as a victory for various groups within and outside the government who had come to see the agency—and environmentalists generally—as an obstacle.

continued on page 3



Inside: *Uproar over Czech nuclear plant*

Hungarian environment minister ousted

Numbers Update — Environment

Air pollution emissions data from the east European region

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Furor Continues over Czech Temelin Atom Plant

As the Czech power utility CEZ prepared to begin operational testing of its new nuclear power plant at Temelin in October, opposition to the plant by environmentalists and the Austrian government threatened to upset the Czech Republic's progress to EU membership. The Temelin plant, which was planned under the Czechoslovak Communist government and is based on Soviet reactor technology, has been on hold for several years as Westinghouse of the US upgraded the reactor's technology to meet western standards. Despite the upgrades, and monitoring by the International Atomic Energy Agency and European governments, widespread doubts persist about the quality of the plant's construction and its long term safety.

The state-owned CEZ has spent about \$2.5 billion on the project (at current exchange rates), and the utility desperately needs revenue from the international sale of the plant's power to pay back the investment. The Czech government also hopes that the modern plant, capable of meeting 20% of the country's electricity needs, will make CEZ attractive to potential foreign investors as it moves towards privatization.

Accusations continue to surface, however, that fundamental design and construction problems will make the plant unsafe. Worries about design problems have been accentuated by a number of problems uncovered during testing, which have delayed the launch. Czech regulatory officials admit to some problems, but insist that most difficulties have been solved and reject any calls to delay the plant's start-up.

Austrians have been on the front line of the controversy for some years—unsurprisingly, since the nation banned nuclear power in 1978 and the Temelin plant is next to the Czech-

Austrian border. The Austrian government, itself currently under a cloud since far right wing parties entered government recently, has threatened to veto Czech membership in the EU over the issue. While most other EU governments reject that stance, the German government has pressed the Czechs to put the plant on hold and conduct a thorough, international, environmental review. German officials have said that the plant would not be allowed to operate in their country, though they concede that the plant seems to meet the standards of other EU nations and the USA. Finally, on 7 September, the European Parliament passed a non-binding resolution urging the Czechs to hold off and conduct another impact assessment.

Virtually the entire spectrum of Czech political parties strongly support the plant, and pressure from abroad seems to have consolidated support for the plant. Opposition from the current environment minister and local environmental groups has not eroded this broad-based support. Opinion polls continue to show that a majority of Czechs support the plant, making efforts by environmentalists to hold a referendum on the plant seem futile. Vocal protests by Austrian environmental and other groups, including blockades at several border crossings, seem to have effects opposite those intended. Under these circumstances, it would be very difficult for the Czech government to agree to even more modest requests for an international safety review of the plant. CEZ says that plans to start the reactor are on track for October.

E&H

[A full report on the Temelin controversy will appear in a future issue of *E&H Observer*.]

Hungarian Environment Minister Replaced

Hungarian environment minister Pal Pepo resigned on 15 June after nearly two years of increasing criticism. His replacement, Ferenc Ligetvari, was approved by parliament and sworn in only four days later. One of only four cabinet members named by the Smallholders Party in their coalition agreement with the dominant Young Democrats (Fidesz), Mr. Pepo found himself with nearly everyone—from environmentalists to leaders

of his own party—urging his resignation.

Mr. Pepo was held responsible for the sluggishness of Hungary's efforts to harmonize with EU environmental regulation, frustrating the governing coalitions' efforts to speed EU entry. (An early June report by the Justice and Foreign Affairs ministries was strongly critical of the environment ministry's performance on EU integration, saying that the country was falling

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behind in every area of regulation.) The already difficult process of harmonization had been made worse by Mr. Pepo's elimination of an EU integration department within the ministry; a number of technical experts were also edged out during his tenure. Mr. Pepo was also the lightning rod for criticism of what many citizens saw as a slow reaction to the cyanide spill in the Tisza river (see report in the next issue of *E&H Observer*). Spending on environmental projects had contracted under his leadership, while several cases of lavish spending on Ministry offices caused public embarrassment. Environmental NGOs felt frozen out of the ministry's decision-making process, and Mr. Pepo managed to further alienate his own party leaders by criticizing parliamentary committee chairs. Just a week after assuring reporters that the government was satisfied with his performance, he was out.

Mr. Pepo's replacement, Ferenc Ligetvari, also of the Smallholders, is an engineer specializing in water management; he is director of an eastern Hungarian campus of the University of Agriculture in Debrecen, and president of the Hungarian Academy of Sciences committee on agriculture and water management. Mr. Ligetvari had also been environmental advisor to the agriculture ministry, headed by Smallholders leader Jozsef Torgyan; he is reputed to

be a close adviser to Mr. Torgyan. Mr. Ligetvari had tackled broader environmental issues before, being assigned to review a Budapest waste incinerator after the environment ministry let the matter hang for two months.

