



DIRECTORATE GENERAL FOR  
NEIGHBOURHOOD AND ENLARGEMENT  
NEGOTIATIONS – DG NEAR

**Short term high quality studies to support activities under the Eastern Partnership  
HiQSTEP PROJECT**

## **ENVIRONMENTAL INTEGRATION INTO OTHER SECTOR POLICIES AND LEGISLATION IN THE EASTERN PARTNERSHIP COUNTRIES**

### **REGIONAL REPORT**

*Final Report December 2015*

This report has been prepared by the KANTOR Management Consultants - led Consortium. The findings, conclusions and interpretations expressed in this document are those of the Consortium alone and should in no way be taken to reflect the policies or opinions of the European Commission.

## Preface

This final study report on Environmental integration into other sector policies and legislation in the Eastern Partnership countries is part of the project '**Short term high quality studies to support activities under the Eastern Partnership – HiQSTEP, EuropeAid/132574/C/SER/Multi**', carried out by an international consortium under the leadership of Kantor Management Consultants. The present study has been carried out to support the activities of Platform II - 'Economic Integration and Convergence with EU policies' – of the Eastern Partnership.

The EaP Platform II Work Programme has identified environmental integration in the sector policies as a priority area on which the EaP countries will work with the EU in years to come. The DG NEAR and DG Environment are the driving forces of the cooperation with EaP partner countries on this theme.

The present study was implemented by the team under the leadership of **Jerzy Sarnacki**, Study Team Leader, and composed of the following international experts: **Gabriele Bonafede**, **Roman Krajčovič** and **Ioannis Rampias** and national experts: **Edward Safaryan** (Armenia), **Ibrahim Mammadzadeh** and **Rafiq Verdiyev** (Azerbaijan), **Anastasiya Zhdanovich** (Belarus), **Maka Tsereteli** (Georgia), **Diana Ungurean** (Moldova) and **Olena Marushevska** (Ukraine).

The overall supervision and management was carried out by Przemysław Musiałkowski, Team Leader of the HiQSTEP Project. Quality check was ensured by the HiQSTEP Key Expert and Study Key Expert Gabriele Bonafede. Methodological support was ensured by Esther Pozo-Vera, Andrzej Januszewski and Andreja Skerl from DG-Environment.

The Study Team expresses sincere gratitude to all the contacted stakeholders in the six countries who provided information during interviews and through responses to questionnaires..

September 2015

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## COUNTRY CODES:

Armenia	AM
Azerbaijan	AZ
Belarus	BY
Georgia	GE
Moldova	MD
Ukraine	UA

## Abbreviations and acronyms

AA	Association Agreement
EE	Ecological Expertise
EIA	Environmental Impact Assessment
EaP	Eastern Partnership
EFSA	European Food Safety Authority
EPI	Environmental Performance Indexes
EU	European Union
EUD	Delegation of the European Union
GDP	Gross Domestic Product
GHG	Greenhouse gases
GNI	Gross National Income
HiQSTEP	High Quality Studies for the Eastern Partnership
ITS	Intelligent transportation systems
IUCN	International Union for the Conservation of Nature
LoEE	Law on Energy Efficiency
LoPUERS	Law on the Promotion of the Use of Energy from Renewable Sources
LoRE	Law on Renewable Energy
MENR	Ministry of Ecology and Natural Resources (Ukraine)
MENR	Ministry of Environment and Natural Resources (Azerbaijan)
MEPNR	Ministry of Environment and Natural Resources Protection (Georgia)
MNPP	Medzamor nuclear power plant
MNREP	Ministry of Natural Resources and Environmental Protection (Belarus)
MoEnv	Ministry of Environment (valid for different national denominations)
MoECON	Ministry of Economy
MoF	Ministry of Finance
MoRDC	Ministry of Regional Development And Construction
MoNP	Ministry of Nature Protection
NEAP	National Environmental Action Plan
NEEAP	National Energy Efficiency Action Plan
NGO	Non - Governmental Organisation
RE	Renewable energy
REL	Renewable Energy Law
RES	Renewable energy sources
SAEE.	State Agency on Energy Efficiency and Energy Saving of Ukraine
SEA	Strategic Environmental Assessment
SMEs	Small Medium Enterprises
SPSP	Sector Policy Support Programme
SIDA	Swedish International Development Agency
SNC	Second National Communication
SOFAZ	State Oil Fund of Azerbaijan
SPSP	Sector Policy Support Programme
TA	Technical assistance
UNECE	United Nations for Economic Commission for Europe
UNFCCC	United Nations Framework Convention on Climate Change
WTO	World Trade Organization

# 1 INTRODUCTION

This report summarises the findings of the study on Environmental integration into other sector policies and legislation in the Eastern Partnership countries which was conducted between December 2014 and May 2015 in six countries (Armenia, Azerbaijan, Belarus, Georgia, Moldova, Ukraine) in the framework of the Project “High Quality Studies to Support the Activities under the Eastern Partnership” (HiQSTEP).

The results of the study will contribute to the consultations on Greening Strategy for the Eastern Partnership currently being prepared by the European Commission Directorate-General for Neighbourhood and Enlargement Negotiations (DG NEAR). This strategy will pave the way for new programmes in the EaP region in 2016-2020.

The main purpose of this study was to understand the status of the environmental governance in the EaP region including mechanisms in place in sector policies and namely in economy, transport, energy, and agriculture that ensure:

- promotion and awareness-raising on environmental matters in order to generate public and stakeholder support to policy-making in the field of environment;
- promotion of knowledge on sustainable development and on new patterns for sustainable consumption;
- support to communication, management, and dissemination of information in the field of environment, and facilitation of knowledge-sharing on successful environmental solutions and practice, e.g. through developing stakeholders' cooperation platforms and training;
- promotion of and contribution to more effective compliance with and enforcement of environmental legislation, in particular by promoting the development and dissemination of best practices and policy approaches;
- promotion of better environmental governance by broadening stakeholder involvement, including NGOs, in the process of consultation on new policies and their implementation.

The Study Team analysed the level of integration of environmental measures and incentives as well as environmental objectives in the general and sectoral policy initiatives, including reviews and reforms of the existing policies and new initiatives. The details of the above have been presented in the six Country Reports. The present report overviews the level of environmental integration in the sector policies and provides general conclusions and recommendations on the way of enhancing environmental management and governance across the sectors of the economy. Specific recommendations on the targeted EU support have also been proposed.

## 2 METHODOLOGY

The Study Team assessed and summarized the level of environmental integration in each EaP country on the basis of defined indicators that include, among others, regulatory and institutional factors. A preliminary **list of specific indicators** with methodological notes and including possible units/check lists was agreed with DG Environment representatives and then refined during field-missions.

The following final list of specific indicators was used to produce the reports:

- Existence of a Sustainable Development Strategy
- Completeness of sector strategies and policy documents including environmental considerations
- Existence of a law on physical/land use planning
- Existence of a law and procedures for Strategic Environmental Assessment
- Existence of a law and procedures on Environmental Impact Assessment
- Information on environmental harmful subsidies
- Existence of a law on green public procurement
- Existence of an inter-ministerial/inter-sectoral/multi-stakeholder consultation body (or bodies) and mechanisms, and their meetings regularity/effectiveness;
- Volume of the staff in the Ministry of Environment
- Staff in the Ministry of Environment compared to population (per 1 million habitants)
- Staff in the Ministry of Environment compared to country size (per 1000 km<sup>2</sup>)
- Effectiveness of the Ministry of Environment (or other ministries dealing with environment) to introduce environmental concerns in the governments' agenda, influence the laws, etc. (qualitative indicator)
- The number and/ or percentage of plans/programmes with underwent full SEA during last two years
- The number and/ or percentage of large projects provided with full EIA during last two years
- The number and the total area of protected areas similar to EU regulations (Natura 2000, etc.)
- The number of UN conventions signed

In addition, while considering the format of the country fiches, the team agreed on the necessity to also include some general data on economy and environment on each country with relevant region-benchmarks (regional averages)<sup>1</sup>:

- Size/area (Km<sup>2</sup>)
- Population (million)
- Income (GDP in USD billions)
- Population under poverty line
- Per capita GNI in USD

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<sup>1</sup> It is necessary to underline that the Study Team relied on and referred the data from the recognised international sources (World Bank and others – see references under data tables) which were available by May 2015 (e.g. for population the latest data covered 2013).

- CO<sub>2</sub> emissions
- Life expectancy at birth
- Energy intensity in BTU
- Environmental Performance Index (EPI)
- Cumulative % reduction/increase of energy intensity 2007-2011
- 

### 3 GENERAL SITUATION – MAIN DATA

The following table summarizes all hard-data identified and collected for the six EaP countries.

**Table 1 - Hard-data for the six EaP countries**

MAIN DATA	AM	AZ	BY	GE	MD	UA	EaP Average
Size (Km <sup>2</sup> )	29 800	86 600	207 595	69 700	33 846	603 500	171 840
Population (million)	2.98	9.42	9.47	4.48	3.56	45.49 <sup>(1)</sup>	12.57
Income (GDP in USD billions)	10.4	73.5	71.7	14.1	8.0	177.4 <sup>(1)</sup>	59.2
Population under poverty line	32.0%	5.3%	5.5%	14.8%	12.7 %	9.1 % <sup>(2)</sup>	13.23%
Per capita GNI in USD	3 800	7 350	6 730	3 570	2 470	3 960 <sup>(1)</sup>	4 647
CO <sub>2</sub> emissions (**)	1.7	5.1	6.6	1.4	1.4	6.6 <sup>(2)</sup>	3.8
Life expectancy at birth (*)	75	71	72	74	69	71	72
EPI (****)	61.67	55.47	68.00	47.23	53.36	49.02	55,74
Energy intensity in BTU (***)	35 954	19 376	26 706	20 070	31 701	56 503 <sup>(2)</sup>	31 718
<b>Cumulative % reduction/increase Energy intensity 2007-2011</b>	+3.66 %	- 27.6 %	- 16.65 %	- 5.30 %	- 22.36 %	- 6.83%	<b>-12.51%</b>

(\*) Latest published World Bank data (except size)

(\*\*) Metric tons per capita, World Bank data

(\*\*\*) Energy Intensity - Total Primary Energy Consumption per Dollar of GDP (Btu per Year 2005 U.S. Dollars (Market Exchange Rates) 2011 data published by EIA (US agency) at

<http://www.eia.gov/cfapps/ipdbproject/iedindex3.cfm?tid=92&pid=46&aid=2>

(\*\*\*\*)Max 100. Source EPI (Yale U.): <http://epi.yale.edu/epi/data-explorer>

(1) Data referred to pre-war situation and probably to be revised downward. For what concerns population, refugees' sources report around 1.4 million refugees, part of it going outside Ukraine borders

(2) Data referred to pre-war situation and probably to be revised upward

With regard to general data it is worth reminding that Ukraine alone represents most of the population and area in the region. In terms of economic-development, measured by GNI per capita, only Azerbaijan and Belarus have reached levels comparable to most EU member countries, while the other four EaP countries are still lagging-behind with GNI per capita below 4000 USD a year. Both



Azerbaijan and Belarus have also managed to reduce poverty to reach levels below 6% of population, while in the other four EaP countries poverty is still a major problem, especially in Armenia where a third of population still lives below poverty line level, as defined by national standards.

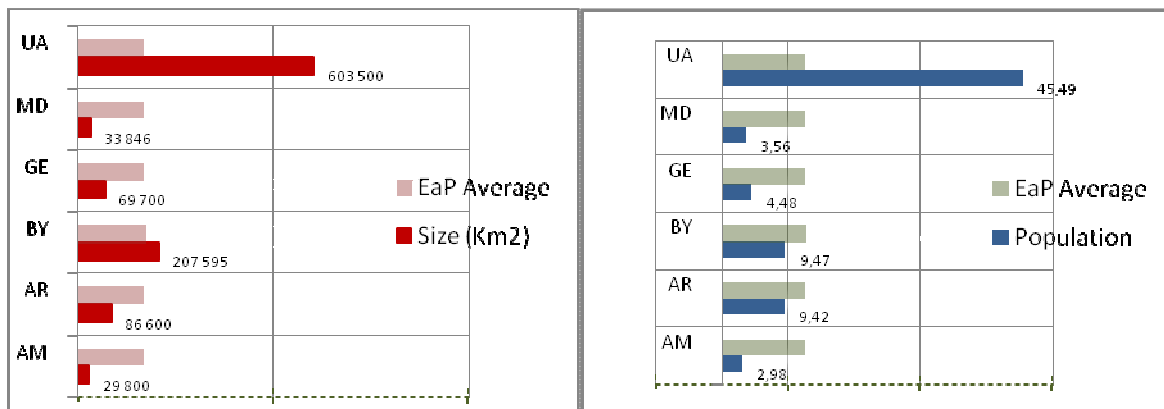


Figure 1 – Population and area – Regional spectrum

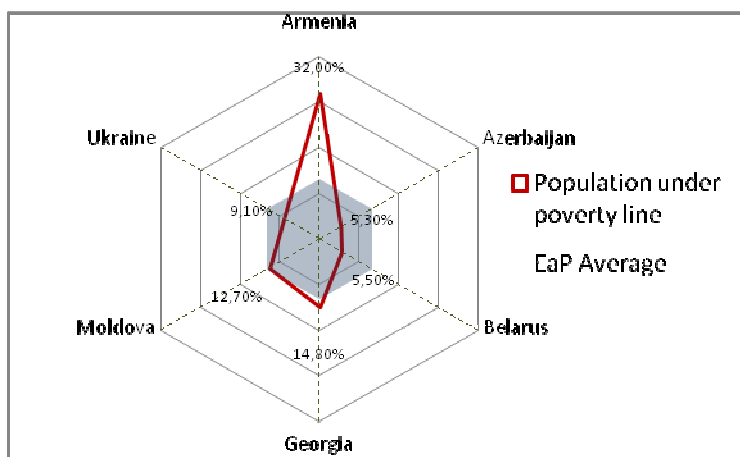
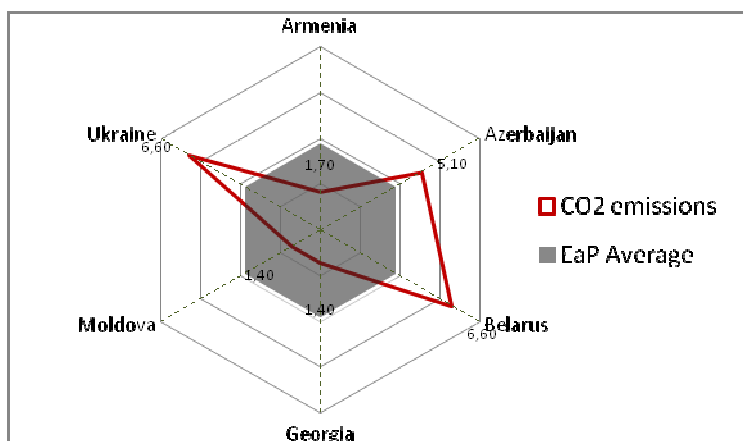


Figure 2 – Population under poverty line – Regional spectrum

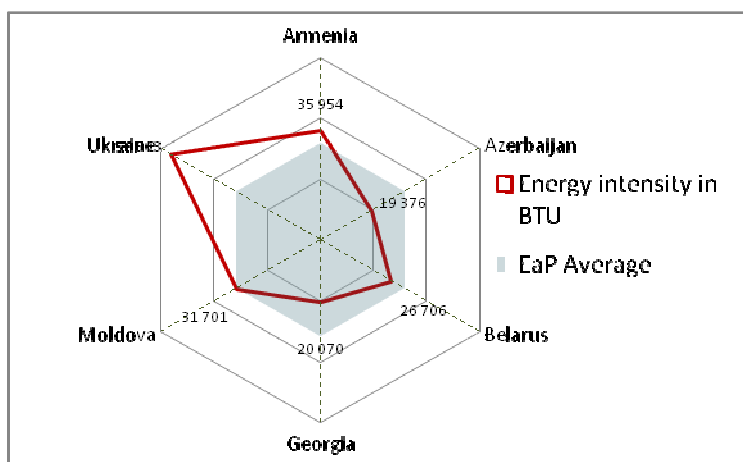
With regard to general environmental performance indexes, here measured in CO<sub>2</sub> emissions, energy intensity and EPI, it is worth to note that:

- CO<sub>2</sub> emissions are still very high in Azerbaijan, Belarus and Ukraine with more 5.1-6.6 metric tons per capita. Armenia, Georgia and Moldova have much lower CO<sub>2</sub> emissions at around 1.6-1.7 metric tons per capita.



