



Action funded by the European Union

EU4Environment

Armenia, Azerbaijan, Belarus, Georgia, Republic of Moldova, Ukraine

A partnership for green development in **Belarus**



Action implemented by:





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Greening Belarus’s economy is urgently needed as the current models of growth continue to erode the stocks of natural assets and undermine the integrity of ecosystem services on which economic activity depends.

This decade is decisive for boosting the resilience of societies and economies in the context of urgent climate and environmental challenges. This means imminently changing the current models of growth. The shift becomes even more pertinent in the context of the global health emergency of the coronavirus (COVID-19) pandemic.

The EU-funded “EU4Environment” Action, launched in 2019, helps Belarus, as well as five other partner countries – Armenia, Azerbaijan, Georgia, the Republic of Moldova and Ukraine - preserve their natural capital and increase people’s environmental well-being, by supporting environment-related action, demonstrating and unlocking opportunities for greener growth, and setting mechanisms to better manage environmental risks and impacts.

EU4Environment integrates in a single strategic framework initiatives to achieve: greener decision making, sustainable economy and green growth, smart environmental regulations, ecosystem protection and knowledge sharing.

How can Belarus benefit from greener growth?

As part of its co-operation with the European Union, Belarus has made commitments to a green economy. This is reflected in the Eastern Partnership Summit Declarations. At the national level, the environmental issues and green economy principles are framed into a number of strategic documents: National Strategy for Sustainable Socioeconomic Development until 2030, Environmental Protection Strategy until 2025, and National Action Plan for the Green Economy 2016–2020.

Investing into greener growth will bring benefits to Belarus while failure to adequately manage natural capital will result in increasing costs of substituting the services it provides:

Reducing air pollution will make people healthier:

Currently, welfare costs associated with air pollution by fine particles (PM2.5) represent about 9% of GDP equivalent in Belarus, compared to 3.8% on average in the EU. The mean population exposure to PM2.5 is almost twice higher than the WHO guideline (19 vs 10 µg/m³).

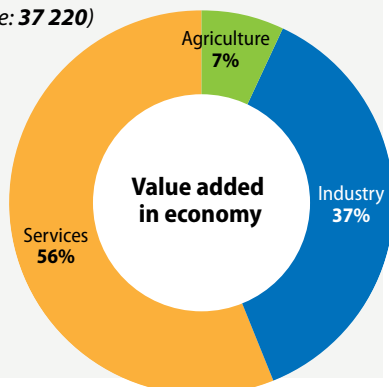
A less wasteful, more resource-efficient approach will make the economy more competitive: Greening Belarus’ industry is important as it accounts for 37% of GDP and about 1/3 of employment. Major industries are food processing, petroleum products, machine-building and chemical production. Despite some improvements, Belarus’ CO₂ and energy productivity remains well below the EU levels, indicating room for further improvement in energy efficiency, production processes and reduction of emissions. This will be important in the industrial sector which accounts for almost 33% of final energy consumption – a share that is considerably higher than that observed in the EU (about 25%).

SOCIO-ECONOMIC CONTEXT

Real GDP per capita, 2010 USD,
2018: **17 439** (EU average: **37 220**)

Labour tax revenue,
% of total, 2018: **42**
(EU average: **56**)

Population density,
inhab./km², 2018: **46**
(EU average: **116**)

