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ENVIRONMENT DIRECTORATE
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" PROJECT IN THE PERIOD OCTOBER 2014 – MAY 2015**

4th EaP GREEN Steering Committee Meeting

18 June 2015, Chisinau, Moldova

Agenda item: 2

ACTION REQUIRED: For discussion and endorsement.

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PROGRESS ON ACTIVITIES IN THE PERIOD OCTOBER 2014 - MAY 2015

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 October 2014 to May 2015.

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.

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 (October 2014 – May 2015)

Component 1: Governance and financing tools			
1.1: Supporting Strategic Policy Setting		Lead partner: UNEP	Progress made: ON TRACK
Context: <ul style="list-style-type: none"> 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. 	Objectives: <ul style="list-style-type: none"> Demonstrate environmental, economic and social benefits of the implementation of SCP. Support the development of national Green Economy/SCP strategic policy frameworks. 	Outcomes (impact): <ul style="list-style-type: none"> Resource efficiency and SCP policies are integrated into national economic and development planning (i.e. green economy strategy) and implementation processes; National green economy/SCP programmes or action plans are developed and implemented, where requested. 	
PROGRESS			
Regional-level work	National-level work	Achieved results	
<ul style="list-style-type: none"> A regional SCP report developed and finalized involving two rounds of review from the EaP National Focal Points. 	Belarus: <ul style="list-style-type: none"> Three national consultation meetings on simulation modelling in Belarus held in December 2014 and April 2015. Data collection was conducted and assumptions of the modelling results examined by the national expert group in April 2015. Preliminary modelling exercises carried out. The preliminary results presented to the national expert group to further structure and define the modelling analysis. Moldova: <ul style="list-style-type: none"> The GE simulation modelling conducted and its results were reviewed by the national expert team. The draft report for the economic modelling analysis prepared and finalized in two 	Belarus: <ul style="list-style-type: none"> An agreement signed with the Economic Research Institute of the Ministry of Economy to assist in the data collection and coordination of the GE simulation modelling analysis Priority areas and sets of assumptions identified for the green economy analysis through the consultations, data sets collected by the national expert team. Moldova: <ul style="list-style-type: none"> The GE simulation modelling validated by the National Institute for Economic Research and a set of GE policy recommendation developed and approved by stakeholders at the national workshop. The GE modelling analysis report developed for publication in English and Romanian. An inter-ministerial Working Group on Green 	

	<p>languages.</p> <ul style="list-style-type: none"> • The GE simulation modeling results presented and a set of policy recommendations were discussed at a national workshop on 25 November 2014. • Support provided to the EaP GREEN national focal points for the implementation of activities, including to the establishment and work of the inter-ministerial Working Group on Green Economy. • Ministry of Environment's EaP GREEN web-pages developed. <p>Ukraine:</p> <ul style="list-style-type: none"> • Two expert group meetings held in December 2014 and April 2015 with a view to define the scope and priority areas for the modelling analysis. • The collection of data sets and existing research papers and background material carried out. 	<p>Economy (under the Cabinet) officially established, and the members nominated by the relevant ministries.</p> <ul style="list-style-type: none"> • Discussions on the development of an inter-ministerial GE action plan initiated. <p>Ukraine:</p> <ul style="list-style-type: none"> • The GE expert group established. • An agreement signed with the Institute of Green Economics for the coordination and development of the GE simulation modelling analysis. • The expert group agreed on the priority sectors for the modelling analysis to energy and organic agriculture (and resource efficiency). 	
<p>1.2: Progress measurement: Green Growth Indicators (GGIs)</p>		<p>Lead partner: OECD</p>	<p>Progress made: ON TRACK</p>
<p>Context:</p> <ul style="list-style-type: none"> • 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>Objectives:</p> <ul style="list-style-type: none"> • Consensus on good practices and raised awareness about the value of GGIs. • Adaptation of GGIs in three EaP countries. • Identification of 6-7 headline GGIs for regional use. 	<p>Outcomes (impact):</p> <ul style="list-style-type: none"> • Identification and use of national sets of GGIs. • Better integration of economic and environmental decision-making. • Evidence-based monitoring of transition towards green economy. 	