**Figure 3 – CO<sub>2</sub> emissions – Regional spectrum**

- In Ukraine, Armenia and Moldova the economy still runs at unsustainable energy intensity levels. However, Ukraine and especially Moldova have managed to reduce the use of energy for every unit of output in 2007-2011. On the other hand, Armenia has not yet succeeded in reducing the use of energy and has even increased it during last five statistically covered years (2007-2011).
- Azerbaijan shows a much more sustainable situation with considerably lower energy intensity levels. In addition, in 2007-2011 Azerbaijan managed to reduce the use of energy by almost a third and Belarus by a quarter.



**Figure 4 – Energy intensity – Regional spectrum**

- Belarus and Armenia (the latter despite poor energy-intensity performance) have the highest EPI scores in the region. EPI measures also public policies and regulations in the environment sector. Azerbaijan and Ukraine show much lower EPI performance signalling a need to solve systemic environmental governance problems. <http://epi.yale.edu/epi/data-explorer>

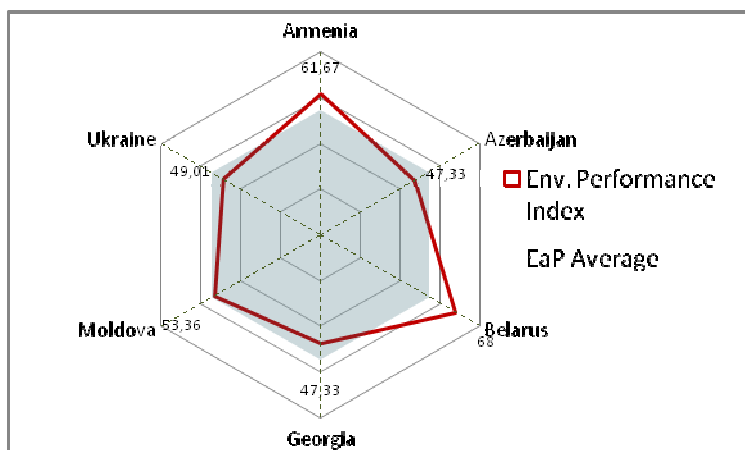


Figure 5 – Environmental Performance Index – Regional spectrum

#### 4 GENERAL SITUATION – SPECIFIC INDICATORS

The following table summarizes specific indicators established by the Study Team for each EaP country, and identifies good practices of environmental integration in the sector policies. It also shows major national problems/features and concerns in the economy of each country, including major issues regarding national policies and environmental integration.

Table 2 - Specific indicators for each EaP country

Indicators	Armenia	Azerbaijan	Belarus	Georgia	Moldova	Ukraine
<b>Existence of Strategies and/or Programmes</b>						
National	Yes	Yes	Yes	Yes	Yes	Yes
Agriculture	Yes	Yes	Yes	Yes	Yes	Yes
Economy (\$)	Yes	Yes	Yes	Yes	No	Yes
Energy	Yes	Yes	Yes	Yes	Yes	Yes
Environment	No	No	No	Yes	No	Yes
Transport	Yes	Yes	Yes	Yes	Yes	Yes
<b>Sector strategies completeness and consideration of environmental issues</b>						
<b>General (average)</b>	<b>65%</b>	<b>60%</b>	<b>68%</b>	<b>73%</b>	<b>60%</b>	<b>82%</b>
National	60%	70%	70%	60%	60%	90%
Agriculture	70%	60%	60%	80%	80%	90%
Economy (\$)	60%	60%	80%	90%	40%	90%
Energy	70%	70%	80%	70%	70%	80%
Environment	40%	40%	40%	70%	30%	70%
Transport	90%	60%	80%	70%	80%	70%
<b>Existence of Laws</b>						
Urban Planning	Yes	Yes	Yes	Yes	Yes	Yes
EIA	Yes - EE	Yes - EE	Yes	Yes - EE	Yes - EU	Yes - EE
SEA	Yes - Local	No	No	No	No	No
Green procurement	No	No	No	No	No	No
<b>Other specific indicators</b>						
Env. harmful subsidies	medium	high	medium	medium	low	high
Inter-ministerial consultations	high	low	high	medium	low	medium

Indicators	Armenia	Azerbaijan	Belarus	Georgia	Moldova	Ukraine
Staff M of Environment	406	110 <sup>2</sup>	94	184	61	211
Staff MoE/population*	136.24	11.68	9.95	41.1	17.13	4.64
Staff MoE/area**	13.6	1.27	0.45	2.6	1.80	0.35
Effectiveness MoE	medium	low	high	medium	low	medium
Protected areas***	387 054 Ha	892 546 Ha	1 797 000 Ha	600 668 ha	192 954 Ha	3 650 904 Ha
UN conventions****	20	20	56	19	18	20
<b>Good practices</b>						
<b>N. of Good Practices identified</b>	3	3	5	5	4	3
<b>Fields</b>	Land use and urban planning Energy Water mgmt	Urban planning, Port mgmt Energy	EIA Law, Energy efficiency, General env. mgmt (EPI), Urban planning	Regional development, Biodiversity, Capacity-building, Spatial Planning Agriculture	EIA Law, Agriculture, Urban transport	Private transportation Participative process
<b>Major national problems/features in economy, national policies and environment Indicators</b>	High poverty level, dependence on remittances and commodities exports, high energy intensity, large incidence of mining sector, problems in water management, strong oligopolies in economy, geo-political situation	Need of diversification from oil industry and export, low incidence of SMEs, high CO2 emissions, strong oligopolies in economy, highly centralized decision-making system, geo-political situation	High dependence on external sources for energy, strong oligopolies in economy, low incidence of SMEs, high CO2 emissions, highly centralized decision-making system	Limited industrial base, High dependence on external sources for energy, low level of coordination between sectors, geo-political situation	High poverty level, dependence on remittances and agriculture exports, Limited industrial base, High dependence on external sources for energy, low level of coordination between sectors, geo-political situation	War in eastern regions, High poverty level, dependence on remittances and commodities exports, high energy intensity, large incidence of mining sector, agriculture and other commodities, strong oligopolies in economy, high CO2 emissions

(§) Some countries have a detailed and working Regional Development strategy in the place/or complementing a specific economic development strategy

EE = Ecological Expertise, not complying with EU standards

EU = Complying with EU standards

Local = Not fully in line with the EU standards

\* Staff in the Ministry of Environment per 1 million habitants

\*\* Staff Ministry of Environment per 1000 km<sup>2</sup>

\*\*\* Total area of protected areas similar to EU regulations (Natura 2000, etc.)

\*\*\*\* The number of UN conventions signed

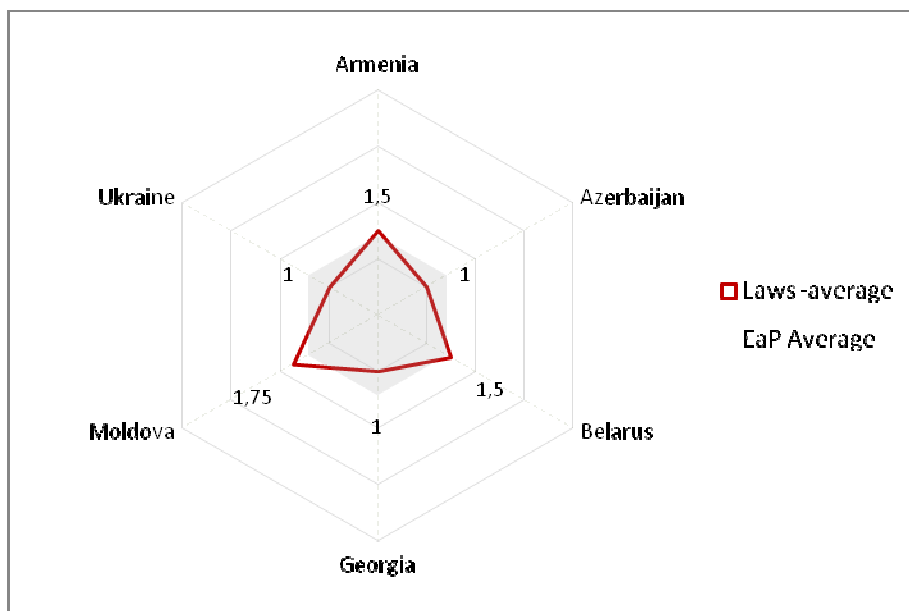
<sup>2</sup> Data obtained from the National Environmental Monitoring Department; do not include MENR services and regional entities.

With regard to the indicator “Existence of Strategies and/or Programmes” **all EaP countries** adopted national and sector strategies and most of them include principles and policy-directions, although often without effective operational provisions.

The completeness and inclusion of environmental issues in the sector strategies in all EaP countries is below 100%, according to the Study Team’s assessment. For example in Moldova it was assessed at the 65%, in Georgia 73% and in Ukraine at 82%.

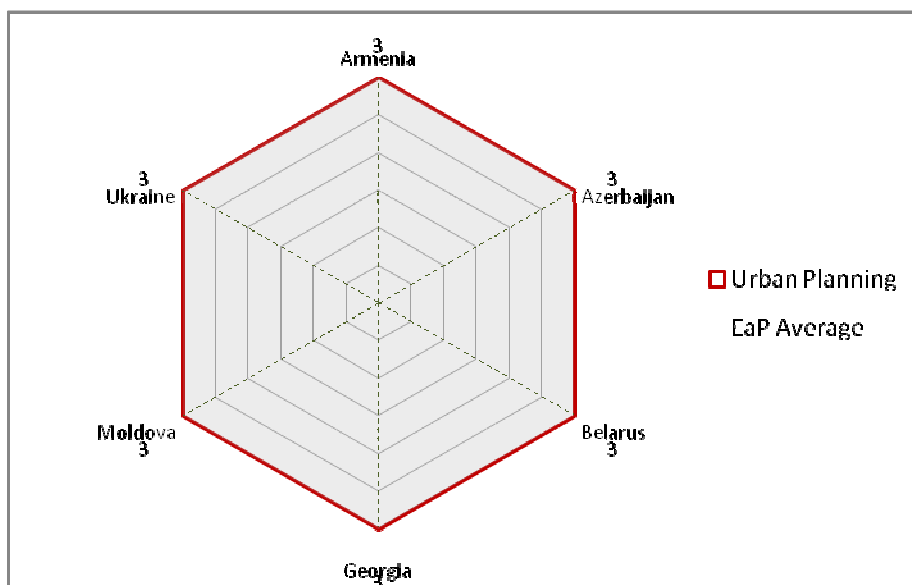
Figure 6 below attempts to illustrate the general level of existence (and completeness with regard to EIA and SEA) of laws across the region in a zero to four scale where, for each law, YES = 1; NO = 0; YES (Ecological Expertise) = 0.25; YES Local = 0.5 and YES EU= 0.75.

Specific graphs illustrating the situation in individual countries with regard to specific areas are included in the Country Fiches annexed to this report.



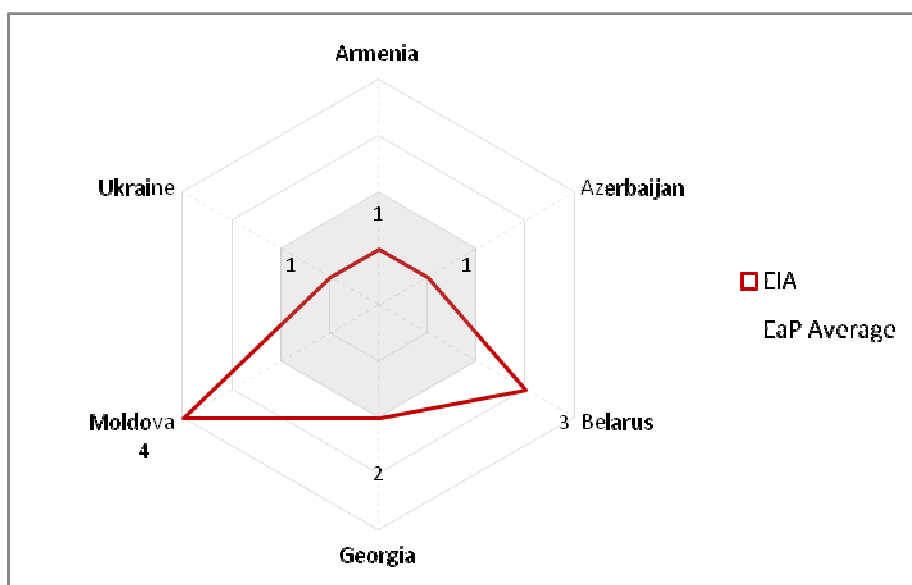
**Figure 6 – Key environmental management legislation - Regional Spectrum**

Regarding the existence of the key-laws on environmental management, all six countries have Urban Planning and Land Use laws, mainly derived from the Soviet-era and modified after their independence. There are, however, differences in quality, details, level of planning and implementation of urban development and land use. Differences are described in the relevant chapter of present report for each country.



**Figure 7 – Existence of Urban Planning laws - Regional Spectrum**

All countries adopted EIA Laws. However, five countries out of six still execute EIA with the old system of Ecological Expertise (EE), which does not include all necessary provisions to ensure high quality environmental impact assessment. Only Moldova has recently adopted an EIA Law complying with EU standards, while Belarus has its own brand of EIA characterized by provisions on strict and efficient environmental impact assessments. Graph below shows the status of EIA across the region.



**Figure 8 - EIA - Regional Spectrum**

For what concerns SEA Law, Armenia is endowed with a specific Law approximated to some extent with the EU standards. Georgia finalized the working on the document in the framework of the Regional project "EaP Green". The UNECE Experts assessed the new draft Code as complying with EU standards and confirmed that at the 3<sup>rd</sup> Meeting of Eastern Partnership Panel on Environment and

Climate Change. The Code is planned to be submitted to the Parliament of Georgia for adoption in the second half of 2015.

