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ENVIRONMENT POLICY COMMITTEE  
TASK FORCE FOR THE IMPLEMENTATION OF THE ENVIRONMENTAL ACTION  
PROGRAMME FOR CENTRAL AND EASTERN EUROPE, CAUCASUS AND CENTRAL ASIA

**PROGRESS IN IMPLEMENTING THE "GREENING ECONOMIES IN THE EASTERN  
NEIGHBOURHOOD" PROGRAMME (September 2013 - September 2014)**

**Third EaP GREEN Steering Committee Meeting**

**8 October 2014, Minsk, Belarus**

*Agenda item: 5*

*ACTION REQUIRED: For discussion and approval.*

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## **PROGRESS IN IMPLEMENTING THE EAP GREEN PROGRAMME OF WORK (SEPTEMBER 2013 – SEPTEMBER 2014)**

1. The current Progress Report provides a brief overview of activities carried out by the four implementing partners (OECD, UNECE, UNEP, and UNIDO) under the Long-term Programme of Work [ENV/EPOC/EAP(2013)1] of the “Greening economies in the Eastern Neighbourhood” (EaP GREEN) Programme. It covers the period from September 2013 to September 2014.

### **PART 1: AN OVERVIEW**

#### **General information**

2. EaP GREEN targets six countries of the European Union’s Eastern Partnership (EaP): Armenia, Azerbaijan, Belarus, Georgia, Republic of Moldova and Ukraine. The programme is supported by the European Union and other donors, and involves joint implementation by four international organisations – OECD, UNECE, UNEP, and UNIDO. The total EaP GREEN budget for a period of implementation of 48 months is 12.5 million Euros.

3. The programme’s overall objective is for the EaP countries to move towards a green economy by decoupling economic growth from environmental degradation and resource depletion. More specifically, the Programme aims to:

- Mainstream sustainable consumption and production (SCP) into national development plans, legislation and regulatory framework with a view to provide a sound legal basis for future policy development, in line with the regional and international agreements and processes and consistently with existing EU acquis in the relevant policy areas;
- Promote the use of the Strategic Environmental Assessment (SEA) and Environmental Impact Assessment (EIA) as essential planning tools for an environmentally sustainable economic development;
- Achieve a shift to green economy through the adaptation and adoption of sustainable consumption and production practices and techniques in selected economic sectors (manufacturing, agriculture, food production and processing, construction).

4. Accordingly, the EaP GREEN is structured around three components: (1) governance and financing tools; (2) SEA and EIA: accompanying SCP policy implementation; and (3) demonstration projects.

5. The programme is targeted primarily at government authorities and the enterprise sector in the EaP countries. Various arms of the government are involved in its activities, most importantly ministries of environment and ministries of finance and economy, statistical offices and sectoral ministries. The International Finance Institutions (IFIs) and the domestic banking sector representatives are important partners as well. The programme is implemented in close cooperation with the NGO community. Its activities are coordinated with relevant projects in the EaP countries.

## PART II: PROJECT-BY-PROJECT PROGRESS REPORTING

Table 1. Activity-by-activity progress during the reporting period (September 2013 – September 2014)

Component 1: Governance and financing tools			
1.1: Supporting Strategic Policy Setting		Lead partner: UNEP	Progress made: DELAYED
Context:	Objectives:	Outcomes (impact):	
None of EaP countries has established a coherent policy planning framework related to sustainable consumption and production (SCP) and green economy promotion. These goals need to be better reflected in operational plans and programmes of the government and budgetary plans.	<ul style="list-style-type: none"> <li>Demonstrate environmental, economic and social benefits of the implementation of SCP.</li> <li>Support the development of national Green Economy/SCP strategic policy frameworks.</li> </ul>	<ul style="list-style-type: none"> <li>Resource efficiency and SCP policies are integrated into national economic and development planning (i.e. green economy strategy) and implementation processes;</li> <li>National green economy/SCP programmes or action plans are developed and implemented, where requested.</li> </ul>	
PROGRESS			
Regional-level work	National-level work	Achieved results	
<ul style="list-style-type: none"> <li>High-level segment on green economy organised during the OECD/EAP Task Force meeting (17 September 2013, Tbilisi).</li> <li>Regional workshop on Green Economy and SCP (6 May 2014, Tbilisi).</li> <li>Draft regional review on SCP policy development.</li> </ul>	<p><b>Belarus:</b> National training workshop on Green Economy scenario analysis (2 July 2014).</p> <p><b>Georgia:</b> A side event of the regional workshop with an exhibition of SCP initiatives with participation of 13 NGOs and business representatives (6 May 2014).</p> <p><b>Moldova:</b></p> <ul style="list-style-type: none"> <li>National consultation and kick off meeting (6 June 2014).</li> <li>National training Workshop for Green Economy simulation analysis (12 June 2014).</li> <li>Translation of National Environmental Strategy 2014-23 into English.</li> <li>Draft green economy scenario analysis developed.</li> </ul> <p><b>Ukraine:</b></p> <ul style="list-style-type: none"> <li>A national stakeholder consultation for Green Economy and SCP (26 September 2013, Kiev),</li> <li>National training workshop on Green economy simulation analysis (10-11 April 2014).</li> </ul>	<p>National-level workshops organised in 2014 offered the possibility to reach some 120 experts in four EaP Green countries, representing both governmental and non-governmental organisations.</p> <p><b>Belarus:</b> A decision made to establish a working group to conduct analyses of three selected sectors.</p> <p><b>Moldova:</b> A decision made to establish an inter-ministerial working group for sustainable development to monitor the development and implementation of action plans. National experts selected two areas, agriculture and energy efficiency, for further analysis of the ways to increase resource efficiency and stimulating economic growth. The draft modelling results is circulated to the national experts.</p> <p><b>Ukraine:</b> Decision made to appoint the Scientific and Research Institute of Economics of Ukraine to be a national focal point for the simulation analysis.</p> <p><b>Regional level:</b> Regional report "Resource Efficiency Economic Outlook" translated into Russian and distributed at the regional workshop in Tbilisi.</p>	

