

# RUSSIAN FEDERATION

## Socio-economic indicators

	2002	2005
<b>Income and poverty</b>		
• GDP (million, constant 2000 USD)	285 880	349 853
• Annual GDP growth rate 2002-2005 (%)		7
• GDP per capita (PPP, constant 2000 international dollars)	7 809	9 747
• Poverty rate (% of pop. below USD 2/day)	13.5 <sup>a</sup>	
<b>Demography</b>		
• Population (million inhabitants)	145.30	143.15
• Urban population (%)	73.2	73.0
<b>Economic structure (as % of GDP)</b>		
• Agriculture	5.8	5.6
• Industry	34.7	38.0
• Services	59.5	56.4
<b>Exports (% of total exports)</b>		
• Agricultural products		6.1
• Fuels and mining products		67.7
• Manufactures		23.2
<b>Financial flows</b>		
• FDI (inward flows as % of GDP)	1.0	1.9
• ODA (% of GNI)	0.4	0.2

a) or closest available year.

Data based on PPP, constant 1993 international dollars.

**Note:** An international dollar has the same purchasing power over GDP as the USD has in the United States.

The poverty rate is the percentage of the population living on less than USD 2.15 a day at 1993 international prices.

**Source:** UNCTAD, World Bank, WTO.

## Environmental priorities

The **2002 Environmental Doctrine of the Russian Federation** identifies the following priorities in the field of environmental protection:

- Sustainable use of (renewable and non-renewable) natural resources.
- Reduction of pollution and sustainable use of resources.
- Conservation of biodiversity.
- Ensuring environmental safety of hazardous activities and in emergencies.
- Improvement of the quality of life and public health by improving environmental quality.
- Minimisation of environmental risks caused by natural and technological disasters.

The **2006 Programme of Socio-Economic Development of the Russian Federation for the medium-term (2006-2008)** includes the following priorities in the field of environmental protection:

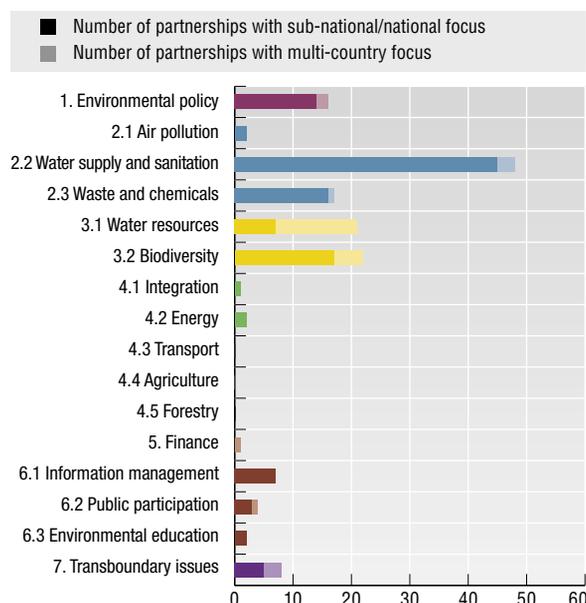
- Reform of environmental regulation (legal basis for protected areas, environmental quality standards, permitting system, environmental impact assessment, compliance, fines, support for environmental projects, mechanisms to promote resource efficiency and use of renewable energy).
- Management of industrial waste.
- Clean-up of contaminated land.
- Introduction of economic instruments (including damage compensation).

## International co-operation

Russia's main environmental co-operation partners are TACIS, EBRD, World Bank, GEF, Finland, Germany, the Netherlands, Norway, Sweden and the US.