Progress in the period October 2014 – May 2015		
Regional-level work	National-level work	Achieved results
<ul style="list-style-type: none"> Regional OECD-UNECE-EEA-UNEP expert meeting on Shared Environment Information systems and Green Growth in Eastern Europe, Caucasus and Central Asia (10-11 March 2015, Paris). Report “Mapping environmental and green growth indicators in OECD and Eastern Europe, Caucasus and Central Asia countries” presented at the workshop in Paris. 	<ul style="list-style-type: none"> Discussions with country representatives on the follow up work in Moldova and Ukraine and the development of ToRs for launching projects in Armenia, Azerbaijan and Georgia. 	<ul style="list-style-type: none"> Better understanding of the relations between environmental and green growth indicators and the underlying dataflows and identification of data gaps. Close links established between methodological work and support programmes carried out by international partners (UNECE, UNEP, EEA, OECD) working on the Shared Environmental Information System for the pan-European region and green economy/growth indicators.
1.3: Identifying environmentally-harmful subsidies (EHS) and launching subsidy reform		Lead partner: OECD Progress made: ON TRACK
<p>Context:</p> <ul style="list-style-type: none"> 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, and particular energy subsidies, 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>Objectives:</p> <ul style="list-style-type: none"> Raise awareness of policy makers in EaP countries of existing energy subsidies and their potential economic, social and environmental impacts. Review and develop a consistent and comprehensive description of environmentally-harmful and economically wasteful energy subsidy schemes in EaP countries and provide robust estimates of their volumes by using an internationally recognised methodology. Build political support for energy subsidy reforms. 	<p>Outcomes (impact):</p> <ul style="list-style-type: none"> Number of subsidy schemes analysed and reforms proposed and agreed upon within the respective government. Existence of specific regulatory documents and decisions related to the EHS reform in the country.
Progress in the period October 2014 – May 2015		
Regional-level work	National-level work	Achieved results
<ul style="list-style-type: none"> Terms of Reference for a regional overview study of energy subsidy schemes in Armenia, Azerbaijan, Belarus, Georgia and Ukraine (completed in December 2014). Open tender for selecting an international consultancy to implement the project on 	<ul style="list-style-type: none"> No in-country activities carried out in the reviewed period. 	<ul style="list-style-type: none"> Selection of a consultancy company to work on the regional overview study of energy subsidy schemes. First discussions on the preparation of the project kick-off meeting to be held at the end of July 2015

<p>energy subsidies in Armenia, Azerbaijan, Belarus, Georgia and Ukraine (completed in February 2015)</p> <ul style="list-style-type: none"> The consultancy bids submitted as part of the tender evaluated in accordance with the OECD Public Procurement Rules. A company selected to work on the project. The evaluation justified at the OECD Public Procurement Board. Negotiations on the contract between OECD and the contractor on-going. 		<p>in Paris.</p> <ul style="list-style-type: none"> Discussion and agreement with other parts of OECD to participate in the project.
<p>1.4: Creating market incentives for greener products</p>		<p>Lead partner: OECD Progress made: ON TRACK</p>
<p>Context:</p> <ul style="list-style-type: none"> 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. 	<p>Objectives:</p> <ul style="list-style-type: none"> Facilitate the reduction of environmental impacts of priority, largely diffused manufactured products; Build capacity in EaP countries for introduction and/or reform of product-related EIs. 	<p>Outcomes (impact):</p> <ul style="list-style-type: none"> Adoption of new or reformed policies and economic instruments for the management of environmentally harmful products.
<p>Progress in the period October 2014 – May 2015</p>		
<p>Regional-level work</p>	<p>National-level work</p>	<p>Achieved results</p>
<ul style="list-style-type: none"> No regional activities carried out in the reviewed period. 	<ul style="list-style-type: none"> 3rd national stakeholder workshop on product-related economic instruments in Moldova (17 March 2015, Chisinau). Report on the current practices and recommendations for reform of product-related economic instruments in Moldova (completed in March 2015). National stakeholder dialogue workshop on product-related economic instruments in Georgia (26 March 2015, Tbilisi). 	<ul style="list-style-type: none"> Wide dissemination of the regional Policy Manual “Creating Market Incentives for Greener Products”. The recommendations for reforming environmental taxes on harmful products were endorsed by the Ministry of Environment of Moldova. The recommendations for differentiation of excise taxes on fuels and motor vehicles are generally supported by the Ministry of Finance of Ukraine.