During his confirmation, Mr. Ligetvari pledged to make EU harmonization a top priority of the ministry, and pledged to make better use of environmental funds and restore links to environmental NGOs. Since he was sworn into office, he has shuffled much of the environment ministry's top staff, named a new deputy secretary of state for EU accession affairs, and asked government auditors to review the ministry's accounts for the last two years. Mr. Ligetvari has also promised to make better use of the government's Environment Fund and to make its finances more transparent. Revised plans call for doubling the amount of money available for environmental projects this year, now set at \$180 million.

Hungary has significant environmental problems to overcome in order to meet EU standards, the worst of which involve waste water, sewage treatment and groundwater contamination. The government's estimate of the total cost of needed environmental changes is \$9 billion. During its negotiations with the EU, Hungary asked for a 14 year delay on meeting water quality norms. *E&H*

Enviro Agency Closes

continued from pg. 1

The state committee had successfully blocked several major projects on environmental grounds, including a proposed Moscow-St. Petersburg high-speed railway, a huge timber export project, new nuclear reactors, and a new oil field off Sakhalin Island planned by an Exxon-led consortium [see *Environment & Health Online*, August 1999]. Overall, the committee had successfully stopped about 40% of the projects it rated as harmful.

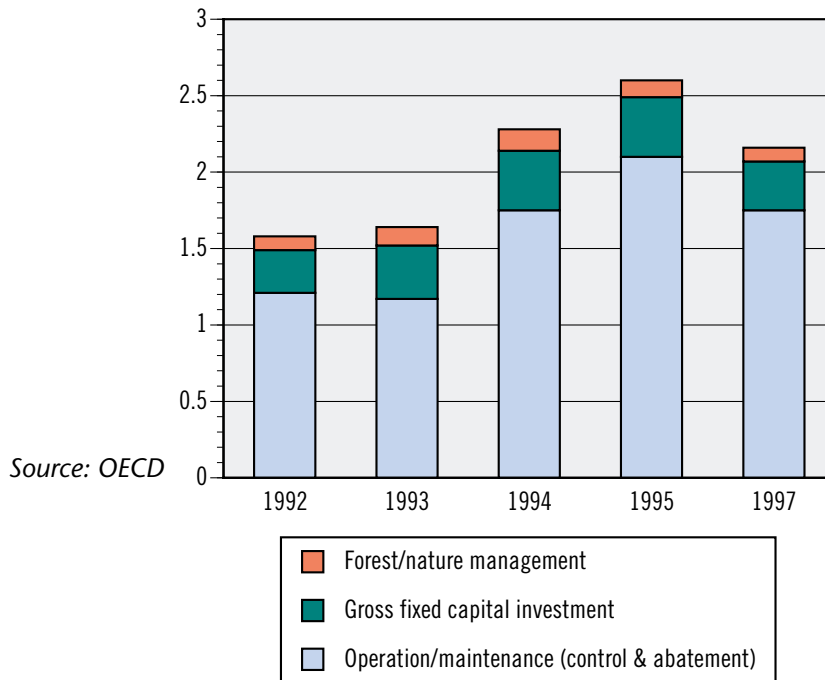
Chief among the committee's adversaries were the oil and mining companies seeking to develop the projects being licensed by the natural resources ministry. The committee's outgoing head, Viktor Danilov-Danilyan, laid the blame for the closing with Russia's oil industry magnates and their allies inside government. "Our raw materials giants could not survive any seriously conducted ecological [assessments]. That is why our committee was

abolished. It was not convenient for those who want to exploit natural resources without considering the environment," Mr. Danilov-Danilyan told the Moscow Times. He also said that he doubted that Mr. Putin had been closely involved with the decision so soon after his inauguration but had instead signed a decree drafted by officials from the Yeltsin Administration.

At the same time that the committee's review process frustrated natural resource companies, it also ran counter to the prevailing government strategy for recovering from economic crisis, according to many critics. As Mr. Danilov-Danilyan put it, "...the authorities have placed all their bets on raw materials." Environmentalist and former Yeltsin adviser Aleksei Yablokov described the government's mindset as "an absolutely primitive point of

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Environmental expenditures in Russia, 1992-97 (as a percentage of GDP)



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view, that we need to solve the economic problems and later the environment, that ecology is only for a rich country.”

Also on the list of those frustrated by the environment committee is the nuclear energy industry. The environment agency had consistently opposed plans by the Atomic Energy Ministry (Minatom) to allow imports of spent nuclear reactor fuel for processing and storage [see *Environment & Health Online*, July 1999]. Minatom saw such imports as a large potential source of funding, and urged changes in Russian law that blocked the scheme. The state committee would also have been expected to oppose Minatom’s renewed proposals, announced in late May, to build as many as 38 new nuclear power stations in the next twenty years. Previous initiatives to expand nuclear power have foundered on financial and environmental concerns.