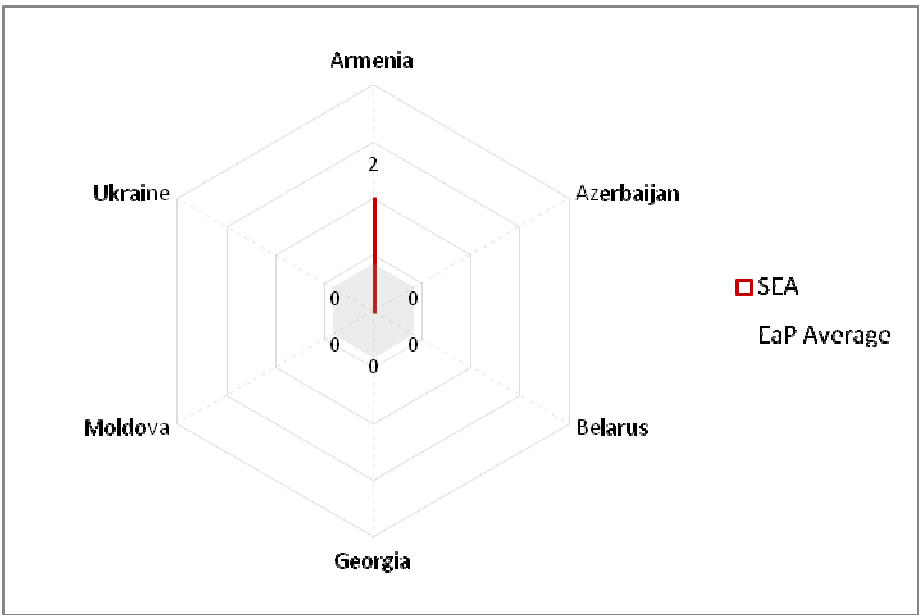


Figure 8 - SEA - Regional Spectrum

No EaP country has a green procurement Law yet and the concept itself is only at a very early stages of awareness in the public administrations in the Region.

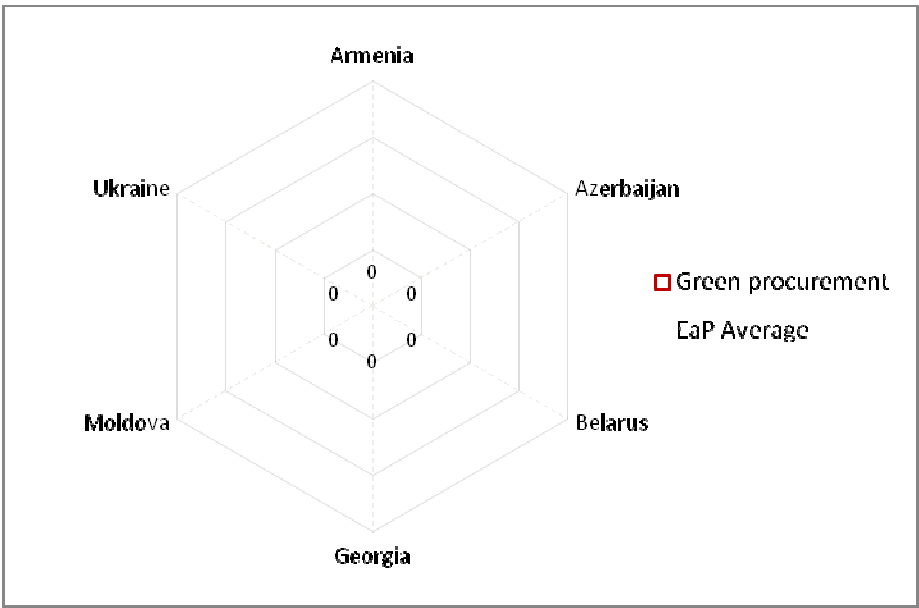
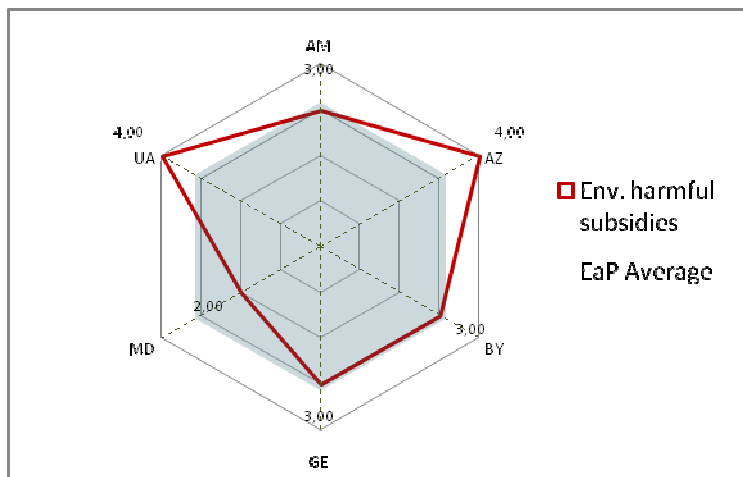


Figure 9 - Green Procurement - Regional Spectrum

Information received on environmentally harmful subsidies only allowed a rough assessment of perceived levels of subsidies by a) interviewed interlocutors, b) appraisal of actions included in the

existing programmes/strategies, especially in the agriculture sector regarding subsidies for chemical fertilizers and intermediate goods. These observations show a high incidence of environmentally harmful subsidies in Azerbaijan and Ukraine and low incidence (corroborated by partial analyses by EFSA) in Moldova.



**Figure 10 - Environmentally harmful subsidies - Regional Spectrum**

With regard to the existence and functioning of Inter-ministerial consultation body, the situation in Armenia, Georgia, Belarus and Ukraine has been assessed good whereas in Azerbaijan, and Armenia was assessed rather low. In Georgia All major decisions and reforms are discussed, agreed and approved by the Cabinet of Ministers. A number of cross-cutting governmental working groups, state commissions and councils have been established in recent years for discussing different thematic issues. Inter-ministerial coordination between ministries is being conducted by the Government Administration. The special government decree regulates coordination of EU integration process between the Ministries. The Ministry of Foreign Affairs, Ministry of Economy and Sustainable Development and the State Minister of Georgia on European and Euro-Atlantic Integration are main key central bodies delegated the role of coordination and monitoring functions. Government of Georgia elaborated annual national government action plan, annual plan for the implementation of AA/DCFTA. That has been subject to intensive inter-governmental consultations. The graph below illustrates the Study Team's assessment of the level of development of these consultations.

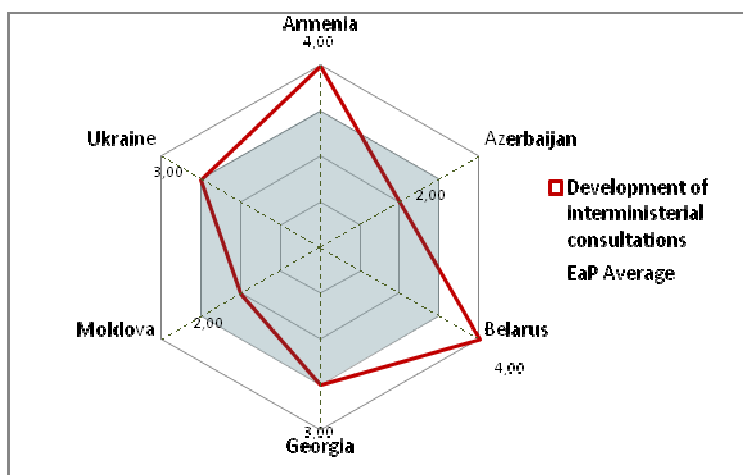




Figure 11 – Development of interagency consultations - Regional Spectrum

In the context of the country’s population and size, the staff of the Ministries of Environment in Armenia is very large and oversized<sup>3</sup>, highly adequate in Georgia, adequate/sufficient in Azerbaijan<sup>4</sup> and Moldova whilst Ukraine’s MoEnv is clearly understaffed to cope with the challenges of such a large country.

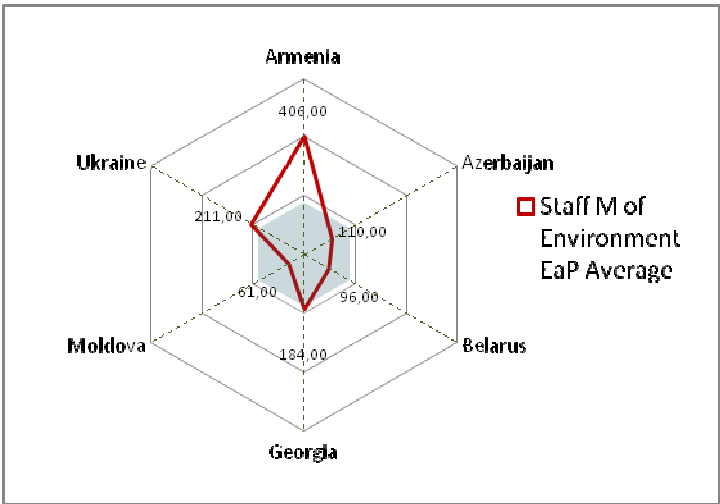


Figure 12 – Overview of the ministries of environment staffing

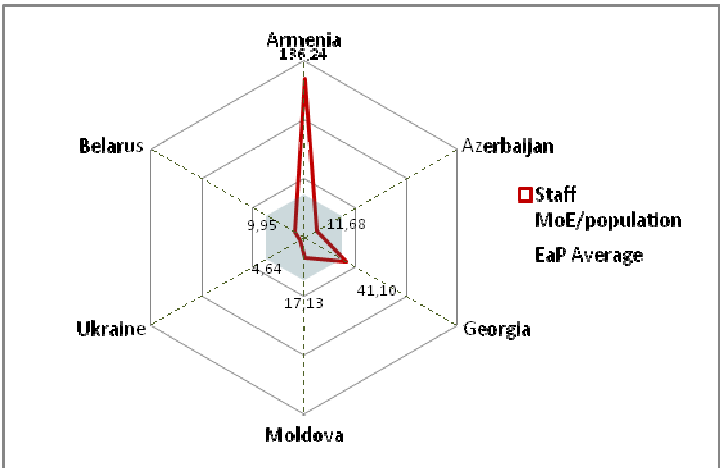


Figure 13 – Ministry of Environment staff per 1 million inhabitants ratio – Regional spectrum

<sup>3</sup> However, this indicator may not be fully comparable as other countries have territorial branches, which Armenia has not.

<sup>4</sup> Assessment of Azerbaijan is based on the data obtained from the Ministry during the study visit (110 staff). During the consultations of the final draft of this report, Azerbaijan reported to have “over 1000 staff” in the Ministry, which must obviously include other agencies and/or territorial structures and has not been considered for the analysis.

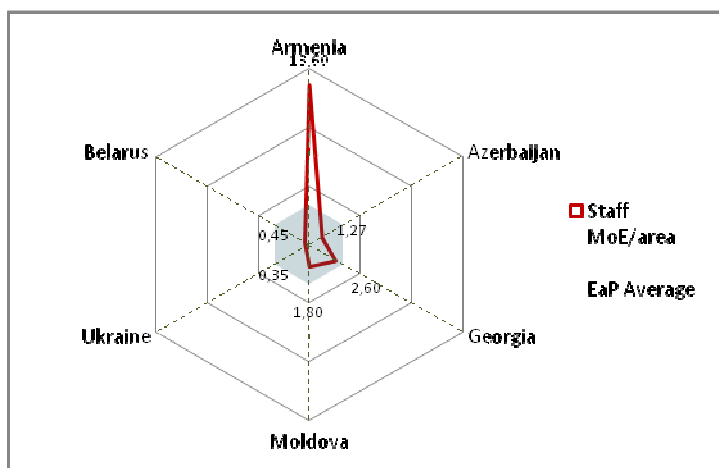


Figure 14 – Ministry of Environment staff per km<sup>2</sup> ratio – Regional spectrum

Effectiveness of the MoEnv in influencing national policy agendas was also evaluated. This score has been built with a certain degree of subjectivity and is based on the assessment by the Study Team, on a zero to three scale, of a combination of various elements, such as : EPI score, consistency of various strategy/policy documents, staff at central unit of MoE, information collected through meetings especially on the interaction of the MoEnv with other Ministries and implementation of urban planning laws.

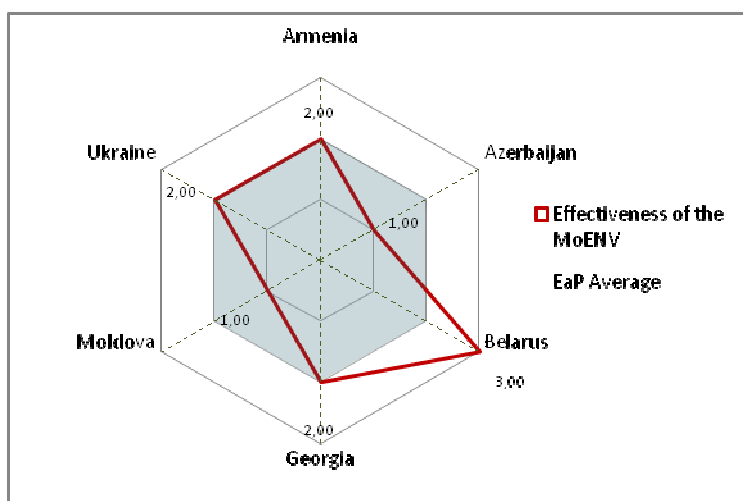


Figure 15 – Ministry of Environment effectiveness – Regional spectrum

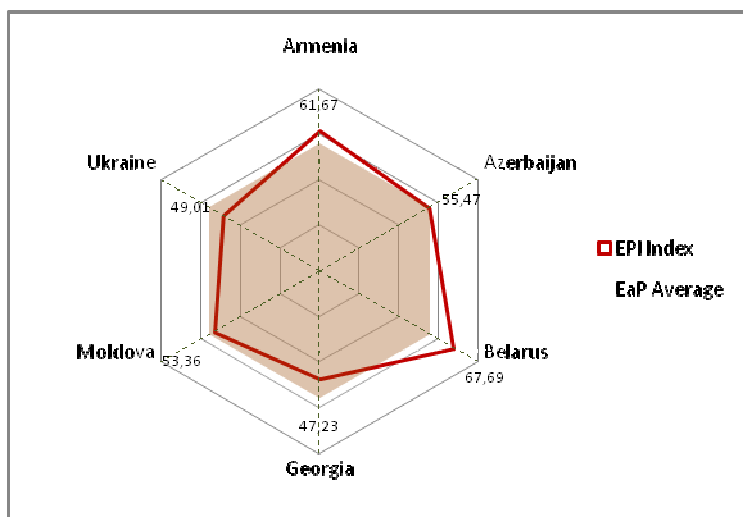


Figure 16 – EPI index – Regional spectrum

## 5 COMMON CHALLENGES AND CONSTRAINTS - FINDINGS AND CONCLUSIONS

The main constraints observed with regard to environmental mainstreaming in the EaP countries result from limited capacities of the central administration as well as institutional bottlenecks and deficiencies in the management systems. Compositions of the governments, including line ministries, has been undergoing frequent changes including renaming of institutions, rotation of ministers and changes in reporting lines within the central administration. For instance, since 2004, there have been eight Ministers of Environment and Natural Resource Protection and nineteen deputy ministers in Georgia, which adversely affected the operations and continuity of work of this central institution responsible for Environment and Natural Resources.