	<ul style="list-style-type: none"> • 3rd national stakeholder workshop on product-related economic instruments in Ukraine (16 April 2015, Kiev). • Report on the current practices and recommendations for reform of product-related economic instruments in Ukraine (completed in April 2015). • National stakeholder workshop on product-related economic instruments in Azerbaijan (21 May 2015, Baku). 	
1.5: Improving investment policies and access to finance		Lead partner: OECD
		Progress made: ON TRACK
<p>Context:</p> <ul style="list-style-type: none"> • 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>Objectives:</p> <ul style="list-style-type: none"> • Reaching consensus on the conditions and reforms that would enable commercial banks in the EaP countries to support investments in green projects. • Strengthening cooperation between governments and the private banking sector aiming to improve access to private finance. 	<p>Outcomes (impact):</p> <ul style="list-style-type: none"> • Agreement between the government and the banking sector on needed regulatory reforms. • Number of credit lines analysed and relevant policy recommendations made and agreed upon.
Progress in the period October 2014 – May 2015		
Regional-level products and activities	National-level products and activities	Achieved results
<ul style="list-style-type: none"> • Terms of References for analysis of access to private finance for green investments in the EaP countries (completed in January 2015). • Open tender for selecting an international consultancy to implement the project on access to private finance for green investments in the EaP countries (completed in March 2015). • The consultancy bids submitted as part of the tender evaluated in accordance with the OECD Public Procurement Rules. A 	<ul style="list-style-type: none"> • Ukraine: All documents, in both English and Ukraine, necessary to organise the kick-off meeting and the review mission have been prepared. Confirmation by the Ukrainian partners on the exact dates of the kick-off meeting (proposed for 30 June – 3 July 2015) is needed. • Georgia: Mission to Tbilisi (22 April 2015) to explore Georgia's interest to participation in the project. Meetings with representatives of the Ministry of Environment and Natural Resources Protection, Ministry of Energy, Ministry of 	<ul style="list-style-type: none"> • Due to political and financial difficulties and particularly in Ukraine's banking sector, the launch of the project has been postponed several times.

<p>company selected to work on the project. Negotiations on the contract between OECD and the contractor on-going.</p>	<p>Economy, the Bank of Georgia, EBRD, KfW. Most institutions expressed interest to join the project but official response is still pending.</p>		
<p>1.6: Promoting public consumption changes through green procurement practices</p>		<p>Lead partner: UNEP</p>	<p>Progress made: ON TRACK</p>
<p>Context:</p> <ul style="list-style-type: none"> 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>Objectives:</p> <ul style="list-style-type: none"> To assist countries in the development and implementation of SPP policies by increasing awareness and building the capacities of policy makers and procurement managers. 	<p>Outcomes (impact):</p> <ul style="list-style-type: none"> Awareness raised and capacity strengthened on SPP approaches. National SPP Action Plans are developed in three target countries in coherence with existing SCP and sustainable development policies. 	
<p>Progress in the period October 2014 – May 2015</p>			
<p>Regional-level products and activities</p>	<p>National-level products and activities</p>	<p>Achieved results</p>	
<ul style="list-style-type: none"> No regional activities carried out in the reviewed period. 	<p>Moldova:</p> <ul style="list-style-type: none"> An SPP Prioritisation Workshop with the Steering Committee members held (6 October, 2015, Chisinau) to discuss the preliminary list of product categories selected during the “Prioritisation exercise”. A market study conducted in November with a focus on the two priority sustainable products. An SPP Policy and Action Plan workshop (16 December, 2015, Chisinau) to discuss the draft SPP Action Plan with a press conference. The draft SPP Action Plan currently being finalised for publication in June 2015. <p>Ukraine:</p> <ul style="list-style-type: none"> Five groups of products identified for the introduction in the public procurement system through the pilot tenders foreseen in the second 	<p>Moldova and Ukraine:</p> <ul style="list-style-type: none"> The key information and recommendations of the market study incorporated into the SPP National Action Plan. Its draft version was completed in December 2014. The Steering Committee approved a final list of sustainable products, namely, energy-efficient doors and windows, as well as organic fruits and vegetables. Priority sustainable products for the inclusion in the pilot tenders in 2016 selected (organic fruits and vegetables and energy efficient doors and windows for Moldova; heat insulation materials, paintwork materials, as well as washing and cleaning products for Ukraine). The draft findings of the market studies confirm the local productive capacities for the priority products 	