1.2: Progress measurement: Green Growth Indicators (GGIs)		Lead partner: OECD	Progress made: ON TRACK
<p><b>Context:</b></p> <p>Changing the development path requires analytical evidence that resonates both with environmental and non-environmental communities. To generate such evidence, governments may need to revisit the set of indicators that they currently use. Although the EaP countries have a long history of collecting statistical data, the collected data are often patchy, insufficient in terms of quality and poorly used in decision-making. The OECD proposed a set of Green Growth Indicators (GGI) on the basis of existing work in international organisations, and in OECD and partner countries.</p>	<p><b>Objectives:</b></p> <ul style="list-style-type: none"> <li>• Consensus on good practices and raised awareness about the value of GGIs.</li> <li>• Adaptation of GGIs in three EaP countries.</li> <li>• Identification of 6-7 headline GGIs for regional use.</li> </ul>	<p><b>Outcomes (impact):</b></p> <ul style="list-style-type: none"> <li>• Identification and use of national sets of GGIs.</li> <li>• Better integration of economic and environmental decision-making.</li> <li>• Evidence-based monitoring of transition towards green economy.</li> </ul>	
PROGRESS			
Regional-level work	National-level work	Achieved results	
<ul style="list-style-type: none"> <li>• Preparation of a handbook on the use of GGIs launched.</li> <li>• Production of a policy brief on GGIs launched.</li> </ul>	<p><b>Moldova</b></p> <ul style="list-style-type: none"> <li>• Launch of a pilot project on GGIs in Moldova (October 2013), two experts meetings (April and June 2014).</li> <li>• Draft pilot study on measuring green growth (June 2014).</li> </ul> <p><b>Ukraine</b></p> <ul style="list-style-type: none"> <li>• Presentation of GGIs during the national workshops (21 November, 2013 and 16 June 2014, Kiev).</li> <li>• A comparative analysis of GGIs (June 2014) and support provided to the preparation and printing of a report on GGIs.</li> </ul>	<p><b>Regional level:</b> Feedback received on how to organise programme activities under this work stream.</p> <p><b>Moldova and Ukraine:</b> All key stakeholders consulted during bilateral interviews and two roundtables conducted as part of the project scoping.</p>	

1.3: Identifying environmentally-harmful subsidies (EHS) and launching subsidy reform		Lead partner: OECD	Progress made: ON TRACK
<p><b>Context:</b></p> <p>The benefits of reforming environmentally harmful subsidies (EHS) include, among others, reducing the use of resource intensive inputs and subsequent decrease in pollution levels, fixing market distortions; releasing and/or reallocating public funding to other areas, and saving or reducing debt. There is some evidence that EHS in the EaP countries may be significant. However, until now there has not been any consistent effort to analyse such subsidies in these countries and study the effects of their reform on country's fiscal and environmental conditions. This is the first such project in the region.</p>	<p><b>Objectives:</b></p> <ul style="list-style-type: none"> <li>• Implement projects in 3 countries to develop action plans to reform EHS schemes in selected sectors.</li> <li>• Develop capacity to identify EHS and their potential impacts.</li> <li>• Build political support for EHS reforms.</li> </ul>	<p><b>Outcomes (impact):</b></p> <ul style="list-style-type: none"> <li>• Number of subsidy schemes analysed and reforms proposed and agreed upon within the respective government.</li> <li>• Existence of specific regulatory documents and decisions related to the EHS reform in the country.</li> </ul>	
PROGRESS			
Regional-level work	National-level work	Achieved results	
<ul style="list-style-type: none"> <li>• A roundtable organised back-to-back with the EaP meeting in Tbilisi in September 2013 with a focus on lessons learnt from the experience with reforming EHS in EU member states.</li> <li>• Launch of work and design of detailed Terms of Reference for the preparation of a regional overview study of energy subsidy schemes in the EaP countries which will be based on information and data available in the public domain.</li> </ul>	<p><b>Azerbaijan:</b> Terms of Reference for a second project developed and shared in October 2013.</p> <p><b>Georgia:</b> A discussion launched in March 2014. The Ministry of Environment supported the project and provided comments on the project scope suggested for Georgia.</p> <p><b>Moldova:</b></p> <ul style="list-style-type: none"> <li>• The findings and conclusions of the analytical report were discussed and agreed upon at a stakeholder meeting.</li> <li>• Following comments from participants, the report was completed in English and is being translated into Romanian and Russian.</li> </ul>	<p><b>Azerbaijan:</b> There was neither feedback nor official expression of interest from the Government of Azerbaijan.</p> <p><b>Georgia:</b> The official response of the Ministry of Economy is pending.</p> <p><b>Moldova:</b> The reforms of two major schemes were modelled, analysed and agreed upon: the reduced VAT rates for the consumption of natural gas and of electricity in the residential sector (8% and 0%, respectively, instead of the standard 20% rate).</p>	