Amending the environmental primary legislations and related bylaws proves to be a difficult task due to other national policy priorities adopted by the Governments, which results in long delays in the adoption of environmental legislations in line with international agenda..

Generally, ineffective coordination of international support has been noted across the Region. This results in the absence of synergies among various projects and programmes with environmental objectives, thus lowering their efficiency in contributing to the implementation of sustainable development principles.

Deficiencies and limited quality of sector strategies, programmes, legal frameworks and operational provisions for sector development with regard to environmental considerations and measures is widespread within the Region.

Weak enforcement of regulations and of environmental measures included in the sector policies and legislations is demonstrated across the Region; both within environmental administrations and within other sectors..

In general, the practise of carrying out ex-ante assessments of the environmental, social and economic impacts of policy initiatives at appropriate level is still very weak or non-existent in the Region. This deficiency adversely affects the coherence and effectiveness of the adopted sector policies and strategies.

Laws on Strategic Environmental Assessment and Environmental Impact Assessments in line with the applicable EU standards are being drafted but the current level of compliance remains low. Only

one country, Moldova, has adopted a new EIA Law showing a good level of compliance with EU standards.

The use of ex-post evaluation of programmes and projects in order to improve their consistency and coherence is almost non-existent.

## 6 SECTOR POLICIES

All Eastern Partnership Countries undertake efforts to put the discussion on environmental higher on political agendas and increase the levels in decision-making structures at which they are discussed. However, the environmental priorities are insufficiently stimulated by political will at the level of Prime Ministers and Presidents and usually remain at the level of the authorities responsible for environment and sustainable development.

In general, across the Region, the central authorities responsible for promotion of sustainable development are those in charge of environmental planning, management and protection (mainly Ministries of Environment). The EaP countries often consider the environmental requirements as an **obligation rather than an asset** allowing for improvements in social well-being and sustainable development. Sustainable development has not yet emerged as a core principle of policy development in the EaP region, although Belarus and Armenia stand-out having the highest EPI indexes.

Notably, Georgia has largely improved the new EIA law through 2015, thanks inter alia to external (UN) support.<sup>5</sup> Georgia is also the only EaP country to have adopted a specific Environment strategy, with specific sub-sector programmes (see table 4 below).

Over the last few years Azerbaijan has adopted a number of state programmes, plans and strategies, including the Concept of Development: “Azerbaijan 2020: Look into the Future” (approved by the Presidential Decree on the fulfilment of environmental tasks in 2012). All these documents define strategic directions for sustainable development and environmental protection. Moreover, the environmental protection is among eight priority-areas defined in the Azerbaijan Vision 2020. However, some discrepancies have been noted in the content and actions when compared to general statements.

Overall in the region, provisions and actions regarding environmental protection appear in a number of sector policy documents referring to economic and regional development, agriculture, transport and energy. However, the share of these actions and the level of their implementation remain low. The principles of environmental protection and sustainable development are often not recognised as priorities by the governments.

The mechanisms for integrating environmental priorities into other sectors are relatively new (and even completely new in some cases/sector/issues). Mainstreaming of environmental soundness within the administration is at early stages, not to mention the much-needed mainstreaming across cultural environment and the society as a whole.

The speed and intensity of the shift towards a more sustainable economy (possibly more integrated with the EU) varies across the EaP region. In general, the need for such integration is accepted by both the societies and the state administrations even if the latter are not always keen to speed-up this

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<sup>5</sup> Processed by the Parliament as of September 2015

process up. The EaP countries having signed the EU Association Agreements make more efforts to align their legislations and structures with their political commitments and with the EU association agenda.

Completeness and quality of Sustainable Development Strategies (National Development Strategies including all sectors and not only environment) varies from country to country. The table below presents the summary of the Study Team's findings and observations on the status of National strategies for (possibly sustainable) development in all six EaP countries.

**Table 3 - Status of strategic documents on sustainable development**

Country	Title of Strategic document on National Economic (Sustainable) Development	Description/Comments
<b>Armenia</b>	Perspective for development 2020 Armenia Development Strategy for 2014-2025	The two strategic document define policy concepts in the main economy sectors within a medium and long term perspective of sustainable development. The Programme of the implementation of the UN Summit of Sustainable Development Rio +20 decisions is considered as a complement to the Perspective for development 2020
<b>Azerbaijan</b>	State Programme on Poverty Reduction and Sustainable Development (SPPRSD) 2008 – 2013	Defines nine goals one of which is designed to improve the environmental situation and ensure sustainable environmental management and the new Vision 2020 (approved in December 2012), which is in line with the Millennium Development Goals. There is no National Strategy on Sustainable Development.
<b>Belarus</b>	National strategy for sustainable socio-economic development until 2020 (adopted in 2004)	According to the strategy "It will take a lengthy period of time comprising several stages of socioeconomic development to achieve the ultimate goal of the national sustainable development strategy."  Therefore, the strategy identifies two phases of implementation the first ended in 2010 and the second one covers 2011-2020.
<b>Georgia</b>	Social-economic Development Strategy "Georgia 2020" and a State Strategy for Regional Development	The strategy contains a general indication within a strong free-market option. There are also sector-policies e.g. Agriculture and Economy) provided with strategic documents relating to development and its environmental impact, thus including some strategic cross-cutting goals in the environment field.
<b>Moldova</b>	National Development Strategy „Moldova 2020“	National Development Strategy „Moldova 2020“ defines macroeconomic provisions to improve competitiveness rather than being an operational sustainable development strategy, albeit implies a few elements of sustainable development principles. The strategy <i>Moldova 2020</i> presents a vision of cohesive long-term financial and economic development based on a diagnostic study of constraints to economic development

Country	Title of Strategic document on National Economic (Sustainable) Development	Description/Comments
Ukraine	National Development Strategy „Ukraine 2020“ (newly adopted in 2015, replacing the old one covering the same period)	<p>The previous strategy was revised substantially and rapidly approved in January 2015. In terms of intentions and policy statements, the Strategy represents a big step forward to build a more modern and UE-integrated Ukraine.</p> <p>Strategy 2020 consists of four key pillars. Under the „Security“ pillar it defines the Environmental Protection Programme. Operationally, and given the objective difficulties facing today's Ukraine, the work ahead is particularly challenging and yet to be implemented in all parts of Ukraine 2020 and specifically for what concerns environmental policies.</p>

Also the picture regarding the environmental protection strategic planning and programming varies across the region. Only Georgia has a general framework document applying to Environment sector. Armenia, Azerbaijan, Belarus and Ukraine have specific environmental protection programmes/strategies included in the National programmes (those of table above). Therefore, they opted for the inclusion of the environmental protection issues into specific chapters of the national strategic programmes/strategies. Moldova has neither of those. Table 4 below summarizes these findings.

**Table 4 - Status of strategic documents on environmental protection<sup>6</sup>**

Country	Title of Strategic document on Environment protection	Description/Comments
Armenia	<p>Chapters on Environment in:</p> <p>Perspective for development 2020 and</p> <p>Armenia Development Strategy for 2014-2025</p>	Two national strategies contain policy concepts in all fields within a medium-long term perspective of sustainable development. The Programme of the implementation of the UN Summit of Sustainable Development Rio +20 decisions is considered as a complement to the Perspective for development 2020. Despite undoubtedly right orientation of the Armenian environmental strategies the documents are missing their implementation aspects, i.e. action plan and financial/budgetary provisions.
Azerbaijan	Chapters on environment in: State Programme on Poverty Reduction and Sustainable Development (SPPRSD) 2008 – 2013	One of nine goals of national Strategy Document is to improve the environmental situation and ensuring sustainable environmental management it is in line with the Millennium Development Goals in environment sector. Azerbaijan has no Environment Strategy, however a general commitment to sustainable

<sup>6</sup> The research work on this study was finished in April 2015. During the finalisation of the present report the national authorities reported on new developments/progress made with this respect. The Study Team takes note of this information but is not in a position to include it in the analysis

Country	Title of Strategic document on Environment protection	Description/Comments
	Vision 2020	<p>development, including environmental sustainability is expressed in the State Programme on Poverty Reduction and Sustainable Development (SPPRSD) 2008 – 2013 (one of its nine goals is to <i>improve the environmental situation and to ensure sustainable environmental management</i>) and the new Vision 2020 (approved in December 2012), which are in line with the Millennium Development Goals.</p> <p>There is still no unified environmental enforcement strategy. Some short-term priorities in this area are set via ad hoc decisions by the President and Cabinet of Ministers, followed by certain interventions by environmental enforcement authorities and, in some cases, by urgent investments out of the President's Reserve Fund. Such an approach precludes the design of a more effective environmental enforcement system with a set of key measures. Moreover, it hinders the formulation of a strategic view towards the planning and management of the activity of MENR inspectors, including the evaluation of resource requirements for staffing and infrastructure and capacity-building needs.</p>
<b>Belarus</b>	Chapters on environment of National strategy for sustainable socio-economic development until 2020 (adopted in 2004)	<p>Strategic issues in the field of environmental protection and rational use of natural resources linked with social and economic development provides the <i>National strategy for sustainable socio-economic development until 2020</i> (adopted in 2004), which is being developed for 15 years. To address medium-term objectives in the environmental field five-year National Action Plan on Rational Use of Natural Resources and Environment, and Environmental Health is implemented the.</p> <p>For the first time the structure and content of the national strategy was based on the recommendations, set out in Guide on Preparation of Assessment Reports for Protection of Environment, following the Application of Environmental Indicators in the East European States. The proposed environmental indicators are developed by UNECE and are reflected in document Recommendations to Governments of Eastern Europe, Caucasus and Central Asia States on Application of Environmental Indicators and Preparation of the Assessment Reports on Environmental Protection on its basis.</p>
<b>Georgia</b>	<p>National Environmental Action Programme of Georgia 2012 – 2016</p> <p>Other sub-sector strategies: National Waste Management</p>	National Commission on Sustainable Development has been charged with the development of a Sustainable Development Strategy but it has not been functional for years and the strategy has not been elaborated.

Country	Title of Strategic document on Environment protection	Description/Comments
	<p>Strategy and an Action Plan</p> <p>Low Emission Development Strategy</p> <p>2nd National Environmental Action Programme 2012-2016 (NEAP-2);</p> <p>National Biodiversity Strategy and Action Plan 2014-2020 - Georgia (NBSAP);</p> <p>National Action Program to Combat Desertification (2015-2022)</p> <p>National Forestry Concept for Georgia (2013);</p> <p>Environmental Education for Sustainable Development Georgian National Strategy and Action Plan 2012 – 2014;</p> <p>Climate Change Strategy of Adjara (2013).</p> <p>Roadmap for EU approximation in the environmental and climate action fields.</p> <p>National Waste Management Strategy and an Action Plan</p> <p>Low Emission Development Strategy</p>	<p>However, specific sub-sector strategy documents regarding environment exist in various fields. Notably for what concerns Action Plans in Biodiversity, Waste Management, Desertification, and Low Emissions. Climate Change.</p> <p>The Cabinet of Ministers underwent in past decade frequent changes in its composition. Ministry of Environment has been renamed, and ministers are frequently being replaced or shuffled to another ministry. This reshuffling includes the post of Prime Minister, which is a presidential appointment, and the post of the Minister of Environment and Natural Resource Protection.</p>
<b>Moldova</b>	<p>No strategic document prepared by Ministry of Environment.</p> <p>National Development Strategy „Moldova 2020“ does not include any specific provisions for environment protection</p>	<p>The national strategy provides insights and directions to enhance economic competitiveness and financial stability, but does not pay specific attention to environment protection. The following text e is the only reference to environment in the whole document: The Republic of Moldova will undertake all the necessary efforts to ensure the transition to a green economic development, which promotes sustainable development principles and contributes to poverty reduction, including by ensuring a better governance in the sustainable development domain, by integrating and strengthening environmental protection aspects in all social-economic development domains of the country (National Development Strategy, p. 8).</p>
<b>Ukraine</b>	<p>The fundamental principles (Strategy) of Ukraine's Environmental Policy for the Period until 2020 (newly adopted</p>	<p>The strategy is being extensively revised and updated in the light of the new Ukraine 2020 strategy and sub-strategy plans being drafted.</p>



Country	Title of Strategic document on Environment protection	Description/Comments
	in 2015, replacing the old one covering the same period)	

## 6.1 Regulatory framework for environmental integration

Most of the EaP countries have entirely new EIA regulations which are in general driven by the external Technical Assistance (TA) and infrastructure projects promoted by International Financing Institutions (IFIs). The Environmental Impact Assessment (EIA) and Strategic Environmental Assessment (SEA) laws and respective guidelines are not fully applied in daily operations of the central authorities responsible for environment or other respective administrations. The same applies to regulations on Strategic Environmental Assessment (SEA), often driven by external stimulus such as donor's projects and programmes. In countries where EIA and/or SEA regulations have been adopted (Moldova) their application by the public administration remains weak and yet to be tested.

Table 5 below presents the summary of the Study Team's findings and observations on the status of the adoption of the regulations on EIA and SEA in the EaP countries.

**Table 5 - Status of the SEA and EIA<sup>7</sup>**

Country	Strategic Environmental Assessment	Environmental Impact Assessment
<b>Armenia</b>	There are no compulsory legal requirements with respect to SEA. The SEA refers only to cross-border projects	Law on Environmental impact assessment and review was adopted in June 21, 2014
<b>Azerbaijan</b>	There are no explicit provisions on Strategic Environmental Assessments (SEAs) in the legislation, but Article 51 of the Law on Environmental Protection defines some strategic environmental decisions as subject to SEE review.	EIA are obligatory since 1996, however national legislation lacks specific provisions on EIA, as well as clear criteria for determining whether or not a project is subject to State Ecological Expertise (SEE) and an EIA.
<b>Belarus</b>	There is no formal procedure yet for SEA, but there is a procedure to request all ministries to comment on strategies, plans and policies initiated by other ministries.	The Law on State Ecological Expertise (N 293-3 from 14.07.2011) lays down concepts, programmes (including investment programmes), sectoral and territorial development schemes, schemes for the complex use and protection of natural resources, urban development plans, and projects for all kinds of activities that might have impact on the environment.
<b>Georgia</b>	At this stage there is no legislation on	Existing procedure is based on the old system of

<sup>7</sup> The research work on this study was finished in May 2015. During the finalisation of the present report some national authorities reported on new developments/progress made with this respect. The Study Team takes note of this information but is not in a position to include it in the analysis

Country	Strategic Environmental Assessment	Environmental Impact Assessment
	SEA. MoENRP started to develop a new law on Environmental Impact Permit, which will introduce the SEA for plans and programmes into the national legislation in compliance with the Protocol on SEA to the Espoo Convention and relevant EU legislation.	“environment expertise”. The procedure of environment expertise applies theoretically to every project and is based on a very general assessment of impact on environment. In order to guarantee the effective implementation of EIA. The new regulation will include full list of activities subject to EIA and increase the timeframes for EIA procedures. The Screening and Scoping will be introduced as an integral part of the EIA process. The new regulation ensures public access to information in the early stage of the EIA process compliant with EU directives on public participation and access to justice and on public access to environmental information. The new regulation will also establish strategic environmental assessment and trans-boundary procedures. The final version of the new regulation was expected to be submitted to the Parliament for approval during the spring session in 2016. In fact, the process speeded-up in 2015 (while the present report was being reviewed) and a new draft was submitted to the Parliament in September 2015, produced with external UN support. Its provisions comply with EU standards, as reported in October 2015 at the EaP Panel meeting.
<b>Moldova</b>	There is no SEA system that would meet the requirements of the SEA Protocol and SEA Directive 2001/42/EC. The existing system of environmental assessment is comprised of state environmental review and EIA. A draft Law on SEA was developed by the MoEnv with the support of the secretariat of the UNECE Convention.	The Law on Environmental Expertise and EIA of 1996 was replaced by the Law on EIA (adopted in May 2014), which fully transposes <sup>8</sup> the provisions of the Directive 85/337/EC into national law. The law stipulates that EIA should be conducted for every investment project, especially for projects implemented/funded by EBRD and other IFIs. Until this law was adopted only large investment projects were required to undergo EIA.
<b>Ukraine</b>	There is no impact assessment of plans and programmes relating to environment, hence the effective implementation of the constitutional obligations of the State to ensure environmental safety and to support environmental balance.	Current EIA procedure is an element of the construction permit procedure. This EIA procedure is based on the concept of assessing any economic activity likely to have adverse impact on environment. New EIA law complying with EU standards is being drafted.