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	<p>phase of the project.</p> <ul style="list-style-type: none"> • A Prioritisation Workshop held (7 October, 2015, Kiev). • A market study finalized (January 2015). • The draft national SPP Policy and Action Plan produced (December 2014) as a basis for the SPP Policy and Action Plan workshop (17 December, 2015). <p>Belarus:</p> <ul style="list-style-type: none"> • An agreement signed with the Ministry-owned company, RUE SRC “Ecology” to implement the UNEP Approach to SPP (24 November, 2014). • The final list of the Steering Committee members approved (April 2015). • The drafting of the status assessment and legal reports started at the end of May 2015. 	<p>and the potential responsiveness of the market to SPP tenders.</p> <ul style="list-style-type: none"> • Draft SPP Policy and Action Plan developed; national workshops provided relevant inputs to finalise the respective Plans. • The scope of the next implementation phase (demonstration activities) agreed upon in April 2015. <p>Belarus:</p> <ul style="list-style-type: none"> • The Ministry of Natural Resources and Environmental Protection designated as the NFO for the SPP project component and was officially appointed (December 2014). • The final list of Steering Committee members approved by the Act of Ministry of Natural Resources (April 2015).
<p>1.7: Greening of SMEs</p>		<p>Lead partner: OECD Progress made: ON TRACK</p>
<p>Context:</p> <ul style="list-style-type: none"> • 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>Objectives:</p> <ul style="list-style-type: none"> • Establish a policy framework for improving the environmental performance of SMEs. • Develop capacity in EaP countries to promote SME greening. • Promote government-to-business and business-to-business dialogue on SME greening in the EaP region. 	<p>Outcomes (impact):</p> <ul style="list-style-type: none"> • Policy and legislative changes in support to the SME greening.

Progress in the period October 2014 – May 2015		
Regional-level work	National-level work	Achieved results
<ul style="list-style-type: none"> Regional workshop on SME greening in the EaP countries (12 February 2015, Kiev). First edition of the regional “SME Greening Toolkit” completed and published (May 2015). 	<ul style="list-style-type: none"> 4th national stakeholder workshop of the SME greening pilot project in Armenia (7 November 2014, Yerevan). 3rd Stakeholder workshop on SME greening in Moldova (16 March 2015, Chisinau) Final stakeholder workshop of the SME greening pilot project in Armenia (9 April 2015, Yerevan). Report on SME greening policies in Armenia completed (May 2015). National stakeholder workshop on SME greening in Azerbaijan (21 May 2015, Baku). 	<ul style="list-style-type: none"> SME greening policies are being integrated into the SME Support Strategy of Armenia. The Republican Union of Employers of Armenia is ready to implement the project’s recommendations on introducing simplified environmental management systems for SMEs. Stakeholders in Moldova actively participate in the development of the project’s policy recommendations.

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>Context:</p> <ul style="list-style-type: none"> 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>Objectives:</p> <ul style="list-style-type: none"> Promote the integration of EIA and SEA systems into the national legal, regulatory, and administrative frameworks of the partner countries. Improve understanding for and acceptance of the necessary measures for efficient implementation of SEA and EIA among national stakeholders. 	<p>Outcomes:</p> <ul style="list-style-type: none"> Increased number of EaP countries, Parties of the Protocol on SEA and the Espoo Convention.
Progress in the period October 2014 – May 2015		
Regional-level activities	National-level activities	Results achieved
<ul style="list-style-type: none"> Guidelines on developing national legislative framework on SEA. 	<ul style="list-style-type: none"> Azerbaijan: assistance to the drafting of EIA and SEA law (October 2014 – March 2015), including an advisory mission of a legal consultant (28 October 2014), a discussion of the second draft law at the round-table meeting for national authorities (2 March 2015). Armenia: Assistance to the drafting amendments to the law on environmental impact assessment initiated, including to improve its provisions on SEA (March 2015 – August 2015). Planning meeting for preparation of the amendments to the law of the Republic of 	<ul style="list-style-type: none"> Azerbaijan: Text proposals for the draft law developed to align SEA and EIA procedures with the Proctol on SEA and Espoo Convention. Armenia: Development of the text proposals for amendments of the law postponed (Until August 2016) Agreement reached to first assess the SEA procedures in the current law through the application of a SEA pilot project(see item 2.2). Belarus: First draft section on SEA to the law on EIA prepared and being translated prior to its submission for review by the project's legal advisor. Georgia: Second draft of a new draft law on EIA and SEA prepared and comments obtained from