<b>1.4: Creating market incentives for greener products</b>		Lead partner: OECD	Progress made: ON TRACK
<b>Context:</b> EaP countries struggle with a number of environmental challenges that can be addressed through economic instruments (EIs), including the rapid growth of the use of motor vehicles and associated emissions of carbon dioxide and local air pollutants, the lack of sound waste management solutions for end-of-life vehicles and their parts; the exponential increase of municipal solid waste from packaging and electric and electronic equipment; the indiscriminate use of pesticides and fertilisers in agriculture, etc. All EaP countries are interested in expanding the use of product-related EIs.	<b>Objectives:</b> <ul style="list-style-type: none"> <li>• Facilitate the reduction of environmental impacts of priority, largely diffused manufactured products;</li> <li>• Build capacity in EaP countries for introduction and/or reform of product-related EIs.</li> </ul>	<b>Outcomes (impact):</b> <ul style="list-style-type: none"> <li>• Adoption of new or reformed policies and economic instruments for the management of environmentally harmful products.</li> </ul>	
<b>PROGRESS</b>			
<b>Regional-level work</b>	<b>National-level work</b>		<b>Achieved results</b>
<ul style="list-style-type: none"> <li>• A regional expert meeting (6-7 March 2014, Paris).</li> <li>• Policy Manual “Creating market incentives for greener products” finalised and published.</li> <li>• A “Roadmap for policy action”, presenting policy-makers with a strategy for using economic instruments for managing environmentally harmful products, prepared and published.</li> </ul>	<p><b>Armenia:</b> A national policy dialogue meeting held in Armenia on 4 June 2014 to disseminate the Policy Manual and discuss possible directions for reform in the country.</p> <p><b>Moldova:</b> Second stakeholder workshop conducted within the pilot projects (13 June 2014) to discuss preliminary policy recommendations.</p> <p><b>Ukraine:</b> Second stakeholder workshop conducted within the pilot projects (18 June 2014) to discuss preliminary policy recommendations.</p>		<p><b>Regional level:</b> The regional meeting endorsed the regional guidance document (several EaP country ministries were willing to reference the guidance on their websites) and highlighted the importance of the brief for policy-makers. Stakeholder endorsement of preliminary policy recommendations in the pilot countries.</p>

1.5: Improving investment policies and access to finance		Lead partner: OECD	Progress made: ON TRACK
<p><b>Context:</b></p> <p>Moving onto a greener, low-carbon and resource-efficient path of economic development requires significant investments. The public sector alone cannot bear the costs of such investments. In order to promote private sector finance, governments need to provide appropriate incentives. Commercial banks have a potentially important role to play in providing lending for green investments. However, under the current conditions in EaP countries the involvement of these banks is rather limited.</p>	<p><b>Objectives:</b></p> <ul style="list-style-type: none"> <li>• Reaching consensus on the conditions and reforms that would enable commercial banks in the EaP countries to support investments in green projects.</li> <li>• Strengthening cooperation between governments and the private banking sector aiming to improve access to private finance.</li> </ul>	<p><b>Outcomes (impact):</b></p> <ul style="list-style-type: none"> <li>• Agreement between the government and the banking sector on needed regulatory reforms.</li> <li>• Number of credit lines analysed and relevant policy recommendations made and agreed upon.</li> </ul>	
PROGRESS			
Regional-level products and activities	National-level products and activities	Achieved results	
<ul style="list-style-type: none"> <li>• A regional expert meeting organised (5-6 June 2014, Paris) to discuss and agree on a methodology for the in-depth review of environmentally-related credit lines provided by IFIs and disbursed by local banks;</li> <li>• Preparation of an analytical report which contains a review of the experience with the design and implementation of existing environmental credit lines in the EaP countries and a methodology for in-depth analysis of such credit lines.</li> </ul>	<p><b>Ukraine:</b></p> <ul style="list-style-type: none"> <li>• Launching a country level project to be implemented jointly with the Ukraine State Export-Import Bank (Ukreximbank).</li> <li>• Organisation of a workshop (July 2014, Paris), with the participation of representatives of Ukreximbank and EBRD, a major source of long-term environmental funding to Ukreximbank, to discuss and agree on the project scope and organisation of the project.</li> </ul>	<p><b>Regional level:</b></p> <ul style="list-style-type: none"> <li>• Discussion and approval of the credit lines review methodology by meeting participants that included representatives of EaP Ministries of Economy, IFIs, EaP local banks, academics, international experts.</li> <li>• Strengthened cooperation with IFIs and an agreement by the IFIs to take part in the project.</li> </ul> <p><b>Ukraine:</b> agreement by Ukraine, through Ukreximbank with support by the Ministry of Economy, to participate in the project.</p>	

1.6: Promoting public consumption changes through green procurement practices		Lead partner: UNEP	Progress made: ON TRACK
<p><b>Context:</b></p> <p>Governments in the Eastern Partnership countries are important consumers: their expenditure represents some 20% of the GDP, ranging from 11.3% in Azerbaijan to 27.3% in Moldova. With the exception of Georgia and Ukraine, where governments have already taken specific steps to make their procurement practices more sustainable, none of the ENPI partner countries have national green public procurement policies in place. Even where relevant provisions for sustainable public procurement (SPP) have been enacted in legislation, the operational policies are lacking.</p>	<p><b>Objectives:</b></p> <ul style="list-style-type: none"> <li>To assist countries in the development and implementation of SPP policies by increasing awareness and building the capacities of policy makers and procurement managers.</li> </ul>	<p><b>Outcomes (impact):</b></p> <ul style="list-style-type: none"> <li>Awareness raised and capacity strengthened on SPP approaches.</li> <li>National SPP Action Plans are developed in three target countries in coherence with existing SCP and sustainable development policies.</li> </ul>	
<b>PROGRESS</b>			
<b>Regional-level products and activities</b>	<b>National-level products and activities</b>	<b>Achieved results</b>	
<ul style="list-style-type: none"> <li>SPP training manual adapted to regional context and translated into Russian.</li> <li>Training for trainers workshop (11- 14 March, 2014).</li> <li>The regional awareness raising and capacity building workshop on SPP (7-8 May 2014, Tbilisi).</li> </ul>	<p><b>Belarus, Moldova, Ukraine:</b></p> <ul style="list-style-type: none"> <li>Inception workshops organized in three countries to raise awareness on the benefits of SPP and the joint application of SPP and eco-labelling; and launch of the country-level SPP activities.</li> <li>Establishment of steering committees, implementation plans, and designation of national focal organization and focal points.</li> </ul>	<p><b>Belarus:</b> the project implementation plan for 2014 agreed.</p> <p><b>Moldova:</b></p> <ul style="list-style-type: none"> <li>The project National Focal Organisation (NFO) and the National Focal Point (NFP) formally designated, the Steering Committee established; the project implementation plan for 2014 adopted; and the project administrative and financial management modalities and the project scope agreed upon.</li> <li>Draft strategic assessment and legal review were developed.</li> </ul> <p><b>Ukraine:</b></p> <ul style="list-style-type: none"> <li>The project NFO and the NFP formally designated, the Steering Committee established; the project implementation plan for 2014 adopted; and the project administrative and financial management modalities and the project scope agreed upon.</li> <li>Draft strategic assessment and legal review were developed.</li> </ul>	