Sector policies very often include measures related to environmental protection, however general degree of their integration is limited. Energy Efficiency (EE) and Renewable Energy Savings (RES) exemplify the very low integration levels in all six countries which are due to notorious delays in completing the respective regulatory frameworks. These drawbacks are often due to the fact that

<sup>8</sup> Environmental Legislation Approximation Assessment, Report; October 2014, European Union High Level Policy Advice Mission to the Republic of Moldova

environmental concerns need to compete for attention with other state priorities on economic development and social protection. The limited of integration of environmental-friendly provisions in the sector policies applies to both strategic and project-by-project levels.

Spatial planning due to its potentially high impact on environment, biodiversity and human health is of significant importance for ensuring environmental governance and mainstreaming into the sector policies.

The table below summarises the available information on the status of the spatial planning legislation in EaP countries.

**Table 6 - Status of spatial/physical planning**

<b>Country</b>	<b>Spatial and physical Planning</b>
<b>Armenia</b>	The Law on Land Use, Spatial Planning and Urban Development covers three mandatory levels; a) national, b) regional and c) municipal. The Law is being reviewed and updated with new provisions on inter-municipal zoning tailored for groups of small municipalities
<b>Azerbaijan</b>	The draft Urban Development Code regulates the development of settlements, cities, and regions. It covers such aspects as the assessment of socio-economic development, creating favourable living conditions for the population, designing master plans and supervising their implementation, protecting historical environments, modernizing infrastructure in small cities, building pedestrian walkways and developing green areas. The draft Code seems to have been based on the Russian Urban Development Code.
<b>Belarus</b>	Territorial environmental planning is carried out in the framework of complex territorial schemes of environmental protection. Consideration of the environmental issues is also reflected by the administrative system at various levels..
<b>Georgia</b>	A new Spatial Planning Law is being drafted, but mandatory planning is still considered only at national level
<b>Moldova</b>	Public authorities are trying to resume best practices on the implementation of Land Use Law also with regard to a highly-privatized economic environment and to control construction activities. Quality of urban and rural infrastructure and land use dropped significantly, especially for what concerns public spaces and urban and rural roads, due to scarcity of resources to maintain and develop physical infrastructure.
<b>Ukraine</b>	Physical planning is carried out in the framework of regional development planning and still follows the old Soviet methodology. The environmental issues are considered in the territorial organization of administrative units at various levels.

Green public procurement is a concept of including environmental considerations in the procurement process. Its practical application leads to improved efficiency of public procurement while at the same time using public market power to bring about major environmental benefits locally and globally.

Therefore green procurement is considered to be an important tool for mainstreaming environmental considerations across economic sectors. The table below summarises the Study Team's findings on the status of green procurement in the EaP countries.

**Table 7 - Status of green public procurement**

Country	Green Public Procurement
<b>Armenia</b>	The current law on public procurement does not include any provisions on green public procurement.
<b>Azerbaijan</b>	The current law on public procurement does not include any provisions on green public procurement No green procurement is in place. The Government is generally aware about concept of green procurement however no plan of adoption respective legislation was initiated.
<b>Belarus</b>	The current law on public procurement does not include any provisions on green public procurement. The Government is drafting/planning a Law in this field.
<b>Georgia</b>	The current law on public procurement does not include any provisions on green public procurement The Government is aware of the concept of green procurement however no plan of adoption respective legislation was initiated.
<b>Moldova</b>	Green public procurement is not regulated by any specific law nor is it a practise in the public procurement procedures.
<b>Ukraine</b>	The current law on public procurement does not include any provisions on green public procurement. The recent EU-funded project promoted the green procurement principles.

## 6.2 Institutional gaps and system mechanisms

Inter-ministerial cooperation for environmental integration in other sector policies is not well developed and rather bureaucratic in its nature with little or no pre-planning consultation activities and wide use of post-soviet-era written procedures. Typically, such consultations, if organized, take place only at the end of the programming cycle and, often, as a predominantly administrative exercise per-se.

The programming does not seem to be integrated and coordinated among sectors or to include a growth-and-sustainable perspective. The most striking common feature is the absence of integration between the national development strategies and the most important sector strategies, such as agriculture and/or food-processing.

There are no inter-ministerial and institutionalised coordinating bodies specifically established to integrate environmental policies within a cross-sector perspective.

**Table 8 - Summary findings on inter-ministerial consultations and public participation<sup>9</sup>**

Country	Inter-ministerial Consultations	Public Participation
<b>Armenia</b>	The Centre for Environmental Expertise at the MoNP facilitates consultations on environmental issues. Inter-ministerial consultations exist and they are formally in place. They include regular meetings	The Law on the procedure for notification of the public and holding public hearings No. N 1325 adopted in November 19, 2014 regulates the public notification and public hearings connected with the EIA process

<sup>9</sup> The research work on this study was finished in April 2015. During the finalisation of the present report the national authorities reported on new developments/progress made with this respect. The Study Team takes note of this information but is not in a position to include it in the analysis

Country	Inter-ministerial Consultations	Public Participation
	of relevant ministries representatives commenting of the drafts by exchange of correspondence in line with a relevant procedure. For example, a draft Electricity Grid Code is under preparation and various stakeholders are involved in this process, including Ministries, NGOs, Research Institutions and market participants.	
<b>Azerbaijan</b>	The practice of inter-ministerial consultations among Government institutions and authorities has been established in the framework of a very centralized system of decision-making.	The current national legislation does not provide the public with the right to effective participation in the EIA procedures.
<b>Belarus</b>	Inter-ministerial/inter-sectoral comments are systematically collected and routinely used in the development /revision of policies and legislation. The internal (ministerial) consultations are followed by consultative meetings in the leading ministry and then by inter-ministerial commenting/consultation process.	Aarhus Convention was ratified by Presidential Decree of 14.12.1999 № 726. It is part of the national legislation and is directly applicable. It provides that effective participation of the society in decision-making is dependent on such important elements as access to information, public awareness and access to justice.
<b>Georgia</b>	An entity proposing a project is obliged to conduct public consultations in accordance with the EIA law. Law on Environmental Impact Permit, adopted in 2007, stipulates that the issuing of environmental permits is conditional on the prior public consultations.	According to the existing law on Environmental Impact Permit a developer of the planned activity shall hold a public hearing of the EIA report prior to its submission to a permitting body.
<b>Moldova</b>	Inter-ministerial consultations on environmental issues are taking place according to the provisions of the Law no. 239 of 13.11.2008 on transparency in decision-making process as well as the Government Decision no. 96 of 16.02.2010 on actions for implementation of the above Law.	Public participation in strategic environmental assessment is foreseen by the Draft Law on SEA developed by the MoEnv with the support of the secretariat of the UNECE Convention on Environmental Impact Assessment in a Transboundary Context (Espoo Convention).
<b>Ukraine</b>	It is mandatory for any draft law or strategy to undergo consultation process involving all relevant ministries. However, approval by the MENR is not necessary for the sectoral targeted programmes to be adopted. Thus the MENR is sometimes not aware of environmental component of these	The Government of Ukraine was warned by the Aarhus Convention meeting ( paragraph 6 of the decision IV/9h) <sup>10</sup> for the lack of clarity with regard to public participation requirements in EIA and environmental decision-making procedures.  Ukrainian Government has strongly

<sup>10</sup> Paragraph 6 of the decision IV/9h of the Meeting of the Parties of the Convention on Access to Information, Public Participation in Decision-Making and Access to Justice in Environmental Matters – Aarhus Convention.

Country	Inter-ministerial Consultations	Public Participation
	programmes	enhanced participative approach during the drafting-process of the new Strategy for Agriculture and Rural Development 2025-2020.

## 6.3 Capacity Building of Environmental Administration

The relevant administrative structures of the EaP countries still suffer from relatively low capacities both to act as driving force of cross-sector environmental policies and to enforce ideas, strategies, regulations and legislation.

Many agencies responsible for the implementation of environmental integration measures in their respective sectors do not have sufficient knowledge and/or institutional capacity to fulfil this task.

There are no reliable databases as well as IT tools at the regional and local level required for the development and implementation of the climate change mitigation and adaptation measures.

Low capacities of the EaP countries' government agencies responsible for economic development and agriculture prevent them from proposing and implementing any effective environmental integration activities in their respective sectors. This is highlighted by the fact that the major strategy documents and concepts have been or are being developed with the help an external assistance.

The enforcement of EIA and SEA laws is deficient mainly due to insufficient capacities of the line ministries and agencies to implement these laws effectively. The table below summarises our findings on institutional capacities of EaP countries in the field of environmental mainstreaming.

**Table 9 - Capacities and mandate of environmental administration**

Country	Measures
<b>Armenia</b>	The leverage of the Ministry of Nature Protection is still low and depending on political decisions at higher levels. However, the environment agenda has gained on importance and attracted a great deal of social and political attention over the last 10 years.
<b>Azerbaijan</b>	A two-level governance system is in place comprising central and local government, but most of the environment issues are still managed at central level by different sector ministries. At least 19 different institutions are obliged to execute key managerial functions related to environment management and provide policy and planning . MENR is the key stakeholder responsible for cross-sector coordination of environment issues. Inter-ministerial coordination on environmental issues is reported to be weak.
<b>Belarus</b>	During the last decade the importance and impact of environmental policies has been growing. MNREP has been able to draw the attention to environment cross-cutting issues at least in a top-down process. As an example, MNREP and the MoT have jointly developed a strategy and actions to improve air quality.
<b>Georgia</b>	Over the recent years there have been 8 Ministers of Environment and Natural Resource Protection and 19 deputy ministers nominated, thus affecting the

Country	Measures
	continuity of work of the Ministry of Environment and Natural Resource Protection (MENRP) and hampering its successful operation.
<b>Moldova</b>	Limited capacities and skills have been reported with regard to sustainable development measures and environmental integration in the sector policies. The organizational structure of the Government does not yet reflect the needs for horizontal integration of policy measures.
<b>Ukraine</b>	The new Regulation on the Ministry of Ecology and Natural Resources of Ukraine does not reflect the new functions including inter-sectoral and multilateral cooperation aimed at implementation of the Environmental Strategy and National Environmental Action Plan (NEAP). The territorial bodies of the Ministry are not established which threatens the NEAP implementation. However, in the new national Strategy „Ukraine 2020“ drafted by the Government of Ukraine and approved in January 2015, a large number of reforms and new programmes related to environment has been set-up in pipeline.

## 7 GOOD PRACTICES ON ENVIRONMENTAL INTEGRATION

The identified practises on integrating environmental considerations into the sector policies refer to the management and planning of environmental measures and preparing specific projects that address sector policies and plans. The example of the former is the approval and implementation of EIA Law according to the international standards and the latter is exemplified by the advancement of organic agriculture within the framework of Agriculture and Rural development policies, strategies and programmes in Moldova.

Approval and publication of EIA Law aligned with the EU directive in Moldova can be seen as significant step forward, not only for the implementation of environmental policy but also as an example for other countries of EaP. It may be expected that the application of the EIA regulation might become a test-case at a small scale for EIA implementation in much larger EaP countries such as Ukraine.

Coupled with an initial phase of the draft Law for SEA, the Moldovan EIA Law will certainly be a test for more environmental-friendly investments, especially at large-scale. It might also beneficially influence energy efficiency policies at large. An evident push toward the extension of organic and bio-agriculture can be also considered as an example to be further studied and replicated over the EaP region. The identified actions and measures that were identified as potential good practises in the integration of environmental considerations in all six EaP countries are provided in the table below.

In fact, during the finalisation phase on this report some countries proposed much longer lists of good practices. The Study Team had no opportunity to acquaint themselves which these new proposals, hence only those identified during the country visits and preliminarily assessed by the experts are listed below.

This list is but preliminary and include practices that work well seems to have some potential transferability potential. Probably some of them do not meet all criteria of best practices. In order to identify the best regional practices they should be assessed by the EaP countries representatives against such criteria as:

- it works well;
- it is transferable;

- it has some learning potential;
- it is embedded within a wider environmental mainstreaming strategy;
- it has provided achievements in terms of environmental integration and/or sustainable development.

It might therefore be interesting and useful to organise a workshop where such an assessment could be made. Countries should provide more detailed descriptions of these practices beforehand (following a template) which would allow an informed and conclusive discussion. Experience of EIGE<sup>11</sup> in identifying best practices in gender mainstreaming could be followed and adapted.