	<p>Armenia on "Environmental impact assessment and expertise" (24 March, 2015).</p> <ul style="list-style-type: none"> • Belarus: Assistance to the drafting of SEA provisions for their incorporation into the existing law on EIA (March 2015 – December 2015), including an advisory mission and a national round table to discuss the proposed amendments (29-30 April, 2015) • Georgia: Preparation of a draft law on EIA and SEA (September 2014 – September 2015), including an advisory mission of a legal consultant (19 November 2014 and 29 January 2015), a round-table meeting (19 May, 2015) and a public hearing to discuss the first draft law (20 May). • Moldova: Preparation of bylaws to support the enforcement of the law on EIA and the draft law on SEA (October 2014 - September 2015). • Ukraine: Awareness raising event for high level officials to support adoption of the draft law on SEA (12 June 2015). 	<p>the sectoral authorities and the public. Plan for the further development of the law is updated to include more consultations with the public.</p> <ul style="list-style-type: none"> • Moldova: Three bylaws to enforce EIA law prepared and submitted to the Parliament. Preparation of the bylaws on SEA postponed pending the adoption of the draft law • Ukraine: Awareness raising event for high level officials organized and will be held on 12 June 2015.
<p>2.2: Capacity building on SEA/EIA procedures</p>		<p>Lead partner: UNECE Progress made: ON TRACK</p>
<p>Context:</p> <ul style="list-style-type: none"> • 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 	<p>Objectives:</p> <ul style="list-style-type: none"> • Contribute to the development of national SEA/EIA systems and practice. • Increase awareness and understanding of the benefits of SEA/EIA and facilitating acceptance among decision-makers, relevant authorities and the public . • Elaborate and support implementation of recommendations for further improving the effectiveness of SEA and EIA systems. 	<p>Outcomes:</p> <ul style="list-style-type: none"> • Practical experience and national capacities for application SEA/EIA at the national and local level are available at the EAP countries.

combined with carefully selected pilot SEA or EIA projects.		
Progress in the period October 2014 – May 2015		
Regional-level activities	National-level activities	Results achieved
<ul style="list-style-type: none"> • 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 sectors (1-5 December, 2014). • Eap GREEN coordination meeting during the Working Group Meeting of the Espoo Convention and the Protocol on SEA (26 May, Geneva 2015). 	<ul style="list-style-type: none"> • Armenia: Seminar on the application of strategic environmental assessment in Armenia (23-24 March, 2015). • Azerbaijan: Implementation of the SEA Pilot project for the State Strategy on Alternative and Renewable Energy Resources Use in Azerbaijan for 2015-2020, including SEA training events on 3-4 March 2015 and 11-12 May 2015 • Moldova: Implementation of the SEA Pilot Project for the Orhei Master Plan, including national SEA training workshop (Part II) (16 - 17 December 2014) and public consultation meeting (17 December 2014), advisory mission to support preparation of the SEA report (12-13 February 2015), public hearing on 13 May 2015, and final conference on SEA pilot at the local level (17 June 2015). • Ukraine: Training workshop on the role of environmental authorities in SEA (12 June 2015). • Ukraine: Awareness raising event to promote benefits of SEA among sectoral ministries (10 June 2015). 	<ul style="list-style-type: none"> • Armenia: Awareness about SEA raised among 20 participants and beyond (through the wide dissemination of the seminar outcomes). A candidate plan for the SEA pilot identified and pilot project plan under preparation. • Azerbaijan: 10 national experts completed the two part training on SEA and participate in the ongoing pilot SEA . First draft SEA scoping report prepared in the national language. • Moldova: 10 participants completed the training courses on application of SEA and took part in the SEA pilot .The draft SEA report prepared in three languages (to be edited). Final conference prepared with the high level participation from UNECE and Moldova (will be held on 17 June 2015) • Ukraine: training workshops organised for 20 participants from the sectoral ministries and 25 participants from the environmental authorities. <p>Regional level:</p> <ul style="list-style-type: none"> • Participants of the co-ordination meeting exchanged information about the implementation of the pilot projects in Azerbaijan and the Republic of Molodva. and discussed the approach to the regional conference (Tbilisi, 19-23 October 2015) and the guidance of the drafting the national legislation on SEA that is under preparation. • Organization of the sub-regional conference and the regional train-the-trainers workshop has started, ToR for the local partners developed • Preparation of the video and the brochure on SEA has been initiated, international consultant