<b>1.7: Greening of SMEs</b>		Lead partner: OECD	Progress made: ON TRACK
<p><b>Context:</b></p> <p>While constituting a majority of businesses, small and medium-sized enterprises (SMEs) lack, to a large extent, the understanding that higher environmental performance can be a competitive advantage. Most importantly, they have limited capacity to interpret and respond to relevant policy incentives. Many EU and other OECD countries have addressed this challenge by implementing information-based tools and regulatory and financial incentives to encourage SMEs to improve their environmental performance, to comply with and go beyond regulatory requirements. However, EaP countries have given little consideration to the greening of small businesses.</p>	<p><b>Objectives:</b></p> <ul style="list-style-type: none"> <li>• Establish a policy framework for improving the environmental performance of SMEs.</li> <li>• Develop capacity in EaP countries to promote SME greening.</li> <li>• Promote government-to-business and business-to-business dialogue on SME greening in the EaP region.</li> </ul>	<p><b>Outcomes (impact):</b></p> <ul style="list-style-type: none"> <li>• Policy and legislative changes in support to the SME greening.</li> </ul>	
<b>PROGRESS</b>			
<b>Regional-level work</b>	<b>National-level work</b>	<b>Achieved results</b>	
<ul style="list-style-type: none"> <li>• An annotated outline of the SME Greening Toolkit developed and agreed by all NFPs.</li> <li>• Ongoing work on the design of the SME Greening Toolkit.</li> <li>• Special session on SME greening under preparation for the annual meeting of the EAP Task Force in November 2014.</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Armenia:</b> an SME survey conducted in February-May 2014; the results were presented and discussed at the second stakeholder workshop (4 June 2014); stakeholders identified priorities for the rest of the project.</li> <li>• <b>Moldova:</b> the project kicked off with a stakeholder workshop (13 February 2014); an SME survey conducted in May-August 2014.</li> </ul>	<p><b>Armenia and Moldova:</b></p> <ul style="list-style-type: none"> <li>• The SME surveys identified main needs for government policy interventions to improve the environmental performance of SMEs and created a good basis for stakeholder dialogue.</li> <li>• Over 800 SMEs in the two countries were reached out to during the survey.</li> <li>• The Ministry of Economy of Armenia will incorporate important elements on SME greening into both the national SME Support Strategy and the Concept of a Green Economy.</li> </ul>	

Component 2: SEA and EIA: accompanying SCP policy implementation		
2.1: Revision of national regulatory and legislative frameworks		Lead partner: UNECE
		Progress made: ON TRACK
<p><b>Context:</b></p> <p>The existing environmental assessment legislation in many EaP countries, provides for environmental impact assessment (EIA) procedures at the national and transboundary context, and contains elements of strategic environmental assessment (SEA). However, there were indications that gaps in legislation and practice prevented countries from conducting EIA and SEA procedures in line with the Convention on Environmental Impact Assessment in a Transboundary Context (Espoo Convention) and its Protocol on SEA, as well as with the relevant EU legislation. A review of national legislative and other regulatory framework on EIA and/or SEA in these countries has been recently undertaken, which has proven an efficient tool for identifying areas of concern and improvement.</p>	<p><b>Objectives:</b></p> <ul style="list-style-type: none"> <li>Promote the integration of EIA and SEA systems into the national legal, regulatory, and administrative frameworks of the partner countries.</li> <li>Improve understanding for and acceptance of the necessary measures for efficient implementation of SEA and EIA among national stakeholders.</li> </ul>	<p><b>Outcomes:</b></p> <p>Increased number of EaP countries, Parties of the Protocol on SEA and the Espoo Convention.</p>
PROGRESS		
Regional-level activities	National-level activities	Results achieved
<ul style="list-style-type: none"> <li>A four hour session on practical considerations for developing national legislative frameworks for the application of SEA was held at the “<a href="#">Subregional conference, presenting results on pilot project on post-project analysis with Belarus and Ukraine and capacity building on SEA</a>” (15- 16 April 2014, Minsk).</li> <li>Guidelines on developing national legislative framework on SEA are under development.</li> </ul>	<p><b>Armenia:</b> <a href="#">Review of national legislative and institutional framework</a> of SEA initiated, draft report is developed, <a href="#">the round-table meeting to discuss the results of the review</a> organized (26 September 2014, Yerevan); Review of the national law on EIA and environmental expertise on request of the Espoo Convention Implementation Committee (IC) is developed</p> <p><b>Azerbaijan:</b> <a href="#">Review of national legislative and institutional framework of SEA</a> was discussed at the <a href="#">the round-table meeting to discuss the results of the report</a> (28 August 2014, Baku) and will be completed by the mid October</p>	<p><b>Armenia and Azerbaijan:</b> draft reports of the reviews of national legislative and institutional framework of SEA and opinion papers on draft EIA laws prepared.</p> <p><b>Georgia:</b> background documents for development of a draft Law on EIA and SEA in Georgia elaborated. Notably, Report on analysis of the existing elements and gaps in the national legislation of Georgia related to implementation of the Protocol on Strategic Environmental Assessment to the Espoo Convention (2014) and Review of legislation on environmental impact assessment of Georgia with regard to implementation of the Espoo Convention (2013) (see column 2 for links).</p>