**Table 10 - Good practices on environmental integration<sup>12</sup>**

Country	Good practice subject
<b>Armenia</b>	<ul style="list-style-type: none"> <li>- Law on Land Use, Spatial Planning and Urban Development is being updated with special provisions for groups of small/rural settlements</li> <li>- Policy for SHPP (Small Hydropower Plants) promotion in Armenia</li> </ul>
<b>Azerbaijan</b>	<ul style="list-style-type: none"> <li>- Greater Baku Regional Development Plan</li> <li>- Green Port Baku</li> <li>- Reduction of energy intensity on GDP is the highest among EaP countries.</li> </ul>
<b>Belarus</b>	<ul style="list-style-type: none"> <li>- Belarus EIA Law in place and aligned to international standards</li> <li>- Energy efficiency practices and projects at Ministry of Housing</li> <li>- Progressive reduction of energy intensity obtained in over the 10 years</li> <li>- Highest score in Environmental Protection Index (EPI) among EaP countries might result also from higher level of coordination</li> <li>- Effective Land use/physical-spatial planning coordinated at different levels</li> </ul>
<b>Georgia</b>	<ul style="list-style-type: none"> <li>- Regional Development programming is very well developed, especially for road and municipality infrastructures</li> <li>- Biodiversity strategy exists</li> <li>- Capacity-building and staff at the Ministry of Environment reached higher levels in volume and quality</li> <li>- Draft Physical Planning Law has mandatory provision for spatial planning at national level</li> <li>- Draft Strategy for Agriculture is very well developed (clear objectives/actions/measures) and addresses environmental problems.</li> </ul>
<b>Moldova</b>	<ul style="list-style-type: none"> <li>- Adopted new EIA Law</li> <li>- Focus on organic farming in the Agriculture and Rural Sector Strategy</li> <li>- Upgrade of urban buses fleet is being launched</li> <li>- City by-pass roads being tendered and under construction</li> </ul>
<b>Ukraine</b>	<ul style="list-style-type: none"> <li>- Up-date of motor vehicles fleet efficiency via application of EU emission standards</li> <li>- Support to electric cars</li> <li>- Participative process to build the new Strategy for Agriculture and Rural Development</li> </ul>

<sup>11</sup> European Institute for Gender Mainstreaming

<sup>12</sup> The research work on this study was finished in April 2015. During the finalisation of the present report the national authorities reported on new developments/progress made with this respect. The Study Team takes note of this information but is not in a position to include it in the analysis



## 8 RECOMMENDATIONS ON KEY FUNCTIONAL PRIORITIES IN THE REGION

### 8.1 Sector Policies

Strategic planning in the area of sustainable development in the EaP requires upgrading in terms of consultation processes and the designing of methodologies to include environmental considerations. Recommendations target at the measures likely to increase the quality of strategic planning.

- In order to reduce pressures of other sectors policies and activities on environment and to achieve the environmental and climate targets it is necessary to integrate environmental and climate change adaptation measures into the sectoral development policies and in its implementation at national and local level
- Ability of sector line ministries to cooperate with the relevant administrations (other ministries, Presidents administrations, etc.) should be enhanced in order to include the environmental policy considerations in their sector strategies.

### 8.2 Regulatory Framework and Legislation

Efforts to develop effective legislation frameworks in the area of EIA and SEA should continue. The recommendations target at measures likely to increase the quality of legislation-drafting related to establishing mechanisms for environmental governance and planning.

- Processes of harmonization of environmental legislation with the provisions of EU directives should be strengthened. Once the adoption of these laws is completed, mechanisms should be developed for their implementation should (regulations, instructions, methodologies, etc.).
- The adopted EIA Laws should be followed by implementation mechanisms for permit systems and ensuring a separation of the permitting and inspection functions.
- Bodies responsible for environment, in cooperation with their implementation agencies should accelerate the preparation of laws on protected areas in order to, in particular, harmonise the national protected area categories with those of the International Union for the Conservation of Nature (IUCN)-
- Management structures of protected areas should be harmonised in line with the national conservation priorities and international standards.
- Actions with regard to the extension of the protected areas network should be prioritised and ensure efficient and sustainable management of natural ecosystems.
- Regulations and bylaws should be designed , drafted and adopted to ensure that inter-ministerial bodies on environmental mainstreaming are in place, including their duties, guidelines and implementation rules for their functioning.

### 8.3 Institutional framework

Institutional framework for integrating the environmental aspects into sector policies in the EaP countries is weak. It refers to inter-institutional coordination and cooperation between the line ministries on cross-cutting and trans-boundary issues. Institutional and legislative frameworks are often not in line with multilateral environmental agreements and with the European standards. Insufficient institutional and technical capacities also affect such horizontal issues as climate change mitigation and adaptation measures.

Below, some recommendations are proposed to streamline the institutional set-up on environmental integration and mainstreaming:

- Institutional analysis of central bodies responsible for environment and their subordinated institutions should be conducted with regard to their functions, structure, policies and personnel in order to determine appropriate institutional set-up capable to achieve the objectives set out in the Environmental Strategy and the commitments undertaken in the Association Agreement
- A concept of institutional reform in environmental sector should be prepared to serve as a basis for the necessary reorganisation of the relevant specialised agencies and the creation of new institutions in order to improve the operational capacities and optimise public expenses.
- Appropriate environment units should be created and fostered in all relevant line ministries and in particular the ministries of economy, agriculture and transport. This would be a further step towards the creation of an institutionalised body specifically referred to below.
- Process of adoption of SEA laws as by various competent authorities should be accelerated as it is an important milestone to enhance cross-sector inclusion of environmental policies at the strategic level.
- Multi-stage processes to create inter-ministerial cooperation systems for environmental integration into other sectors should be initiated across the EaP Region. This process should include the establishment in each EaP Country of an inter-ministerial body able to influence strategic decision-making with regard to environmental issues and to integrate environmental policy within a cross-sectors perspective .
- Liaison-officers responsible for coordination of environmental mainstreaming activities should be appointed in the line ministries.
- Environmental culture should be promoted across sectors to stimulate the inclusion of environment-friendly provisions into strategic documents and individual projects-. This can be achieved through some capacity-building actions addressed to sectors such as agriculture, transport and economy.

## 8.4 Capacity Building

Capacity building measures should be planned and designed to help the EaP countries incorporate environmental considerations into sector planning. The following challenges and recommendations have been identified with regard to capacity building measures:

- Effectiveness of inter-ministerial partnerships should be increased as they are often critical for institutional and organizational reforms.
- Awareness and knowledge of environmental mainstreaming and climate change in general and about Kyoto Protocol mechanisms in particular should be enhanced within public administrations as a prerequisite for high quality programming and implementation of environmental measures into the sector policies.
- Mainstreaming of environmental soundness should be intensified within public administrations and among other key-actors, such as universities, professional associations, NGOs.
- Strategic environmental planning should be ensured at all levels, i.e. the national, sectoral and local levels - through the elaboration of policy documents and respective methodological guidelines and capacity building support.
- Designing and implementing Awareness campaign should be designed and implemented to promote green economy development nationwide, including such topics as integration of green economy, environmental protection and climate change adaptation principles into sectoral policy papers on energy, agriculture, industry, transport, buildings, trade, services and other areas of social and economic development of the country.

- In Moldova, Ukraine and Georgia a mere transposition of the EU environmental directives contained in the Association Agreement to national legislation is not sufficient to meet the commitments laid down therein. Other obligations set out in these directives have to be implemented, ensuring further control over their application. This exercise requires capacities and high levels of expertise within the central authorities responsible for environment. Therefore, the respective line Ministries should see the consolidation and capacity building of environmental institutions as their priority and as a condition to meet the requirements arising from challenges of legal, institutional and administrative order.
- Gradual development by the central authorities responsible for environment in partnership with other relevant public authorities, of an effective system of integrated environmental monitoring and information management at the national level, by applying the Shared Environmental Information System principles should be supported. The necessary funding should be secured from national resources and effective coordination ensured. Regular monitoring and research in the biodiversity protection and management of protected areas should be conducted.
- Protected areas management should be optimizing and streamlined through, inter alia, the strengthening of in situ conservation actions and continued institutional reforms to improve policymaking for nature conservation.
- Capacities of administrative structures of EaP countries should be strengthened for them to become the promoters and leaders of cross-sector environmental policies and to enforce ideas, provisions and legislation in this respect. This should be done by awareness activities directed at key-institutions in education and culture such as universities and cultural centres.
- Key-actors such as universities, professional associations, NGOs, and public administration and other stakeholders in all sectors should be included in the environmental awareness raising process.
- Articulated programme of public and professional awareness should be designed and addressed to all relevant stakeholders to disseminate knowledge and practices on environmental mainstreaming.
- Training, skill-enhancement and capacity building programmes should be designed and carried out to support the enforcement of EIA laws and their guidelines in all ministries involved and not only at central bodies responsible for Environment. Such capacity building programmes should include the following activities: a) Training, b) Training of trainers c) Skill-transfer activities, such as coaching for EIA preparation, studying of examples in EU countries,
- Adoption of SEA laws should be supported by robust training, capacity building and mainstreaming actions to ensure efficient implementation of EIA Law.
- Environmental liaison-officers appointed in the line ministries on should be trained on mainstreaming and specific sector environment related issues
- The support the intensification of environmental soundness mainstreaming within the administrations awareness-campaigns should be undertaken.
- EIA law and their guidelines should be integrated into everyday practise of central bodies responsible for environment and other relevant line ministries. The same refers to SEA laws, the application of which remains a great challenge for all EaP countries.

## **9 INDICATIVE MEASURES OF EU SUPPORT TO THE EAP REGION ON ENVIRONMENTAL MAINSTREAMING**

## 9.1 Transport

The following indicative measures/actions have been identified to promote environmental considerations in the transport sector:

**Table 11 - Indicative measures - Transport policies**

Country	Measures
<b>Armenia</b>	Preparation of a programme of compliance of the road construction, rehabilitation and reconstruction process with the requirements of national legislation in the areas of environment and good international practices
	Development of a concept on financial incentives to owners to modernise their vehicles.
	Strengthening the vehicle inspections to be more rigorous and to encourage the replacement of faulty vehicles, thus improving safety and performance
	Preparing a concept for developing intermodal terminals in Yerevan or Gyumri
<b>Azerbaijan</b>	Preparation of a concept of improvement of the quality of motorways construction, following the international standards aiming at the elimination of accidents, improvement of environmental security and traffic safety.
	Preparation of a concept of improvement of the quality and efficiency of public transport services by introducing the electronic navigation system to ensure sustainable transport, traffic and transport demand
	Preparation of a programme of introduction of the environmentally friendly modes of passenger transport, using mini buses, and CNG powered buses
	Preparation of a study on the development of the railroads rehabilitation program and its components
	Elaboration of a Feasibility Study of Inland Navigability on Kura River up to the border with Georgia
	Preparation of environmental protection measures programme for the naval transport
	Development of guidelines for urban transport planning and investment programs; establishment of technical and environmental standards for urban transport to be implemented at municipal level
	Development and implementation of an environmental monitoring framework, including ambient air quality measurement
	Preparation of a programme of enforcement of fuel quality standards and expansion of vehicle inspections to all commercial vehicles, including those providing domestic services
<b>Belarus</b>	Development of guidelines for urban transport planning and investment programs
	Establishment of technical and environmental standards for urban transport to be implemented at municipal level
	Creation and maintenance of urban transport database
	Designing a grant programme to funding the adoption by municipalities of successful innovative approaches to public transport
	Inclusion of environmental objectives and targets in national and municipal transport

Country	Measures
	policies
	Carrying out a green logistics study including on the feasibility of containerisation and trans-shipment facilities such as Ro-Mo (Rolling Motorway) and Ro-Ro (Rolled-on and rolled-off); it should also identify the investment needs
	Development of a strategy for intercity passenger transport based on ongoing market analysis
	Development of urban transport strategic plans in all bigger cities in Belarus;
	Carrying out alternative analysis and feasibility studies for public transport modes in Belarusian cities, including trams, light rail transit and bus rapid transit.
	Development of a national transport strategy and of investment programs on the reduction of harmful environment effects through improved intermodal connectivity
Georgia	Preparation of assessment of appropriate levels of transit truck charges by emission class and weight, and possibly by distance: devise an implementation plan, including an electronic toll collection system
	Carrying out a green logistics study including on the feasibility of containerisation and trans-shipment facilities such as Ro-Mo (Rolling Motorway) and Ro-Ro (Rolled-on and rolled-off); it should also identify the investment needs
	Development of strategy for intercity passenger transport based on ongoing market analysis;
	Development of urban transport strategic plans in cities other than Tbilisi
	Carrying out alternative analysis and feasibility studies for public transport modes in Georgian cities, including trams, light rail transit and bus rapid transit
	Development of a national transport strategy and of investment programs to coordinate all modes and pursue further modal shift to railway
	Development and implementation of an environmental monitoring framework, including ambient air quality measurement
	Improvement of regulatory framework for enforcing fuel quality standards
	Expansion of vehicle inspections to all commercial vehicles, including those providing domestic services
	Instituting administrative procedures for periodic vehicle registration combined with compulsory safety and emissions inspection for all privately owned vehicles
	Establishment of test facilities for technical inspection and initiation of pilot implementation in selected cities and regions
	Implementation of the revised transit truck charges; preparation and implementation of infrastructure investment projects for new intermodal facilities, trans-shipment terminals and capacity expansion
Moldova	Further development and restructuring of the railway system by increasing of the railway share in the transport balance
	Replacement of the old diesel locomotives by the new machines with less fuel consumption and more ecological-friendly power units
	Optimisation of the railway network, closing of the low-utilized sections and stations
	Increasing railway services share and alternatives to road transport attracting both freight

Country	Measures
	and passenger traffic
	Road rehabilitation and reconstruction process should be conducted in strict compliance with environmental good international practices
	Emission reduction of greenhouse gases (GHG) in the transport sector by means of energy efficiency measures
	Increasing carbon absorption by means of changing land use pattern (e.g. increased reforestation) followed by reduction of net emissions of GHG
	Reducing GHG emissions in transport systems by technological innovations and shifting from high to low emission transport systems
	Preparation of a sustainable development concept for modern railway system attracting traffic from roads
	Application of environmental impact assessment procedures to the design, construction and operation of roads, ; promotion of construction and operational standards under climate change conditions; maintenance, restoration and expansion of road plantations areas (green protective strips along roads etc.).
	Improving roads infrastructure in order to reduce harmful gas emissions, noise and other pollutants subsequently reducing vehicles' consumables, such as oil and tires
	For railway a special study is necessary on the development of the program of the rehabilitation of railroads focus on environmental measures to implement in the transport sector
Ukraine	Elaboration of a Transport Development Strategy for all modes of transport, namely: road, railways, aviation, maritime and inland navigability, multimodal and integrated urban transport;
	Elaboration of a General Transport Master Plan for Ukraine;
	Aligning the process of Environmental Impact Assessment of individual transport projects to full compliance with EU EIA Directive, by adopting the particular laws and methodology/guideline into the planning practice
	Carrying out the legal gap analysis of the EU transport directives and current transport legislation
	Elaboration of a National Program to comply with the European Agreement requirements and transportation of goods to the countries of Central and South-East Europe on the Danube River and on the Black Sea.