		<p>identified and contracted. A draft chapter of the brochure on the benefits and myths about SEA is developed.</p> <ul style="list-style-type: none"> 30 Participants from the EaP GREEN obtained knowledge about the European experience in practical application of SEA in the Czech Republic (1-5 December 2015).
<p>2.3: Strengthening the administrative capacities of the authorities in charge of the environmental assessment</p>		<p>Lead partner: UNECE Progress made: ON TRACK</p>
<p>Context:</p> <ul style="list-style-type: none"> 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. 	<p>Objectives:</p> <ul style="list-style-type: none"> To define and clarify responsibilities and roles of competent authorities for SEA and EIA procedures, 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 	<p>Outcomes:</p> <ul style="list-style-type: none"> Enhanced capacities of the administrative authorities in charge of the environmental assessment for conducting SEA and EIA.
<p>Progress in the period October 2014 – May 2015</p>		
<p>Regional-level activities</p>	<p>National-level activities</p>	<p>Results achieved</p>
<ul style="list-style-type: none"> See planned activities under the Activity 2.1 Revision of the existing national regulatory and legislative framework and 2.2. Capacity building. 	<ul style="list-style-type: none"> See planned activities under the Activity 2.1 Revision of the existing national regulatory and legislative framework and 2.2. Capacity building. 	<ul style="list-style-type: none"> Sections on roles and responsibilities of national authorities in SEA are incorporated at the agenda of the planned national and local training and awareness raising events on SEA.

Component 3: Demonstration projects			
3.1.1. RECP Human and Institutional Capacity Development		Lead partner: UNIDO	Progress made: ON TRACK
Context: <ul style="list-style-type: none"> 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. 	Objectives: <ul style="list-style-type: none"> To establish or strengthen a nationally appropriate mechanism for delivering value adding RECP services to enterprises and other organizations in each EaP country. 	Outcomes: <ul style="list-style-type: none"> Total of 60 national experts trained and coached in application of basic RECP methods and techniques A total of 15 short term trainings organized on advanced RECP topics Three regional meetings of key national RECP experts. 	
Progress in the period October 2014 – May 2015			
Regional Level Activities	National Level Activities	Results achieved	
<ul style="list-style-type: none"> 2nd coordination meeting with national coordinators from all six countries in connection with the regional chapter meeting of RECP network and the 17th European Roundtable on Sustainable Consumption and Production (13-16 October, 2014, Slovenia). 3rd coordination and planning meeting with all six National Coordinators, support units' representatives and key experts (27-28 March, 2015, Tbilisi, Georgia) combined with training on RECP financing and sector specific RECP techniques (on 23-24 and 25-26 March respectively). 	<ul style="list-style-type: none"> Review seminars to conclude the first round of integrated training and coaching programme on RECP methods and techniques delivered in all EaP countries except Moldova with participation of up to 50 national experts. A EaP GREEN awareness raising seminar (December 2014, Minsk). Consultative dialogues on domestication of RECP concepts and methods took place in Azerbaijan (21 April, 2015), Armenia (27 April, 2015), Ukraine (21 and 22 May, 2015) and Belarus (25 May, 2015). 	<ul style="list-style-type: none"> First steering committee meeting took place in Armenia, second steering committee took place in Azerbaijan. 47 national experts from five countries trained in 2014 have received UNIDO RECP expert award for having completed RECP assessments in enterprises and are contributing to adaptation and adoption of RECP in their home country (<i>5 additional expected in Moldova in June 2015</i>). National experts are identified for training towards qualification as RECP expert in 2016. Nationally appropriate taxonomies and primers for RECP in SMEs are initiated in each of the EaP countries. 	
3.1.2. RECP Implementation, Dissemination and Replication		Lead partner: UNIDO	Progress made: ON TRACK
Context: <ul style="list-style-type: none"> SMEs remain sceptical towards adopting RECP methods and techniques, due to lack of properly documented company examples with proven resource conservation, environment and economic 	Objectives: <ul style="list-style-type: none"> 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 	Outcomes: <ul style="list-style-type: none"> Detailed RECP assessments completed for at least 90 demonstration companies. Minimum of 50 enterprise success stories compiled. Some 25 replication programmes planned and delivered. 	