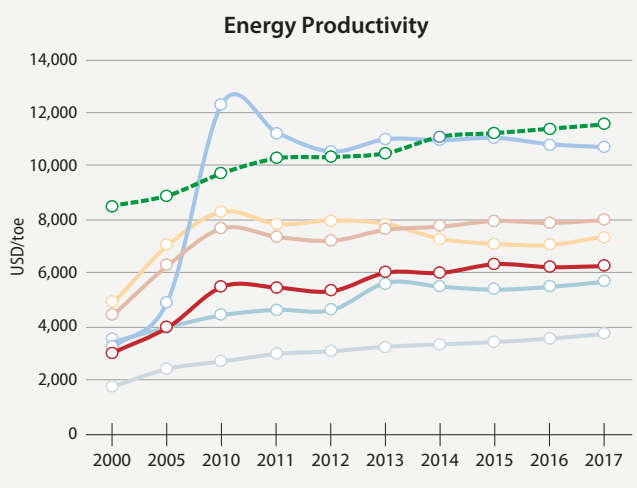
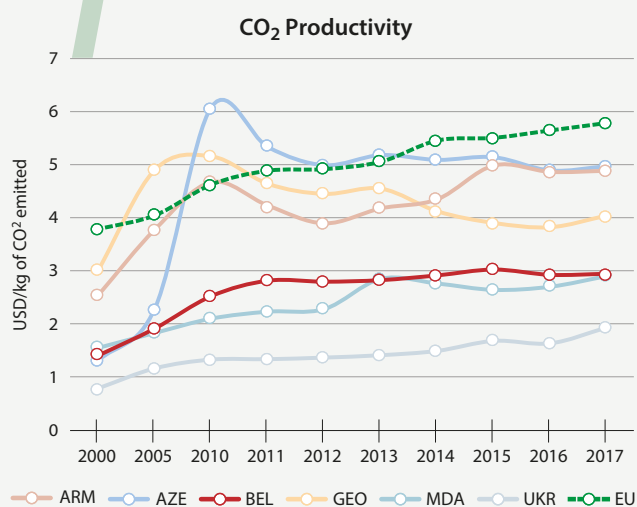


Greening will open new employment and economic growth opportunities: With a population of 9.5 million, Belarus has a low unemployment rate of 5.8% (EU: 6.5%). The country's economy is based on large state-owned enterprises, but a number of initiatives were put in place to encourage SMEs development. Agriculture accounts for 7% of value-added and 10% of employment. The EU, being one of the major economic markets for Belarus, opens new opportunities for making products more environmentally friendly, as consumers increasingly take environmental considerations into account.

A safeguarded ecosystem, restored land and forests will provide economic and ecological services: Belarus is covered by vast forests (mainly pines), lakes, rivers and wetlands which host a variety of rare animals, birds and plants species. The well-developed industrial sector of the country puts considerable pressure on the environment. The main environmental priorities are reduction of air and water pollution from industrial and mobility sources, and reduction of industrial and municipal waste.

FOUR DIMENSIONS OF GREEN GROWTH

1 Environmental and resource productivity, 2017



2 Natural asset base

CROPLAND, 2015: 53% of total land area (EU average: 41%)

WATER, 2015: 1.1% of total land area (EU average: 3%)

Total renewable water resources: **6 097 m³** per inhab./year (countries under **1 700 m³** are considered water-stressed)

FOREST STOCK 2015: 1 669 mln. m³ (EU average: **950 mln. m³**)

3 Environmental dimension of quality of life

Deaths from PM2.5: **847** per 1 mln inhab. (EU average: **402**)

Welfare cost associated with PM2.5 pollution: **9%** of GDP (EU average: **3.8%**)

Population with access to improved drinking water sources, % of total, 2017: **94.5%** (Euro area average: **98.1%**)

4 Economic opportunities and policy responses

Environment-related technologies, 2016: **4%** of total (EU average: **10.8%**)

Fossil-fuel subsidies, 2014: **2.1%** of GDP



* To support policies in aligning economic and environmental priorities and to monitor progress towards green economy, the OECD developed a measurement framework which consists of a set of green growth indicators that can capture progress in four areas of green growth: <https://www.oecd.org/greengrowth/green-growth-indicators/>

How does the EU help?

Areas of cooperation within EU4Environment in Belarus



Greener decision making

OBJECTIVE: Make political leaders, civil servants and the general public aware and supportive of green growth and promote economic and environmental policy integration.

This work is implemented by UNEP and UNECE.



WHAT IS THE BASELINE IN 2019?

- National Green Economy Action Plan adopted (2016)
- New Law on State Ecological Expertise, Strategic Environmental Assessment (SEA and Environmental Impact Assessment (EIA) adopted in 2016 and related secondary legislation in 2017
- An array of reference frameworks, manuals and tools for green economy transition were developed

WHAT WILL BE ACHIEVED BY 2022?