### Number of registered partnerships

#### Russian Federation

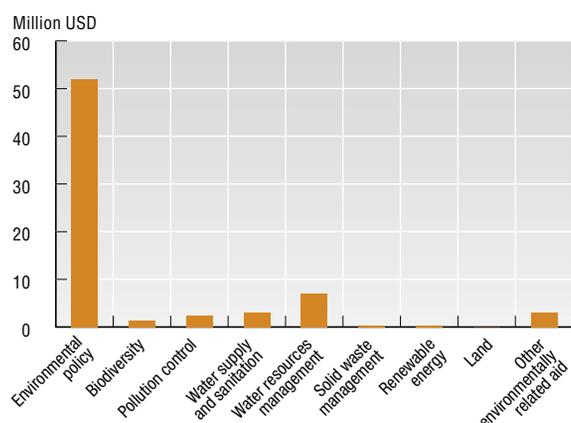


**Note:** The chart includes only the partnerships registered in the EECCA Partnerships Database as of 31 March 2007.

**Source:** EECCA Partnerships Database.

### International assistance for environment

#### Environment-related ODA/OA to Russian Federation, 2003-05



**Source:** OECD DAC Aid Activity database, donors and IFIs reporting.

### Implementation highlight

#### WATER RESOURCES MANAGEMENT

The new Water Code of the Russian Federation came into force in January 2007. While regulations still need to be implemented, the Water Code already introduces a number of important innovations. It establishes the legal basis for river basin management. It introduces private property rights for water bodies (with the exception of drinking water sources) and includes the right to trade water. It substitutes previous narrow licenses with broad agreements that include water quality considerations, secure the rights of the agreement-holders and introduce agreement-related water payment. The new Water Code also introduces a high degree of decentralisation in the management of water resources in the Russian Federation, which will help to achieve the financial sustainability of the water sector. In 2004, sub-federal entities collected 9 billion roubles in water payments, but only 20% were returned to the water sector. After the introduction of a new water tax, 13 billion roubles were collected in water payments in 2006, all of which were returned to the water sector.

**Source:** Ministry of Natural Resources of the Russian Federation.

### Policy matrix

The following two pages summarise actions taken by the Government of the Russian Federation that contribute to achieving the objectives of the EECCA Environment Strategy. Unless otherwise stated, information is taken from the EAP Task Force Questionnaire. Accordingly, the period covered is June 2003-June 2006 for qualitative information and 2002-2005 for quantitative information.

The other sources referred to in the matrix are:

- (1) Report to the Ramsar Convention.
- (2) UNECE.
- (3) Main text of this report (see thematic chapters for sources consulted).
- (4) Additional information provided by the Ministry of Natural Resources.

Considerable efforts were made to bring out relevant information, but the policy matrix is not exhaustive.