<p>benefits. Moreover, practical mechanisms for enterprise cooperation and joint learning at sector or regional level are lacking.</p>	<p>and economic benefits.</p>	<ul style="list-style-type: none"> Some 200 SMEs have completed a replication activity and 75% thereof has started implementation of RECP opportunities. 	
<p>Progress in the period October 2014 – May 2015</p>			
<p>Regional Level Activities</p>	<p>National Level Activities</p>	<p>Results achieved</p>	
<ul style="list-style-type: none"> Preparations of the regional resource package for replication programme based on local/regional RECP clubs for SMEs launched (regional version to be transferred into national version for each country in Q3, 2015) 	<ul style="list-style-type: none"> Detailed RECP assessments completed for 37 SMEs, covering all three target sectors in five EaP countries, that identified and evaluated RECP opportunities (<i>5 more to be completed in June 2015 for Moldova</i>). National RECP Conferences to disseminate results of the first assessments organized in Georgia (26 March 2015, Tbilisi); Azerbaijan (21 April 2015, Baku); Armenia (28 April 2015, Yerevan) and Belarus (25 May 2015, Minsk) with attendance of more than 250 participants from public and private sectors. Case study booklets published for Armenia, and in pipeline for other countries, inform wider public about at least five RECP business cases per country. Two regional replication programmes based on RECP clubs started in Moldova (Balti and Orhei). 	<ul style="list-style-type: none"> 40 SMEs participating in RECP demonstrations have started to improve their resource efficiency and environmental performance. RECP assessments completed for first batch of 40 SMEs (started in 2014) and advice and monitoring support provided for implementation of resulting RECP options. RECP results and experiences presented at national scale to key government decision makers and business representatives in each country. 	
<p>3.1.3. RECP Technology Support</p>		<p>Lead partner: UNIDO</p>	<p>Progress made: STARTING UP</p>
<p>Context:</p> <ul style="list-style-type: none"> RECP implementation in industries is contingent on having appropriate RECP enabling technologies and equipment available to SMEs in local markets. 	<p>Objectives:</p> <ul style="list-style-type: none"> To identify and promote the transfer and widespread deployment of appropriate and affordable RECP techniques and technologies for the target industry sectors. 	<p>Outcomes:</p> <ul style="list-style-type: none"> Three sector based RECP technology needs and opportunity assessment reports published. Minimum of five RECP technology pilots prepared and promoted for implementation for each target sector. 	

Progress in the period October 2014 – May 2015		
Regional Level Activities	National Level Activities	Results achieved
<ul style="list-style-type: none"> National Coordinators and key experts from all six countries took part in RECP financing training and RECP technologies (in the key sectors) (23-26 March, 2015, Tbilisi, Georgia in conjunction with 3.1.1). 	<ul style="list-style-type: none"> National roundtable on RECP financing in Georgia (24th March 2015). Cooperation agreed with Development Bank of Austria to fast track RECP options for green lending schemes in Georgia. 	<ul style="list-style-type: none"> Country teams are trained on RECP financing and technologies' aspects in more details.
3.2. Stimulating innovation and more sustainable goods and services through sustainable public procurement		Lead partner: UNEP
Progress made: : ON TRACK		
<p>Context:</p> <ul style="list-style-type: none"> 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. 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>Objectives:</p> <ul style="list-style-type: none"> To effectively implement sustainable public procurement in targeted countries. 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. To increase understanding and skills of policy-makers in applying eco-labelling. 	<p>Outcomes:</p> <ul style="list-style-type: none"> Increased public procurement of sustainable goods and services. Awareness and capacity of policy makers and private sector strengthened to enhance synergies between eco-labelling and SPP.
Progress in the period October 2014 – May 2015		
Regional-level activities	National-level activities	Results achieved
<ul style="list-style-type: none"> No regional activities carried out in the reviewed period. 	<p>Moldova and Ukraine:</p> <ul style="list-style-type: none"> An agreement signed with the Agency for Public Procurement (PPA), subordinated to the Ministry of Finance, for the implementation of the demonstration component of the project in the country. An agreement signed (30 April 2015) between UNEP and the State Ecological 	<ul style="list-style-type: none"> Detailed plans were made and agreed upon for the implementation of SPP demonstration activities.