Environmentalist as enemy

Mr. Putin’s closing of the environmental agency also seemed to confirm the worst fears of green activists who say the government is trying to intimidate them. While still head of the Federal Security Service (successor to the KGB), Mr. Putin alleged that environmental organizations were often used as cover by foreign intelligence agents, and that such groups

“will always be in the focus of our attention” [see *Environment & Health Online*, July 1999].

The security services have gone to great lengths to prosecute environmental whistleblowers in the military: authorities have tried for four years to jail former navy captain Alexander Nikitin, who helped a Norwegian environmental group document radioactive contamination caused by the Russian Northern Fleet using what he insists were open sources. Likewise, military journalist Grigory Pasko was accused of treason for writing about nuclear dumping by the Pacific Fleet; he was ultimately acquitted on all but a symbolic charge. The security services also exerted pressure on Vladimir Soifer, a physicist with the Academy of Sciences branch in Vladivostok, whose laboratory worked on the underwater spread of nuclear contaminants. Dr. Soifer’s home and laboratory were searched, and much of his work was halted. Environmental groups say they have been the victims of pressure tactics, including baseless police searches and tax audits, and some foreigners working on environmental matters have been accused of spying and expelled.

While the closing of the state committee may not be directly connected to these controversies (it had, for instance, no authority over nuclear power safety), the move adds to the impression that the government wants to limit the scope of environmental activism. The fact that independent environmental movements were the first grassroots organizations to widen cracks in the soon-to-be defunct Soviet regime may give the current authorities cause to worry.

Ecologists vs. geologists

The government’s moves to reign in its environmental agency also reflect habits and priorities inherited from the Soviet system. As the Russian paper *Segodnya* put it, “The ecologists have been subordinated to their old opponents, the geologists.” The central planning system, always hungry for resources, viewed wider exploitation of natural resources as an imperative. Soviet leaders saw nature broadly as fuel to drive industrialization and expand Soviet power. Planners and managers were rewarded for developing ever-larger projects and meeting ever-higher quotas. Little or no attention was paid to the environmental impact of these gigantic projects or the extensive exploitation of resources. These government officials had responsibility for speeding the

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extraction of mineral and other resources, not for regulating the process.

Many of the planners shaped by the Soviet system remain in government, in places like the Ministry of Natural Resources. Mr. Yatskevich, who was named to the ministerial post when Boris Yeltsin elevated Mr. Putin to the premiership last year, is a geologist by training; he spent most of his early career in various regional posts in the Soviet natural resources industry. By the time of the Soviet breakup, he was already a rising official in what was then the State Committee for Geology in Moscow.

In an interview with the Russian paper *Obshchaya Gazeta* in late August, Mr. Yatskevich described his ministry's responsibility this way: "Minerals are state property.... We lay the groundwork, asking ourselves: is it to Russia's advantage to have a specific field developed on the basis of a production sharing agreement?" [Production sharing agreements are the main method used to entice foreign investment into the natural resources sector.] As to economic priorities, he said that for the near future Russia "will in fact remain a country that sells lots of raw materials. I don't see anything wrong with that." He added that the proceeds from mineral sales ought to be invested in broader development.

Responding to the controversy over the closing of the environment committee, Mr. Yatskevich said that "Russia presently has no other choice than to combine environmental protection with resource use," but that "the

more efficiently we can use those [resources]... the better off the ecology will be."

He admitted that "there is in fact a conflict of interests between environmental protection and the economy," but argued that "the world has solved that problem by developing an economic algorithm" which made polluting industries unprofitable. He cited the examples of the US Great Lakes and the Rhine River, both of which suffered from serious pollution in recent years but have shown dramatic improvement. Mr. Yatskevich argued that this "was not achieved through bans or plant closures, as some would have us believe—all the things that operated there before are still in operation" but rather because of the "algorithm" that made pollution unprofitable. (In fact, the continuing improvement of the Great Lakes has been the result of a combination of the outright bans on emissions of some substances, limits on others, and financial aid and incentives for infrastructure improvements and pollution prevention.)

About his plans for a new environmental assessment body, he denied accusations that it would be under his control, arguing that his ministry wished to give the body "higher status" and that it would be answerable only to the government cabinet.