## 9.2 Agriculture

The following indicative measures/actions have been identified to promote environmental considerations in the agriculture sector:

**Table 12 - Indicative measures - Agriculture**

Country	Measures
Armenia	Development of a long-term strategic plan for agriculture and rural land use with respect to sector adaptation and preparedness to climate change challenges
	Designing measures to apply modern, adapted irrigation and rangeland management systems (modernise irrigation infrastructures, promote simple, environment friendly irrigation techniques, reduce overstocking and overgrazing)
Azerbaijan	Development of a longer term strategic plan for agriculture and rural land use with respect to sector adaptation and preparedness to climate change challenges
	Development of a programme for alternative rural incomes, agricultural diversification adapted to the existing and forecasted natural conditions and strict environmental sustainable land use planning and management
	Development of a concept for application modern, adapted irrigation and rangeland management systems (modernise irrigation infrastructures, promote simple, environment-friendly irrigation techniques, and reduce overstocking and overgrazing).
Belarus	Enforcement of Strategic Environmental Assessment of important sector plans and programmes with a potentially significant environmental impact for food processing industry
Georgia	Speeding-up the process of building a clearly-regulated property rights system and up-dated cadastre (land reform).
	Facilitation of the land property consolidation in larger and more efficient units (land ownership reorganization)
	Enhancement of capacities of the Ministry of Agriculture with regard to cooperation with relevant administrations (other Ministries, President's office, etc.) to ensure coordination and mutual policy integration
	Enhancement of the capacity of Georgian administration in agriculture sector to implement development actions and environmental integration
	Inclusion of energy-efficiency measure/actions in agriculture programming.
	Enhancement and developing of liaison-officers' and environment-working groups' capacities to contribute to inter-ministerial coordination in view of integrating environmental policy and cross-sectors perspective.
	Development and enforcement of all key-legislation chapters already included in the main policy documents and especially the one on cadastre-review and reform for agriculture land
Moldova	Amending the current National Strategy for Agriculture to include environmental measures
	Creation of Environment Unit in the Ministry of Agriculture, or at least a liaison-officer to contribute to the coordination at inter-ministerial level of environmental integration policy
	Elaboration of a programme on mainstreaming species conservation into agricultural practices and development of a habitat restoration programme, which would cover, inter alia, restoration of hedges. The landscape ecology planning principles should be utilized in this process.
Ukraine	Development of a programme on reduction of the share of quantity-oriented large-scale agriculture productions in favour of crops-management systems with attention to environment and food safety issues, e) reduce inefficiency in the use of natural

Country	Measures
	resources (water, soils, energy, HR, etc.).
	Capacity-building assistance to the Ukrainian administration in Agriculture sector to implement development actions and environmental integration.
	Design of a programme on expansion of financial means and advising facilities to create/develop external and internal financing, especially for SMEs in the agriculture sector which will facilitate the implementation of environment-friendly policies and green economy development
	Assistance in the application of EIA and SEA in Agriculture sector

## 9.3 Energy

The following indicative measures/actions have been identified to promote environmental considerations in energy sector:

**Table 13 - Indicative measures - Energy<sup>13</sup>**

Country	Measures
<b>Armenia</b>	Revision and streamlining of the existing legal framework for EE and RES along with the efforts into transpose the relevant provisions of the EU acquis.
	Strengthening the structures of the Ministry of Energy and other energy sector actors with regard to enforcement of technological standards and monitoring
	Launching capacity building programme for the EE and RES
	Analysis of performance of regulations on EE and RES and development of the corresponding improvement guidelines
<b>Azerbaijan</b>	Preparation of clearly prioritised RES and EE strategies, plans, and programmes;
	Preparation of a concept paper for monitoring and evaluation mechanisms in strategies, plans, and programmes;
	Conceptualisation of supporting and stimulating measures, including feed-in tariffs, fiscal incentives, as well as streamlining and simplifying administrative and permit procedures;
	Development and adoption of the coordination procedures between the authorities and other important stakeholders in order to streamline distribution of responsibilities and power between energy sector actors;
	Preparation and adoption of a law on RES promotion and a law on Energy Efficiency supported by relevant by-law and secondary regulations

<sup>13</sup> The research work on this study was finished in May 2015. During the finalisation of the present report some national authorities reported on new developments and progress made with this respect. The Study Team takes note of this information but is not in a position to include it in the analysis



Country	Measures
	Preparation of detailed studies of the country's renewable energy potential and create a dedicated information resource
<b>Belarus</b>	Development and adoption of new legislation in the energy sector (Law on Electricity and Law on Heat Supply),
	Development of modern technical norms and standards, their harmonisation with European and international standards
	Preparation of a programme on diversification of energy sources and ensuring their sustainability
	Development of investment programme on energy transit infrastructure
	Preparation of a concept for creation of market incentives for consumers to reduce energy costs and losses
	Preparation of a concept for establishment of institutional prerequisites for regular communication and cooperation between energy sector actors for environment-related issues
	Development of a capacity building plan for energy sector actors with regard to sustainable development, climate change mitigation and adaptation measures
	Creation of a system allowing for accounting of actual energy costs
	Preparation of plan for elimination of cross-subsidization
<b>Georgia</b>	Preparation of a concept and a draft of a law on renewable energy and accompanying regulations
	Preparation of a concept of energy strategy for selling electricity on the domestic Georgian market
	Preparation of a concept on of a new institutional and legal set-up for Energy Efficiency
	Preparation of a policy paper on the management of electricity surpluses
	Preparation of executive regulations enabling the fulfilment of EIA requirements in the hydropower sector development
<b>Moldova</b>	Development of a database for climate change allowing for preserving, monitoring, assessing, and providing public access to the climate and historical data on weather.
	Identification of needs and development of software for electronic registry of buildings with regard to Energy Efficiency monitoring.
	Analysis of economic and social benefits of the implementation of the law on EE in buildings and RES promotion.
	Consideration of external Technical Assistance to developing a concept for Energy Planning and Registry and on selection and development of appropriate software.
<b>Ukraine</b>	Adoption of strategies and legislation defining the operation of energy sector, in particular with regard to EE and RES related activities. These should include the first EEAP, a law on efficient use of fuel and energy resources, a law on Energy Service Companies (ESCOs), a law on Energy Efficiency in Public and Residential Buildings, and

Country	Measures
	the remaining technical regulation for Energy Labelling
	Preparation of institutional and capacity building programme for SAEE on effective control and implementation of EE and RES policies and measures
	Preparation of an awareness programme and campaign for on EE and RES
	Preparation of a plan for increasing capacities and involvement of financial institutions to support EE and RES activities, in particular with regard to low income households

## 9.4 Economy

The following indicative measures/actions have been identified to promote environmental consideration in economy sector:

**Table 14 - Indicative measures for - Economic Development**

Country	Measures
<b>Armenia</b>	Enhancement of cooperation, especially via twinning, to improve programming design and implementation at operational level
	Enhancement of cooperation, especially via twinning, to make Armenian policy documents less theoretical and more project-oriented
	Enhancement of cooperation, especially via twinning, to provide Armenian policy-documents with implementation measures for practical actions and environment controls
	Enhancement of cooperation to mainstream environmental-sound policies, launch successful awareness campaigns also in less developed areas and social groups
	Intensification of policy dialogue and advice to a) reduce poverty, b) enter a new phase of more equilibrated and sustainable development.
	Intensification of policy dialogue and advice for a deep restructuring of Armenian economy and especially: a) restructuring of the mining industry, b) reducing monopolies, c) reducing dependence on remittances, d) reducing dependence on Russian economy.
<b>Azerbaijan</b>	Preparation of a programme of diversification of SMEs sector and promotion of investments in greener economy.
	Preparation of a programme on financing SMEs development, especially within a green-economy framework.
	Preparation of an awareness campaigns on environmental policies integration into other sector and enhance mainstreaming of environmental soundness within the administration and across cultural environment and the society has a whole
<b>Belarus</b>	Intensification of efforts and policy-dialogue, also via twinning and study-projects, to identify and mobilise financial support to invest in greener economy.
	Intensification of cooperation, also via twinning and study-projects, to include more operational provisions in economic development programming documents, possibly within a bottom-up perspective.

Country	Measures
	Intensification of cooperation, also via twinning and study-projects, to facilitate the growth of SMEs operating in all sectors, in particular those working for a greener economy.
	Intensification of efforts and policy-dialogue, also via twinning and study-projects, to gradually reform the current state-economy system.
Georgia	Assistance in development and reforming of cadastre and property rights system for land management
	Assistance in capacity building in application of EIA in economy sector
Moldova	Creation and fostering of appropriate environment-units in each relevant ministry (ministries of economy, agriculture, transportation,)
	Elaboration and implementing of an awareness campaign to promote green economy development nationwide as well as the need to integrate the green economy, environmental protection and climate change adaptation principles into sectoral policy papers
	Strengthening of the Ministry of Economy in its role of coordinator of all sectors relevant to economic development (energy, business environment, trade, industry, public property administration, quality infrastructure, investments and exports, international economic cooperation) in respect of environmental mainstreaming into policy documents and strategies.
Ukraine	Provision of Technical Assistance to implement the ambitious Ukraine 2020 strategy and, specifically, to design and implement all programmes/reforms concerning environmental policies (directly and indirectly).
	Provision of TA to upgrade the administrative structures of Ukraine in size (especially the Ministry of Economy) and capacity for implementation of policies related to environmental governance and sustainable development.
	Provision of TA and financial means, for the application of the new Urban Planning Code, and specifically: create and sustain a fund for municipalities, to implement also urban planning activities.
	Provision of TA (also via twinning) to adopt best practices regarding the enforcement of urban planning and zoning law-,
	Provision of TA and financial support to enhance inter-ministerial cooperation for environmental integration in other sectors with more emphasis on pre-planning consultations and decision-making
	Provision of TA and financial support to produce more detailed operational programming and concrete implementation guidelines of reforms/programmes identified in the new Ukraine 2020 strategy.

## 10 BENEFICIARIES OF THE EU FUTURE SUPPORT ON ENVIRONMENTAL MAINSTREAMING

The main stakeholders of the environmental integration initiatives/programmes should be considered as main beneficiaries of future support on environmental mainstreaming. The table below presents indicative beneficiaries/partners corresponding to the proposed areas of support.

**Table 15 - Main beneficiaries of the EU support on mainstreaming**

<b>Country</b>	<b>Measures</b>	<b>Stakeholders</b>
<b>AM</b>	Programming environmental measures in agriculture	Ministry of Agriculture
	Programming environmental measures in transport	Ministry of Transport and Communication Minister of Urban Development
	Programming environmental measures in energy	Ministry of Energy and Natural Resources Public Services Regulatory Commission Ministry of Territorial Administration Renewable Resources and Energy Efficiency Fund Climate Change Information Centre of Armenia
	Programming environmental measures in economy	Ministry of Economy
	Establishing structures for environmental integration	Ministry of Nature Protection
	Strengthening environmental governance related legislation	Ministry of Nature Protection
	Increasing capacities on green economy	Ministry of Nature Protection Ministry of Economy
	Awareness raising on green economy	Ministry of Nature Protection Ministry of Economy
<b>AZ</b>	Programming environmental measures in agriculture	Ministry of Agriculture
	Programming environmental measures in transport	Ministry of Transport
	Programming environmental measures in energy	Ministry of Industry and Energy State Agency of Alternative and Renewable Energy Sources The State Committee for Standardization, Metrology & Patents of Azerbaijan
	Programming environmental measures in economy	Ministry of Economy
	Establishing structures for environmental integration	Ministry of Ecology Ministry of Economy
	Strengthening environmental governance related legislation	Ministry of Ecology
	Increasing capacities on green economy	Ministry of Ecology Ministry of Economy
	Awareness raising on green economy	Ministry of Ecology Ministry of Economy
<b>BY</b>	Programming environmental measures in agriculture	Ministry of Agriculture and Food
	Programming environmental measures in transport	Ministry of Transport and Communication
	Programming environmental measures in	Ministry of Housing and Utilities

Country	Measures	Stakeholders
	energy	
	Programming environmental measures in economy	Ministry of Economy and Sustainable Development
	Establishing structures/mechanisms for environmental integration	Ministry of Natural Resources and Environmental Protection
	Strengthening environmental governance related legislation	Ministry of Natural Resources and Environmental Protection
	Increasing capacities on green economy	Ministry of Natural Resources and Environmental Protection
	Awareness raising on green economy	Ministry of Natural Resources and Environmental Protection
<b>GE</b>	Programming environmental measures in agriculture	Ministry of Agriculture
	Programming environmental measures in transport	Ministry of Economy and Sustainable Development
	Programming environmental measures in energy	Ministry of Energy Energy Efficiency Centre Georgian Energy Development Fund Georgian National Investment Agency
	Programming environmental measures in economy	Ministry of Economy and Sustainable Development
	Establishing structures for environmental integration	Minister of Environment and Natural Resources
	Strengthening environmental governance related legislation	Minister of Environment and Natural Resources
	Increasing capacities on green economy	Minister of Environment and Natural Resources Ministry of Economy and Sustainable Development
	Awareness raising on green economy	Minister of Environment and Natural Resources Ministry of Economy and Sustainable Development
<b>MD</b>	Programming environmental measures in agriculture	Ministry of Agriculture and Food Industry
	Programming environmental measures in transport	Ministry of Transportation and Roads Infrastructure Ministry of Regional Development and Construction
	Programming environmental measures in energy	Ministry of Economy Energy Efficiency Agency Energy Efficiency Fund
	Programming environmental measures in economy	Ministry of Economy
	Establishing structures for environmental integration	Ministry of Environment

Country	Measures	Stakeholders
	Strengthening environmental governance related legislation	Ministry of Environment
	Increasing capacities on green economy	Ministry of Environment
	Awareness raising on green economy	Ministry of Environment
UA	Programming environmental measures in agriculture	Ministry of Agriculture
	Programming environmental measures in transport	Ministry of Infrastructure Ministry of Regional Development
	Programming environmental measures in energy	Ministry of Regional Development
	Programming environmental measures in economy	Ministry of Economy
	Establishing structures for environmental integration	Ministry of Ecology and Natural Resources
	Strengthening environmental governance related legislation	Ministry of Economy Ministry of Ecology and Natural Resources
	Increasing capacities on green economy	Ministry of Economy Ministry of Ecology and Natural Resources
	Awareness raising on green economy	Ministry of Ecology and Natural Resources

**11 ANNEXES – COUNTRY FICHES**

## 11.1 Annex 1: Armenia

Country fiche:		ARMENIA		
MAIN DATA				
Economy (*)		Environment (**)	Armenia	EaP average
Size (Km <sup>2</sup> )	29 800	CO2 emissions (***)	1.7	3.8
Population (million)	2.98	Life expectancy at birth (*)	75	72
Income (GDP in \$ billions)	10.43	Energy intensity in BTU (****)	35 954	31 718
Population under poverty line	32.0%	Environmental Performance Index latest (EPI) (****)	61.67	55.74
Per capita GNI in \$ (Atlas Method)	3 800	Cumulative % reduction/increase Energy intensity 2007-2011	+3.66 %	-12.51%
SPECIFIC INDICATORS				
Indicators	Situation		Recommendations	
Existence of a Sustainable Development Strategy	YES	National strategy “Perspective for development 2020” defines policy concepts in all sectors in a medium-long term perspective of sustainable development.	<ul style="list-style-type: none"><li>Intensify cooperation, especially through twinning programmes/projects, to share experience in developing more investments-oriented action plans,.</li><li>Intensify and extend policy dialogue and advice to reduce poverty and enter a new phase of more equilibrated and sustainable development.</li><li>Intensify and extend policy dialogue and advice for a deep restructuring of Armenian economy and especially:<ul style="list-style-type: none"><li>Restructuring of the mining industry,</li><li>Reducing monopolies</li><li>Reducing dependence on remittances</li></ul></li></ul>	
Completeness of sector strategies and policy documents which include environmental considerations	65%  Sector strategies  National 60% Agriculture 70%	Strategy/programme documents exist and have been reviewed in the following sectors  National Economy Agriculture Energy Environment	Support, including through technical assistance and /or twinning:  <ul style="list-style-type: none"><li>Improvement of programme design and implementation at operational level.</li><li>Development of practical and project oriented approaches and implementation measures to translate the rather theoretical policy-documents with to translate them into practical actions.</li></ul>	