	<p>2014; Assessment of the draft law on environmental assessment is prepared on request of the IC.</p> <p><b>Georgia:</b> Development of the draft law on EIA and SEA initiated during the <a href="#">start-up workshop (25 - 26 August 2014, Tbilisi)</a>. The draft law will be based on the result of the <a href="#">2014 SEA mapping exercise</a> and the <a href="#">2013 Review of legislation on environmental impact assessment of Georgia with regard to implementation of the Espoo Convention</a>.</p> <p><b>Moldova:</b> Draft Law on SEA prepared and discussed at <a href="#">the National round-table meeting (29 July 2014, Chisinau)</a>. Support on drafting bylaws for the implementation of the EIA law is been provided.</p>	<p><b>Moldova:</b> <a href="#">new legislation on SEA</a> drafted and discussed with the national stakeholders.</p> <p><b>Regional level:</b> numerous recommendations describing necessary legislative, process and institutional improvements developed for each country and incorporated into the draft guidance on developing national legislative framework.</p>	
<p><b>2.2: Capacity building on SEA/EIA procedures</b></p>		<p>Lead partner: <b>UNECE</b></p>	<p><b>Progress made: ON TRACK</b></p>
<p><b>Context:</b></p> <p>In absence of a legislative framework which requires mandatory application of SEA, the EaP countries lack capacities and practical experience in the application of the SEA in line with the Protocol on SEA and relevant EU legislation. Most of the plans and programme subject to SEA are sub-national or local land-use plan or other local plans which impact people's everyday life. The capacity building activities will thus target both national and local authorities, whose involvement is vital for the development of successful SEA/EIA systems. National authorities will be enabled to provide advice and training on SEA to the local authorities. For better efficiency, training courses will be combined with carefully selected pilot SEA or EIA projects.</p>	<p><b>Objectives:</b></p> <ul style="list-style-type: none"> <li>• Contribute to the development of national SEA/EIA systems and practice.</li> <li>• Increase awareness and understanding of the benefits of SEA/EIA and facilitating acceptance among decision-makers, relevant authorities and the public .</li> <li>• Elaborate and support implementation of recommendations for further improving the effectiveness of SEA and EIA systems.</li> </ul>	<p><b>Outcomes:</b></p> <p>Practical experience and national capacities for application SEA/EIA at the national and local level are available at the EAP countries.</p>	

PROGRESS		
Regional-level activities	National-level activities	Results achieved
<ul style="list-style-type: none"> <li>Financial support provided to 10 representatives from Armenia, Azerbaijan, Belarus, Georgia, the Republic of Moldova and Ukraine to take part at the meetings of the Parties of the Espoo Convention and the Protocol on SEA (2-5 June, Geneva).</li> <li><a href="#">Subregional conference, presenting results on pilot project on post-project analysis with Belarus and Ukraine and capacity building on SEA</a> (15-16 April 2014, Minsk).</li> <li><a href="#">Preparation of the study tour in the Czech Republic 'Application of Strategic Environmental Assessment at the national level in the field of urban planning, waste management, agriculture and energy sector'</a> is ongoing (1-5 December, 2014).</li> </ul>	<p><b>Armenia:</b> national training workshop on SEA was organized (<a href="#">28-29 November 2013, Yerevan</a>). The selection of an SEA pilot project is ongoing.</p> <p><b>Azerbaijan:</b> Plan for initiation of a pilot project on application of SEA to Alternative Energy Strategy in Azerbaijan developed.</p> <p><b>Belarus:</b> Three local SEA training workshops were held (<a href="#">7-9 October, 2013, Gomei, 21-23 October, 2013, Brest, 24-25 October, 2013, Grodno</a>).</p> <p><b>Georgia:</b> Waste management plan identified as a possible candidate for the pilot application of SEA.</p> <p><b>Moldova:</b> National training workshop on SEA (part 1) was carried out (30-31 July 2014, Chisinau); A pilot project on the application of the Draft Law on SEA to the Orhei town Master Plan development process initiated (July – December 2014).</p> <p><b>Ukraine:</b> <a href="#">National training workshop on SEA conducted</a> (1-4 October 2013, Kiev).</p> <p><b>Belarus and Ukraine:</b> a <a href="#">pilot project on the post-project analysis (PPA) of environmental impact in transboundary context in Belarus and Ukraine</a>, completed, including a meeting of the Task Force for project evaluation (17 December 2013), one virtual (for Ukraine, May 2014) and one physical public participation events (21 February, 2014), and a <a href="#">Subregional conference for disseminating results held (15 April 2014, Minsk)</a>.</p>	<p><b>Regional level:</b> Three sets of training materials produced based on the national conditions of Armenia and Ukraine and local conditions in Belarus. Training methodology elaborated and used at the training events.</p> <p><b>Armenia:</b> Implementation of the pilot project is pending due to the institutional changes.</p> <p><b>Azerbaijan:</b> MOU for the implementation of the pilot project prepared and pending final approval from Azerbaijan.</p> <p><b>Georgia:</b> based on the request of the national counterparts the pilot project will either be postponed until the country developed its national legislation or cancelled in favour of drafting of necessary by-laws to support development of national EIA and SEA legislative framework.</p> <p><b>Moldova:</b> draft training materials are produced based on the national conditions.</p> <p><b>Belarus and Ukraine:</b> a pilot project on PPA of environmental impact in transboundary context in Belarus and Ukraine is completed, including <a href="#">a report by the bilateral working group for the environmental Monitoring of Khotislavskoye quarry and expert assessment of the pilot project and recommendations for improving transboundary EIA procedure and post-project analysis</a>.</p>