Finally, when asked whether foreign investment in the resources sector would eventually strip Russia of its mineral assets, Mr. Yatskevich saw little cause to worry, replying that "in actuality we are not getting even one-tenth of the investment that we deserve." *E&H*

Structure of environmental spending in Russia, 1997

(Total spending: 60.3 billion rubles)

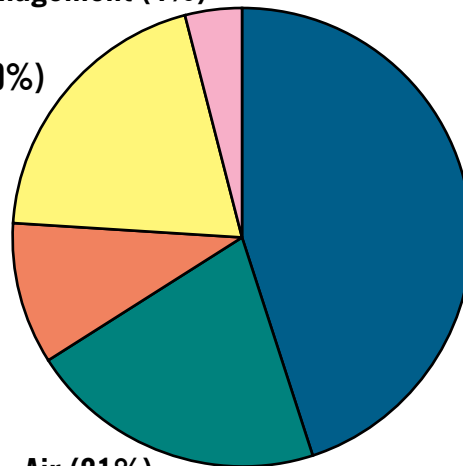
Nature & forest management (4%)

Water supply (20%)

Waste (10%)

Air (21%)

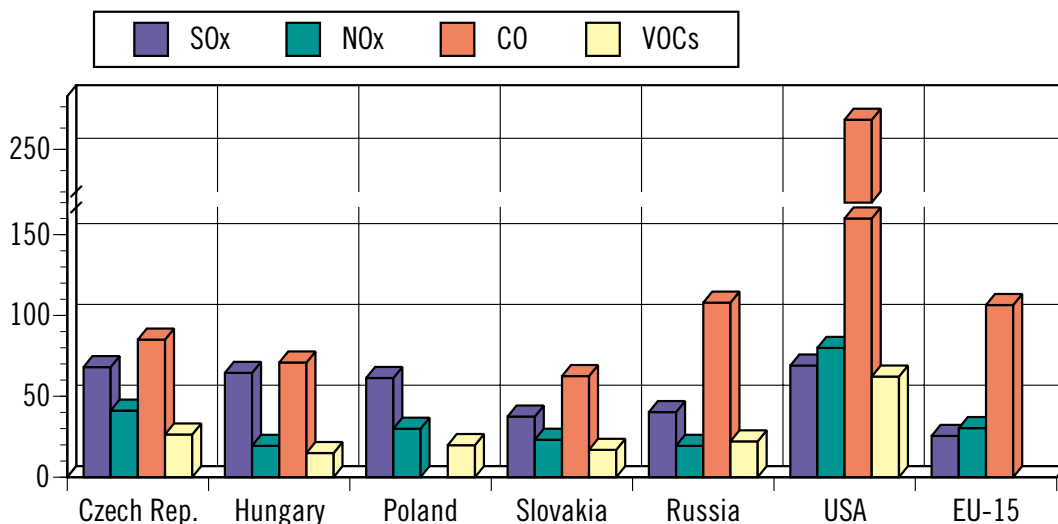
Wastewater (45%)



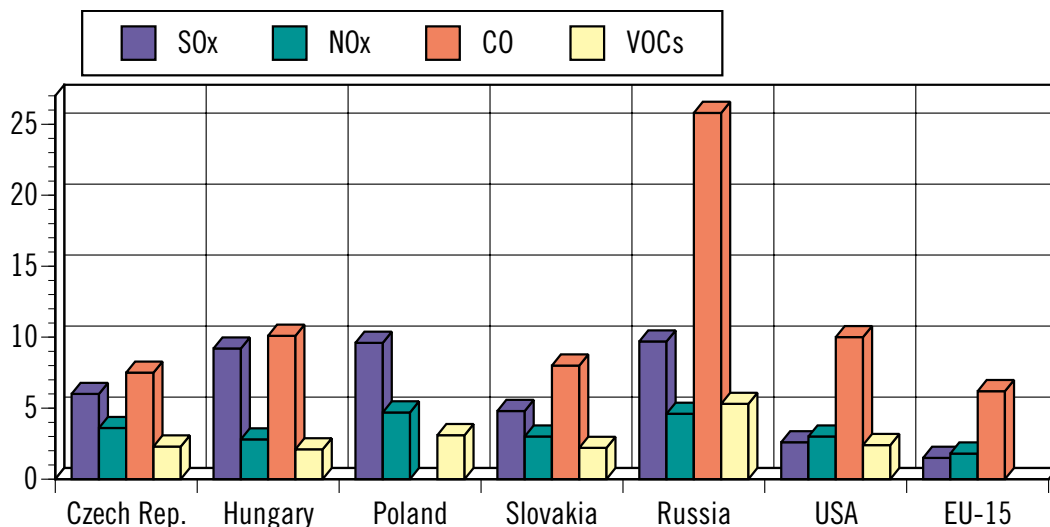
Source: OECD

By the Numbers:
Emissions in the east European region

Per capita emissions, 1997 (kilograms per person)



Emissions per unit of GNP, 1997 (kilograms per US\$1,000)



Source: OECD Environmental Data Compendium, 1999; World Bank. Emissions per unit of GNP calculated for CEE nations with 1997 GNP data at purchasing power parity; for US and EU, using 1991 GDP data at PPP. Russian SOx data is for stationary sources only. As with all data from the region, these figures should be interpreted with care.

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