	<p>Academy operating within the Ministry of Ecology and Natural Resources of Ukraine, to implement the demonstration component of the project in the country.</p> <p>Belarus:</p> <ul style="list-style-type: none"> • Activities will start in 2016. 		
<p>3.3: Promoting Organic Agriculture</p>		<p>Lead partner: UNEP</p>	<p>Progress made: ON TRACK</p>
<p>Context:</p> <ul style="list-style-type: none"> • 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>Objectives:</p> <ul style="list-style-type: none"> • 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; • To assess the feasibility of a sub-regional organic standard. 	<p>Outcomes:</p> <ul style="list-style-type: none"> • 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. 	
<p>Progress in the period October 2014 – May 2015</p>			
<p>Regional-level activities</p>	<p>National-level activities</p>	<p>Results achieved</p>	
<ul style="list-style-type: none"> • A market assessment report, analysing the organic sector in Armenia, Moldova and Ukraine, and identifying priority export products finalized, including country fact sheets. • A regional conference on organic agriculture organised by the Organic Federation of Ukraine, (16-18 April, 2015, Ukraine). • For further information please refer to: 	<ul style="list-style-type: none"> • A second round of national workshops on organic agriculture organised in Moldova, Armenia, and Ukraine (November and December 2014). • Selected companies exhibited their products and made new contacts with buyers at the organic trade fair Biofach (February 2015) • A pilot scoping study conducted in Moldova on matching producers of organic 	<ul style="list-style-type: none"> • 3 national workshops organized in Moldova, Armenia, and Ukraine reached on average 30 key private and public sector actors or NGO stakeholders; • Market assessments for the main export products conducted and fact sheets for each of the three countries prepared; • The regional conference in Ukraine on organic agriculture attended by about 200 participants from 35 countries; • Selected companies participated in Biofach to exhibit their products and establish new contacts in view of 	

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<p>http://organic.com.ua/en/about-2015 http://www.unep.org/greeneconomy/AdvisoryServices/EaPGreenOrganicAgriculture/tabid/133002/Default.aspx</p>	<p>agriculture products with educational institutions and presented at a national workshop (18 November 2014, Chisinau).</p> <ul style="list-style-type: none"> • A local market for organic products in Moldova (11 October, Chisinau). 	<p>enhancing the export volume of participating producers.</p> <ul style="list-style-type: none"> • Media coverage in all three countries on the relevance and opportunities linked to the organic sector. • Organic producers/farmers matched with public and private educational institutions for the procurement of organic products for school lunches.
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Other activities			
Implementation of the communications strategy		Lead partner: OECD	Progress made: ON TRACK
Context: <ul style="list-style-type: none"> A Communication Strategy for the programme was developed in consultation with the programme's implementing partners. Communications activities also aim to respond to the EU's requirements on visibility as laid out in our agreement. 	Objectives: <ul style="list-style-type: none"> To strengthen the EaP GREEN brand achieve visibility for ongoing projects To promote the impact of the work conducted under the three components of the programme To raise awareness and generate support for the required policy measures and decisions on greening economies in the region Fundraising 	Outcomes: <ul style="list-style-type: none"> A distinct and well-known visual identity for EaP GREEN. Brand recognition by target audiences. Supportive documents and advocacy available for partners and NFPs – such as brochures, flyers, country notes, website and social media. Continuous information flow and updates on ongoing activities and achievements through as many channels as possible. Development of story-lines for communications including production of videos and infographics for selected projects Work with the local and international media (as applicable). 	
Progress in the period October 2014 – May 2015			
Regional Level Activities	National Level Activities	Achieved results	
<ul style="list-style-type: none"> Programme brochure sent to countries and EU Delegations after the Belarus meeting (on request, 2370 copies). The logo and branding amended to respond to the EU requirements. The EaP GREEN branding consistently applied in all communications materials released by Project Partners. Assistance and advice provided upon request on the application of the EaP GREEN branding tools. A dedicated web platform for EaP GREEN released (April 2015, www.green-economies-eap.org). An EaP GREEN account on Flickr created, followed by an audio-visual update. Events and news from partners fed into the capacity4dev.eu website. 	<ul style="list-style-type: none"> A set of updates for all countries prepared with country-specific news and events. A set of one-pager country notes for all countries released. The EaP GREEN webpage designed in a way that country-related work is available directly from the homepage. The standard publishing template created for the country reports. 	<ul style="list-style-type: none"> A distinct visual identity for the EaP GREEN. Consistency of the visual identity with the EU requirements. Provision of an informative EaP GREEN webpage (number of visitors to the webpage reaches 150 per month). Creation of a distribution network for dissemination of information about the EaP GREEN. Wide dissemination of information about the project activities and outputs. 	