<b>2.3: Strengthening the administrative capacities of the authorities in charge of the environmental assessment</b>		Lead partner: UNECE	Progress made: ON TRACK
<b>Context:</b> A clear definition of both the competent authorities in decision-making and the responsibilities for arranging public participation are needed for efficient EIA and SEA. In particular, in the case of SEA commitment and clear division of roles among other relevant authorities (planning, health, etc.) is required to achieve its targets of impacting strategic decision-making. For sectorial plans and programmes, joint capacity-development activities can help to strengthen coordination between government departments. This activity will provide for involvement of various authorities and include clarification of responsibilities for SEA and EIA procedures. It will be implemented through the activities 2.1 and 2.2.	<b>Objectives:</b> <ul style="list-style-type: none"> <li>To define and clarify responsibilities and roles of competent authorities for SEA and EIA procedures,</li> <li>To improve inter-institutional cooperation and involve all the relevant actors in the legislative reviews, technical assistance, training on and pilot implementation of SEA/EIA</li> </ul>	<b>Outcomes:</b> <ul style="list-style-type: none"> <li>Enhanced capacities of the administrative authorities in change of the environmental assessment for conducting SEA and EIA.</li> </ul>	
<b>PROGRESS</b>			
<b>Regional-level activities</b>	<b>National-level activities</b>	<b>Results achieved</b>	
<ul style="list-style-type: none"> <li>Financial support provided to 10 representatives from Armenia, Azerbaijan, Belarus, Georgia, the Republic of Moldova and Ukraine to take part at the <a href="#">Meetings of the Parties of the Espoo Convention and the Protocol on SEA</a> (2-5 June, Geneva).</li> <li><a href="#">Subregional conference, presenting results on pilot project on post-project analysis with Belarus and Ukraine and capacity building on SEA</a> organized (15-16 April 2014, Minsk).</li> <li>Preparation of the <a href="#">study tour in the Czech Republic 'Application of Strategic Environmental Assessment at the national level in the field of urban planning, waste management, agriculture and energy sector'</a> ongoing (1-5 December, 2014).</li> </ul>	<ul style="list-style-type: none"> <li>A review of roles and responsibilities of various stakeholders in the SEA process conducted in conjunction with the activity 2.1: Revision of the existing national regulatory and legislative framework (<b>Georgia/ EIA</b>, 9 September – 15 October 2013; <b>Armenia/SEA</b>, 16 June – October 2014; <b>Azerbaijan/EIA</b>, 05 June – 31 September 2014) and mapping exercise in <b>Georgia/SEA</b> (1 July – 31 September 2014);</li> <li>Relevant stakeholders were identified and took part in the national and regional training workshops initiated in connection with the activity 2.2: Capacity building on SEA/EIA procedures, following good practices including those in use in the EU (See the right side of the table).</li> </ul>	Numerous recommendations on institutional improvements prepared and discussed at the round table events dedicated to the results of the legislative and institutional reviews on SEA in <b>Azerbaijan, Georgia and the Republic of Moldova</b> . Sections on roles and responsibilities of national authorities in SEA incorporated at the agenda of the national training events on SEA in <b>Armenia, Moldova, Ukraine</b> and three local training events in <b>Belarus</b> supported institutional building. As a result of a pilot project on PPA of environmental impact in transboundary context in <b>Belarus and Ukraine</b> recommendation for roles of the national authorities in the PPA developed.	

Component 3: Demonstration projects			
3.1.1. RECP Human and Institutional Capacity Development		Lead partner: UNIDO	Progress made: ON TRACK
<p><b>Context:</b></p> <p>SMEs in EaP countries, in particular from the targeted food processing, construction materials and chemicals sectors, lack access to quality, appropriate and affordable RECP advisory services, causing them to miss out on potentially costs saving opportunities for conservation of materials, water and energy and for reduction of emissions, effluents and wastes.</p>	<p><b>Objectives:</b></p> <ul style="list-style-type: none"> <li>To establish or strengthen a nationally appropriate mechanism for delivering value adding RECP services to enterprises and other organizations in each EaP country.</li> </ul>	<p><b>Outcomes:</b></p> <ul style="list-style-type: none"> <li>Total of 60 national experts trained and coached in application of basic RECP methods and techniques</li> <li>A total of 15 short term trainings organized on advanced RECP topics</li> </ul> <p>Three regional meetings of key national RECP experts.</p>	
PROGRESS during September 2013 – August 2014			
Regional Level Activities	National Level Activities	Results achieved	
<ul style="list-style-type: none"> <li>Participation of experts from Moldova and Ukraine in regional RECP cooperation meeting and of experts from Armenia, Azerbaijan, Georgia, Moldova and Ukraine in global RECP networking conference, organized under global RECP network.</li> <li>Kick-off meeting of the national teams took place (10-11 February 2014, Vienna).</li> <li>National Coordinators from Armenia, Azerbaijan and Georgia presented RECP approach and achievements at the REC Caucasus Regional CP meeting (26 June 2014).</li> </ul>	<ul style="list-style-type: none"> <li>Capacity mapping for RECP service delivery in <b>all EaP countries</b> completed.</li> <li>Selection of national counterpart institutions and national RECP coordinators in <b>five countries</b> completed following competitive selection.</li> <li>Initial and advanced trainings on RECP methodology took place in <b>Moldova</b> (2013), <b>Armenia, Azerbaijan, Georgia, Belarus and Ukraine</b> in April-August 2014. A total of 84 participants were trained in these 6 countries.</li> <li>Steering Committees identified in <b>all 6 countries</b>.</li> </ul> <p><b>Georgia:</b> NSC met in June, while first meetings of other NSCs to take place in Autumn 2014.</p>	<ul style="list-style-type: none"> <li>First round of national RECP trainings started (in classroom) in 2013 and in Spring-Summer of 2014 in all six countries and are continuing through coaching of execution of RECP assessments by trainee experts (see also 3.1.1.2).</li> <li>First steering committees' meetings took place or firmly planned to take place in September.</li> </ul>	