- Civil servants trained on green economy policy analysis and development
- Inter-ministerial and cross-sectoral policy coordination for a green economy transition supported
- Primary and secondary legislation on EIA and SEA fully aligned with the international legal requirements
- 4 million people reached across the EaP region by communication campaigns



DID YOU KNOW? Belarus is a Party to the UNECE Convention on Environmental Impact Assessment in a Transboundary Context (Espoo Convention), but not yet to its Protocol on Strategic Environmental Assessment. Belarus expressed a need for further support in the field of SEA and transboundary EIA to fully align its legislation with international standards.



Circular economy and new growth opportunities

OBJECTIVE: Scale-up public and private action on circular economy and sustainable production and lifestyles.

This work is implemented by UNEP and UNIDO.



WHAT IS THE BASELINE IN 2019?

- Action Plan on Small and Medium Sized Enterprises (SMEs) for 2016-20 adopted (2015)
- Resource Efficient and Cleaner Production (RECP) clubs created in industrialized regions of Minsk, Molodechno, Vilejka and Sluck
- National Strategy for the Municipal Solid Waste Management and Secondary Material Resources till 2035 endorsed (2017)
- Law on Energy Efficiency adopted (2015)
- Sustainable public procurement market analysed (2016)

WHAT WILL BE ACHIEVED BY 2022?

- Resource savings of up to 15% in water and energy use and 2-3% in raw materials reached by SMEs
- New RECP clubs created
- Process of transformation of industrial parks to eco-industrial parks launched
- SMEs trained on the concepts of Single market for green products and Product Environmental Footprint
- Extended Producers Responsibility schemes established for selected waste streams
- SMEs trained on eco-innovation and RECP approaches



DID YOU KNOW? The Belarusian economy is based on large state-owned enterprises, with SMEs accounting for around a fifth of GDP, below the EU average. Acknowledging the importance of SMEs for its economic diversification, in 2015 Belarus adopted an action plan on SMEs for 2016-20 and put in place several investment programmes encouraging the development of SMEs.



Environmental level playing field

OBJECTIVE: Improve incentives and governance mechanisms that aim at correcting market failures related to the environment, thus ensuring a level playing field in the context of intensified economic exchange with the EU.

This work is implemented by the OECD.

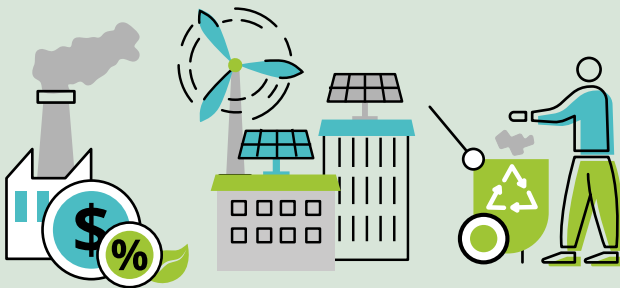


WHAT IS THE BASELINE IN 2019?

- Implementation of environmental regulations for industrial emissions, based on the EU Industrial Emissions Directive, including BAT Reference Documents and integrated permitting, launched
- First comprehensive inventory of energy subsidies completed (2018)
- Analysis on scaling-up green investments conducted (2018)

WHAT WILL BE ACHIEVED BY 2022?

- National legislation on regulating industrial emissions aligned with the EU Directives
- Environmental compliance assurance strengthened and equipped with more effective compliance promotion instruments and non-compliance responses
- Inventory on subsidies updated and data published on line in the OECD Fossil-Fuel Subsidies Database
- Debt capital financing for green investments (including through green bonds) mobilised
- Administrative capacity of public environmental administration strengthened and new capacity building activities designed and carried out



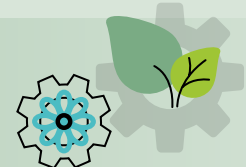
DID YOU KNOW? In January 2016, Belarus phased out a major energy subsidy scheme, a value-added tax (VAT) exemption for gas, heat and electricity for households. Between 2010 and 2014, on average, this subsidy was worth USD 150 mln per year (EUR 135 mln, at a 2015 exchange rate).



Monitoring progress at environment-economy nexus

OBJECTIVE: Facilitate regional knowledge sharing and coordination, monitor progress towards green economy.