## RUSSIAN FEDERATION ENVIRONMENTAL

	<b>Institutional strengthening</b> (re-organisation, system creation, staffing, training, equipment)	<b>Planning</b> (SoE monitoring, analyses, targets, action plans, performance monitoring)	<b>Command-and-control instruments</b> (bans, direct regulation, permitting)
<b>Air pollution</b>	<ul style="list-style-type: none"> <li>• 10 new air quality monitoring stations installed</li> </ul>	<ul style="list-style-type: none"> <li>• PM<sub>10</sub> monitoring introduced (3)</li> </ul>	<ul style="list-style-type: none"> <li>• Vehicle emission standards developed and implemented (1)</li> <li>• Leaded petrol banned (3)</li> <li>• EURO II standard introduced (3) (technical requirements to motor fuel approved)</li> </ul>
<b>Water supply and sanitation</b>			
<b>Waste and chemicals</b>		<ul style="list-style-type: none"> <li>• Cost of implementing the existing chemicals management strategy calculated</li> <li>• Waste data system improved (3)</li> </ul>	<ul style="list-style-type: none"> <li>• Hazardous waste licensing scheme introduced (4)</li> </ul>
<b>Water resources</b>	<ul style="list-style-type: none"> <li>• Basin principle for WRM re-introduced (4)</li> </ul>	<ul style="list-style-type: none"> <li>• Management plans for Pskovsko lowlands and Selenga delta formulated</li> <li>• New Water Code passed (4)</li> <li>• RF/Belarus/Lithuania co-operation in the Neman River basin agreed (4)</li> <li>• Teheran Convention on the Caspian Sea ratified (3)</li> </ul>	<ul style="list-style-type: none"> <li>• Criteria approved for classifying the water bodies as those controlled by the federal and regional environmental authorities (4)</li> </ul>
<b>Biodiversity</b>		<ul style="list-style-type: none"> <li>• Work on biodiversity indicators started (3)</li> <li>• PEEN pilot project carried out</li> <li>• Work on invasive alien species started (3)</li> <li>• Concept Paper on Fisheries Development Until 2020 passed</li> </ul>	<ul style="list-style-type: none"> <li>• 59 000-hectare Kologrivsky Les State Reserve established (4)</li> </ul>
<b>Integration into key economic sectors</b>	<ul style="list-style-type: none"> <li>• Nr of staff working on integration issues at the Ministry of Natural Resources increased from 14 to 22</li> </ul>	<ul style="list-style-type: none"> <li>• Kyoto Protocol ratified and implementation plan adopted (4)</li> <li>• GHG emissions inventory established (4)</li> </ul>	
<b>Cross-cutting</b>		<ul style="list-style-type: none"> <li>• Action Plan for Implementation of Environmental Doctrine 2003-2005 approved (1)</li> <li>• Environmental policy goals and objectives set in 2006-2008 Programme for Social and Economic Development (4)</li> <li>• Legal basis for self-monitoring established (3)</li> <li>• Energy Strategy of Russia until 2020 passed (4)</li> </ul>	<ul style="list-style-type: none"> <li>• Reform of environmental quality standards started (3)</li> <li>• Administrative fines increased (3)</li> <li>• Preparation of 11 ISO14000 standards on ecological security launched (4)</li> </ul>

## POLICY MATRIX

Market-related instruments (property rights, tariffs, charges, taxes, deposit-refund schemes, trading)	Information-related instruments (labelling, information disclosure, public participation, education, technical advice)	Direct provision of services (investment programmes, funding)	
<ul style="list-style-type: none"> <li>Gas tariffs for households increased by 82% to 0.9 lcu/m<sup>3</sup></li> <li>Average electricity tariffs increased by 32%</li> </ul>			<b>Air pollution</b>
<ul style="list-style-type: none"> <li>Water tariff-setting framework reformed (3)</li> </ul>			<b>Water supply and sanitation</b>
			<b>Waste and chemicals</b>
<ul style="list-style-type: none"> <li>Water tariffs for industrial users increased by 71% to 0.33 lcu/m<sup>3</sup></li> </ul>	<ul style="list-style-type: none"> <li>The Water Code of 2007 replaced the federal water tax with a contractual fee (4)</li> </ul>		<b>Water resources</b>
	<ul style="list-style-type: none"> <li>E-mailing list for disseminating information on wetland conservation established (1)</li> </ul>		<b>Biodiversity</b>
	<ul style="list-style-type: none"> <li>Agricultural advice programmes piloted (3)</li> <li>Timber certification promoted (3)</li> </ul>		<b>Integration into key economic sectors</b>
<ul style="list-style-type: none"> <li>Amount collected through environmental levies increased by 152% to 13 billion lcu</li> <li>Penalties introduced for failure to pay charges for negative environmental impacts (4)</li> <li>Pattern of distribution of environmental pollution charges among the federal, regional, and local budgets changed to 20 percent, 40 percent, and 40 percent respectively</li> </ul>	<ul style="list-style-type: none"> <li>Performance rating and disclosure scheme introduced (3)</li> <li>Compliance promoted through mass media (3)</li> <li>Public council with NGO/public representation created at the Ministry on Natural Resources</li> <li>Public access to information on environmental legislation provided through websites, databases and legal information centres (4)</li> <li>Environmental Protection Day held annually (4)</li> <li>Preparation of 11 ISO14000 standards launched (4)</li> <li>ESD standard developed (3)</li> </ul>		<b>Cross-cutting</b>