<b>3.1.2. RECP Implementation, Dissemination and Replication</b>		<b>Lead partner: UNIDO</b>	<b>Progress made: DELAYED</b>
<b>Context:</b> SMEs remain sceptical towards adopting RECP methods and techniques, due to lack of properly documented company examples with proven resource conservation, environment and economic benefits. Moreover, practical mechanisms for enterprise cooperation and joint learning at sector or regional level are lacking.	<b>Objectives:</b> <ul style="list-style-type: none"> <li>To allow enterprises and other organizations in the EaP countries to implement RECP concepts, methods, practices and techniques and to monitor and verify their environment, resource use and economic benefits.</li> </ul>	<b>Outcomes:</b> <ul style="list-style-type: none"> <li>Detailed RECP assessments completed for at least 90 demonstration companies.</li> <li>Minimum of 50 enterprise success stories compiled.</li> <li>Some 25 replication programmes planned and delivered.</li> <li>Some 200 SMEs have completed a replication activity and 75% thereof has started implementation of RECP opportunities.</li> </ul>	
<b>PROGRESS</b>			
<b>Regional Level Activities</b>	<b>National Level Activities</b>	<b>Results achieved</b>	
N/A	<ul style="list-style-type: none"> <li>A total of 40 enterprises were identified for assessments covering five countries (<b>except Moldova</b>) of which 30 have agreed to conduct assessments during 2014.</li> </ul>	<ul style="list-style-type: none"> <li>RECP assessments are agreed and planned with both experts and companies. Identification and evaluation of enterprise specific RECP opportunities is underway in these demonstration companies.</li> </ul>	
<b>3.1.3. RECP Technology Support</b>		<b>Lead partner: UNIDO</b>	<b>Progress made: NOT APPLICABLE</b>
<b>Context:</b> RECP implementation in industries is contingent on having appropriate RECP enabling technologies and equipment available to SMEs in local markets.	<b>Objectives:</b> <ul style="list-style-type: none"> <li>To identify and promote the transfer and widespread deployment of appropriate and affordable RECP techniques and technologies for the target industry sectors.</li> </ul>	<b>Outcomes:</b> <ul style="list-style-type: none"> <li>Three sector based RECP technology needs and opportunity assessment reports published.</li> <li>Minimum of five RECP technology pilots prepared and promoted for implementation for each target sector.</li> </ul>	
<b>PROGRESS</b>			
<b>Regional Level Activities</b>	<b>National Level Activities</b>	<b>Results achieved</b>	
No activities implemented as it should follow completion of first cycle of RECP assessments in the countries.		N/A	

<b>3.2. Stimulating innovation and more sustainable goods and services through sustainable public procurement</b>		<b>Lead partner: UNEP</b>	<b>Progress made: NOT APPLICABLE</b>
<p><b>Context:</b></p> <p>In order to move towards more sustainable consumption and production patterns, emphasis needs to be placed on the change of consumption behaviours both from institutional and individual consumers. Product information tools, such as eco-labelling, provide consumers with information about the product's impacts and give market incentives to producers to produce environmentally and socially beneficial products.</p> <p>There is considerable lack of operational policies, even where GPP-relevant provisions have been. Following the development of SPP National Action plans in the target countries under Component 1 the demonstration component will focus on supporting the implementation of SPP.</p>	<p><b>Objectives:</b></p> <ul style="list-style-type: none"> <li>• To effectively implement sustainable public procurement in targeted countries.</li> <li>• To raise awareness of public authorities, producers and consumers about the potential of eco-labels, including through the dissemination of best practices for practical implementation of eco-label related EU directives to the industry and public.</li> <li>• To increase understanding and skills of policy-makers in applying eco-labelling.</li> </ul>	<p><b>Outcomes:</b></p> <ul style="list-style-type: none"> <li>• Increased public procurement of sustainable goods and services.</li> <li>• Awareness and capacity of policy makers and private sector strengthened to enhance synergies between eco-labelling and SPP.</li> </ul>	
<b>PROGRESS</b>			
<b>Regional-level activities</b>	<b>National-level activities</b>	<b>Results achieved</b>	
No activities implemented in 2013 since the activity will start in 2015.		N/A	