This work is implemented by the OECD.



WHAT IS THE BASELINE IN 2019?

- Strong system for environmental data collection and reporting established
- National set of the OECD-based green growth indicators developed and available on the Statistical Committee' website

WHAT WILL BE ACHIEVED BY 2022?

- National set of green growth indicators reviewed, updated and published
- Policy makers equipped with up-to-date regular measurement tools to assess progress in greening the economy
- The public engaged in evaluating greening the economic growth of Belarus



DID YOU KNOW? Data on selected GGIs for Belarus is also collected by OECD and is also available in the OECD statistical database OECD.stat: <https://stats.oecd.org>

About

EU4Environment

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- **Budget:** about EUR 20 million for the six EaP countries (with EUR 19.5 EU contribution)
- **Duration:** 2019-2022
- **Implementing agencies:** OECD, UNECE, UNEP, UNIDO and the World Bank.
- **Overall guidance:** European Commission.
- **Key national partners in Belarus:** Ministry of Natural Resources and Environmental Protection and Ministry of Economy.

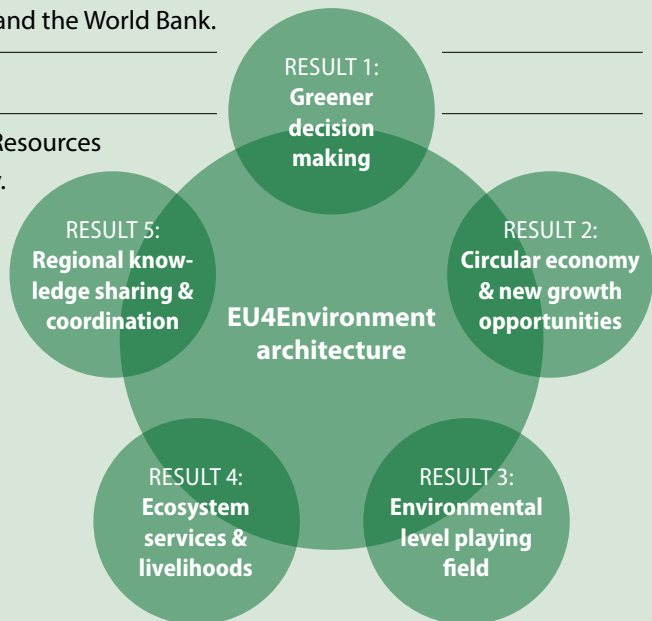
By bringing together environmental and economic actors, EU4Environment helps to deliver policy and legislative changes, making planning and investment greener, stimulating the uptake of innovative technologies, adopting new business models, and creating green jobs. It also promotes better environmental governance, improved management of protected areas and forests, and sustainable trade.

The scope of the Action was defined in cooperation with all partner countries. It targets both public and private sector actors, aiming at creating a critical mass of capacity for greener growth.

It ensures continuity of engagement of the European Union within the Eastern Partnership and builds on political engagements of the partner countries since the Eastern Partnership's establishment in 2009 and the results achieved.

It also provides a vehicle for implementing the European Green Deal, a new green growth strategy that aims to transform the EU into a fair and prosperous society, with a modern, resource-efficient and competitive economy as well as the Joint Communication "Eastern Partnership Policy Beyond 2020: Reinforcing Resilience – An Eastern Partnership that Delivers for All".

The EU4Environment Programme builds on important achievements of past cooperation programmes, such as Greening Economies in the Eastern Neighbourhood (EaP GREEN), the Forest Law Enforcement and Governance (FLEG), and the Emerald Network, which were completed in 2017-18. See more in [EaP GREEN brochure](#) and [Infographic](#).



Sources: OECD Green Growth Indicators database, Environment at a Glance - OECD Indicators, World Bank Development Indicators database, Eurostat, EU4Business, Green Growth Knowledge Platform, EU4Environment inception report, EUWI+ inception report, EaP GREEN Brochure, OECD report *Inventory of Energy Subsidies in the EU's Eastern Partnership Countries* (2018), OECD report *Measuring green transformation of the economy: Guide for EaP countries* (2016).

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