3.3: Promoting Organic Agriculture		Lead partner: UNEP	Progress made: ON TRACK
<p><b>Context:</b></p> <p>Application of green agricultural practices and technologies helps to simultaneously address issues of environmental degradation and social poverty. Organic agriculture (OA) offers opportunities to countries in the EaP region to access international and especially, European markets, create new and more rewarding jobs, develop new businesses, address climate change and build natural capital on which prospects for sustainable economic growth and wealth creation depend. According to the UNEP study (2011) significant opportunities exist for further promoting organic farming in Armenia, Moldova and Ukraine. Following up on this study, this project component focuses on enhancing country capacities to expand the organic agriculture sector.</p>	<p><b>Objectives:</b></p> <ul style="list-style-type: none"> <li>• Increase production and trade of OA products by building the capacity of the private sector to access growing international and European markets for organic products;</li> <li>• To assess the feasibility of a sub-regional organic standard.</li> </ul>	<p><b>Outcomes:</b></p> <ul style="list-style-type: none"> <li>• This project aims to provide support to countries to enhance their knowledge of market opportunities and barriers and build capacities for production and trade of organic products. The ultimate aim of the project is to increase the number of companies and farmers that harness the trade opportunities of organic agriculture.</li> </ul>	
PROGRESS			
Regional-level activities	National-level activities	Results achieved	
<ul style="list-style-type: none"> <li>• Outreach materials on the OA component were produced in English and Russian;</li> <li>• A concise paper, discussing the value and feasibility of a sub-regional organic standard, has been prepared.</li> <li>• Guidance documents on marketing, packaging, and branding of organic products are being prepared.</li> <li>• A first draft of the European market assessment for the main export products (cereals, protein crops, fruits and berries in raw and processed forms, herbs, honey, mushrooms, viticulture and animal products) completed and is currently undergoing a review process.</li> <li>• The participation of Armenian, Moldovan and Ukrainian producers in the organic trade fair "Biofach" is currently under preparation.</li> <li>• A regional conference on organic agriculture, to take place in Ukraine in late May, had to be postponed to early 2015 due to unsettling situation of the country.</li> </ul>	<p><b>Armenia Moldova, and Ukraine:</b></p> <ul style="list-style-type: none"> <li>• OA studies in three countries updated and are currently going through a thorough review process.</li> <li>• National workshops in each country brought together main stakeholders, presented the project, discussed capacity building needs of the organic sector and identified eligible companies.</li> </ul> <p><b>Moldova:</b> a pilot/demonstration activity to promote organic products through school procurement is currently undertaken.</p>	<p><b>Armenia Moldova, and Ukraine:</b></p> <ul style="list-style-type: none"> <li>• Two outreach materials on the project have been prepared (project flyer and website).</li> <li>• Three country studies with up-to-date market information have been finalized and are undergoing review.</li> <li>• A concise paper on feasibility of a sub-regional organic standard has been finalized.</li> <li>• Guidance documents on marketing, packaging and branding of organic products being prepared and will be disseminated in the upcoming workshops in Q4 2014. During these workshops, selected companies will be prepared for Biofach (organic trade fair) participation.</li> <li>• A first draft of a European market assessment for the main export products prepared;</li> <li>• Inventory of available and future supply of organic foods prepared to identify the production capacity of organic foods in <b>Moldova</b>.</li> </ul>	

Other progress			
Implementation of the communications strategy		Lead partner: OECD	Progress made: DELAYED
<b>Context:</b> <ul style="list-style-type: none"> <li>A Communication Strategy for the programme was developed in consultation with the programme's implementing partners.</li> <li>Communications activities also aim to respond to the EU's requirements on visibility as laid out in our framework agreement.</li> </ul>	<b>Objectives:</b> <ul style="list-style-type: none"> <li>To establish EaP GREEN as a brand and achieve visibility for the programme's achievements.</li> <li>To promote the impact of the work conducted under the three components of the programme.</li> <li>To raise awareness and generate support for the required policy measures and decisions on greening economies in the region.</li> <li>Fundraising.</li> </ul>	<b>Outcomes:</b> The communication strategy primarily aims to deliver: <ul style="list-style-type: none"> <li>A distinct and well-known visual identity for EaP GREEN.</li> <li>A range of supportive documents and advocacy materials made available for partners and NFPs – such as brochures, flyers, country notes, website and social media.</li> <li>A continuous information flow and updates on ongoing activities and achievements through as many channels as possible.</li> <li>Work with the local and international media (as applicable).</li> </ul>	
PROGRESS during September 2013 – August 2014			
Regional Level Activities	National Level Activities	Results achieved	
<ul style="list-style-type: none"> <li>National focal points consulted on the EaP GREEN communications strategy at an early stage of the planning.</li> <li>A communications questionnaire mapped the availability of tools and technology alongside the use and nature of information requirements in the region. The online survey collected 89 responses from over 20 countries. The majority of respondents are a direct target audience of EaP GREEN from the region.</li> <li>A presentation on progress to date and future plans for communications will be held at the meeting of the Steering Committee in Minsk, Belarus with regional delegates. We will be exploring outreach possibilities to the media in the context of the meeting (if newsworthy information can be identified in due course).</li> </ul>	<ul style="list-style-type: none"> <li>Country notes are being developed to summarise work done by each of the project partners.</li> <li><b>Moldova:</b> recently approved the deployment of an information webpage on the EaP GREEN under the website structure of its Ministry of Economy.</li> </ul>	<ul style="list-style-type: none"> <li>Distinct visual identity for EaP GREEN in English and Russian available incl. style guide.</li> <li>PPT presentation templates are developed for use by partners and NFPs in the context of any presentation to be held on EaP GREEN.</li> <li>The EaP GREEN programme brochure available in English and Russian, and is being disseminated to partners, NFPs and country / delegation contacts.</li> <li>Webpages for the EaP GREEN programme introduced under the corporate website of partners.</li> <li>Domain names for the distinct EaP GREEN website reserved; the development of the site in progress.</li> <li>Social media analytical note and business plan finalised and agreed by partners.</li> <li>A closed community platform operational for programme partners to interact in the form of sharing documents, progress information and launch internal discussions.</li> <li>Country notes for 3 priority countries – <b>Ukraine, Moldova and Kyrgyzstan</b> - available, with the rest of the notes envisaged to be ready by the end of 2014.</li> <li>Feeding EaP GREEN materials into other relevant platforms such as the OECD's (and partners') newsletters, social media and the GGKP.</li> </ul>	