	Economy 60% Energy 70% Env. 40% Transport 90%	<b>Transport:</b>	<ul style="list-style-type: none"> <li>• Mainstreaming of environmental-sound policies, and awareness campaigns also in less developed areas and social groups.</li> </ul>
<b>Existence of a law on physical/land use planning</b>	<b>YES.</b>	The Law covers three mandatory levels; a) National, b) Regional, c) Municipal. The Law is currently being reviewed and updated with new provisions: inter-municipal zoning tailored for groups of small municipalities	Support international cooperation to share experience in Urban Planning and Land Use laws and their implementation
<b>Existence of a law and procedure for Strategic Environmental Assessment</b>	<b>YES</b>	The Law on Environmental Impact Assessment and Review was adopted on 21.06.2014. It defines the Strategic Environmental Assessment (SEA) as an integral part of the planning mechanisms and stipulates which documents, spheres and procedures are subject to SEA and sets detailed requirements.	Support international cooperation, also via TA/twinning to amend the law on "Environment impact and expertise" based on the international practice and more clear guidelines, regarding screening and scoping procedures. According to the mentioned law to implement methodic guidelines of the SEA lining documents relating the field.
<b>Existence of a law and procedure on Environmental Impact Assessment</b>	<b>YES</b>	Ecological expertise exists and its application has been substantially updated. The EIA procedure is regulated by the Law on Environmental Impact Assessment and Review of 21.06.2014 which prescribes implementation procedures and reporting requirements similar to the EIA laws in EU.	Enhance cooperation with MoNP, also via TA/twinning, to redesign the system of Ecological Expertise with environmental impact assessment legislation based on international experience and practices, with clear guidelines regarding screening and scoping procedures; initial steps towards decentralized decision-making in this area should be planned for the mid-term.
<b>Info on environmental harmful subsidies</b>	Small farmers and fish-farming are subsidized also for intermediate goods and, in general, without specific limitation on the use of subsidies		Increase and develop cooperation, also via TA/twinning, regarding the capacity of Armenian administration in sustainable Agriculture sector and environmental integration. It is clear that the agriculture sector development needs to focus on SMEs funding capacity. New solutions need to be identified and implemented, other than pure subsidies and direct investments from state funding.
<b>Existence of a law on green public procurement</b>	<b>NO</b>	Not existing.	Support to: a) Drafting a Law on green procurement; b) Launching awareness campaign;  c) Extensive training and concept-dissemination programmes
<b>Existence of a multiagency coordination body</b>	<b>YES</b>	A coordination body exists and it is formally in place. It works with regular meetings between representatives of relevant	Support cooperation to:  - Promote and support networking and effective communication and coordination of different ministries

		ministries. Written procedure employed too.	and other stakeholders dealing with the same environmental issue  - Ensure effective enforcement of the existing environment laws and bylaws and develop more adapted control mechanisms by simplifying the institutional framework and clarifying the responsibilities
<b>Number of staff in the Ministry of Environment</b>	<b>406</b>	The number of staff at MoNP (central administration) is very high.	Support, also via TA/twinning, the capacity building for MoNP and environment units/agencies in line ministries for modern planning/management and effective environment mainstreaming tools.
<b>Staff in the Ministry of Environment compared to population (per 1 million habitants)</b>	<b>136.24</b>	The number of staff at MoNP compared to population is by far the highest among EaP countries. However, statistics might not be comparable as other countries have territorial branches.	Support, also via TA/twinning, the capacity building for MoNP and environment units/agencies in line ministries for modern planning/management and effective environment mainstreaming tools.
<b>Staff in the Ministry of Environment compared to country size (per 1000 km<sup>2</sup>)</b>	<b>13.62</b>	as above	Continue to strengthen the regional efforts/initiatives to address environmental problems with regional resources, in particular waste management, pollution of trans-boundary rivers and reforestation
<b>Effectiveness of the competent line ministries in introducing environmental concerns to the governments' agenda, influence the laws, etc. (qualitative indicator)</b>	Influence of Ministry of Nature Protection is still low and depending on political decisions at higher level, usually giving priorities to economic-development over environment considerations. However, the environment agenda has gained growing social and political attention in the last 10 years. A number of legal reforms have been implemented by the Ministry of Nature Protection, RA, in recent years. A new law on "Environment impact assessment and expertise" was accepted /22.06.2015թ. ՀՕ-105-Ն/, amendments have been made in a number of laws ("On Waste"/22.06.2015/, "Mining code"/21.06.2014, so on). At present a number of legal initiatives, regarding the integration of environmental problems into different fields of economy, are in process.		Support, also via TA/twinning, the capacity building for MoNP and environment units/agencies in line ministries for modern planning/management and effective environment mainstreaming tools.
<b>Number and/ or percentage of plans/programmes which underwent full SEA during last two years</b>	<b>0</b>	Theoretically 100% of programmes must undergo SEA but none actually did. The law is there but is not applied.	Encourage and support Strategic Environmental Assessment for important sector plans and programmes with a potentially significant environmental impact (mining industry, agriculture, transport).
<b>Number and/ or percentage of large projects provided with full EIA during last two years</b>	Theoretically 100% of large projects must have EIA documentation, specifically in mining sector, transport, and agriculture (especially water management).  It was not possible within the limits of this study to		Support, also via TA/twinning, the introduction of a mandatory ex-post environmental impact evaluation (a few years after the programme/project completion) for large investments or large

	determine the exact number/percentage. The EIA is not always applied in line with the requirement of the law.	cooperation programmes. This should be a mandatory part of the EIA mitigation measures and Environmental Management Plans
<b>Number and area of protected areas similar to EU regulations (Natura 2000, etc.)</b>	<p>The total area of the 266 Specially Protected Nature Areas (SPNA) is 387054.4 ha. This includes:</p> <p>3 states reserves covering 35 439, 6 ha or 1,19 % of Armenia's total area;</p> <p>4 national parks which cover 236 802,1 ha or 7,96 % of Armenia's total area;</p> <p>232 natural monuments</p> <p>27 state sanctuaries which cover 114 812.7 ha or 3.95 % of Armenia's total area.</p>	Continue to and strengthen regional efforts/initiatives to address environmental problems with regional resources, in particular waste management, pollution of trans-boundary rivers and reforestation. This can be done via Twinning project support the development of the management of protected areas system and strengthening capacities"
<b>Number of UN conventions signed</b>	<p>20 different conventions and protocols are signed.</p> <p>The full list is attached to the Armenia Sectoral report – Environmental governance</p>	

## GOOD PRACTICES list

**Law on Land use, spatial planning and urban development is being updated with special provisions for groups of small/rural settlements**

**Policy for SHPP (Small Hydropower Plants) promotion in Armenia**

**Integrated water management programming in agricultural system**

(\*) Latest published World Bank data (except size) (\*\*) Various sources (\*\*\*) Metric tons per capita, World Bank data (\*\*\*\*) Energy Intensity - Total Primary Energy Consumption per Dollar of GDP (Btu per Year 2005 U.S. Dollars (Market Exchange Rates) 2011 data published by EIA (US agency) at <http://www.eia.gov/cfapps/ipdbproject/iedindex3.cfm?tid=92&pid=46&aid=2> (\*\*\*\*\*) Max 100. Source EPI (Yale U.): <http://epi.yale.edu/epi/data-explorer>

### 11.1.1 Analysis of main data on economy and environment

Armenia is the smallest country of the six EaP countries in both terms of territory and population. It is also a **low-income country, showing a low GNI per capita**, one of the lowest in geographical Europe.

A major problem for Armenia is that a third of **population lives under poverty line (32.0% - the highest share among EaP countries)** with much higher rates in rural areas. The population living under poverty line decreased considerably after independence but recently the trend stopped and even reversed.

MAIN DATA	Armenia	Azerbaijan	Belarus	Georgia	Moldova	Ukraine	EaP Average
Size (Km <sup>2</sup> )	29 800	86 600	207 595	69 700	33 846	603 500	171 840
Population (million)	2.98	9.42	9.47	4.48	3.56	45.49 <sup>(1)</sup>	12.57
Income (GDP in \$ billions)	10.4	73.5	71.7	14.1	8.0	177.4 <sup>(1)</sup>	59.2

Population under poverty line	32.0%	5.3%	5.5%	14.8%	12.7 %	9.1 % (2)	13.23%
Per capita GNI in \$	3 800	7 350	6 730	3 570	2 470	3 960 (1)	4 647
CO2 emissions (***)	1.7	5.1	6.6	1.4	1.4	6.6 (2)	3.8
Life expectancy at birth (*)	75	71	72	74	69	71	72
Energy intensity in BTU (****)	35 954	19 376	26 706	20 070	31 701	56 503 (2)	31 718
Env. Performance Index (*****)	61.67	47.33	67.69	47.33	53.36	49.01 (1)	54.40
Cumulative % reduction/increase Energy intensity 2007-2011	+3.66 %	- 27.6 %	- 16.65 %	- 5.30 %	- 22.36 %	- 6.83%	-12.51%

Current policies tend to focus on solving the pressing economic and financial rather than addressing major environment problems.

Performances of general environmental indexes are mixed. Armenia shows relatively **low CO2 emissions at 1.7 per capita, one of the lowest in EaP countries. Life expectancy** at birth, which is a proxy also for environment-related health conditions of population, is **75 years, the highest among EaP countries.**

On the other hand, **Energy intensity, at 35 954 Btu** is below the EaP average (**31 718 Btu**), and even more disappointing considering the limited industrial base of the country. In the five years from 2007 to 2011 Armenia was the only country among EaP countries **that worsened its energy-efficiency performance, increasing energy intensity by 3.66% in total. The trend is impressive and worrisome** considering that, in average, EaP countries reduced energy intensity by 12.51% in the same period.

The **Environment Performance Index (EPI)** of Armenia, at **61.67** is sensibly higher than the region's average of 54.40. This is one of the best among EaP countries, only Belarus performing better. The EPI also takes into account policies and regulations on environment governance therefore – overall - Armenian seems to be on the right track to tackle environment problems despite the recent poor performance in energy efficiency.

### 11.1.2 Analysis on specific indicators

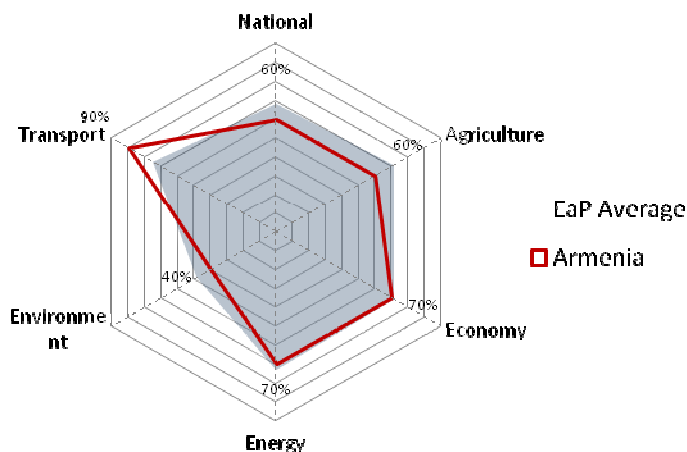
The following table summarizes specific indicators on environmental integration in other sector policies for Armenia at the background of other EaP countries.

Indicators	Armenia	Azerbaijan	Belarus	Georgia	Moldova	Ukraine
<b>Existence of Strategies and/or Programmes</b>						
National	Yes	Yes	Yes	Yes	Yes	Yes
Agriculture	Yes	Yes	Yes	Yes	Yes	Yes
Economy	Yes	Yes	Yes	Yes	No	Yes
Energy	Yes	Yes	Yes	Yes	Yes	Yes

Environment	No	No	No	Yes	No	Yes
Transport	Yes	Yes	Yes	Yes	Yes	Yes
<b>Sector strategies completeness and inclusion of environmental issues</b>						
<b>General (average)</b>	<b>65%</b>	<b>60%</b>	<b>68%</b>	<b>73%</b>	<b>63%</b>	<b>82%</b>
National	60%	70%	70%	60%	60%	90%
Agriculture	60%	60%	60%	80%	80%	90%
Economy	70%	60%	80%	90%	40%	90%
Energy	70%	70%	80%	70%	70%	80%
Environment	70%	40%	40%	70%	30%	70%
Transport	90%	60%	80%	70%	80%	70%
<b>Existence of Laws</b>	<b>Armenia</b>	<b>Azerbaijan</b>	<b>Belarus</b>	<b>Georgia</b>	<b>Moldova</b>	<b>Ukraine</b>
Urban Planning	Yes	Yes	Yes	Yes	Yes	Yes
EIA	Yes - EE	Yes - EE	Yes	Yes - EE	Yes - EU	Yes - EE
SEA	Yes - Local	No	No	No	No	No
Green procurement	No	No	No	No	No	No
<b>Other specific indicators</b>						
Env. harmful subsidies	medium	high	medium	medium	low	high
Inter-ministerial cons.	high	low	high	medium	low	medium
Staff M of Environment	406	110	94	184	61	211
Staff MoE/population*	136.24	11.68	9.95	41.1	17.13	4.64
Staff MoE/area**	13.6	1.27	0.45	2.6	1.80	0.35
Effectiveness MoE	medium	low	high	medium	low	medium
Protected areas***	387 054 Ha	892 546 Ha	1 797 000 Ha	600 668 ha	192 954 Ha	3 650 904 Ha
UN conventions****	20	20	56	19	18	20

Armenia has the development strategies in place for all sectors reviewed. For what concerns environmental sustainability, the completeness of strategic and programming documents is 70%. In particular, Armenia has an operational Transport Programme giving due attention to environmental policy integration. Graph 1 shows the level of completeness of strategies.

The Law on Urban Planning and Land Use covers three mandatory levels: a) National, b) Regional, c) Municipal. The Law is being reviewed and updated with new provisions regarding inter-municipal zoning tailored for groups of small municipalities. The urban development policies are targeting the formation of a favourable living environment for present and future generations, and consistent improvement of living standards of the population through urban development. The Government is committed to act with the principle of “green urban development” in its urban development policy. Its implementation, however, remains difficult in poor rural municipalities. The new law is trying to create municipalities-consortia to share costs and increase effectiveness. The case deserves focus as a good practice.

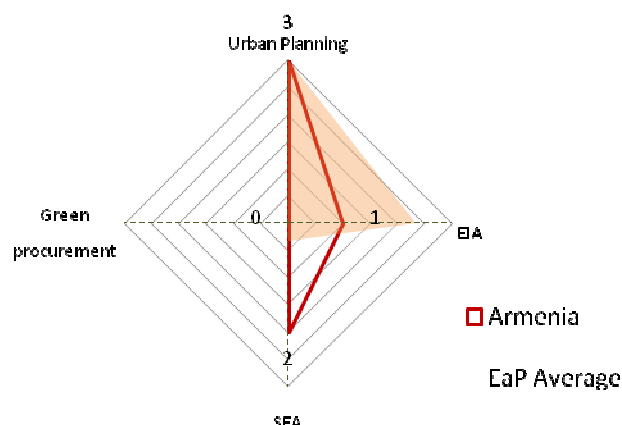


**Graph 1**

The Law on Environmental Impact Assessment and Review which stems from the Protocol on Strategic Environmental Assessment of the Convention on Environmental Impact Assessment in a Transboundary Context (Espoo Convention) was adopted on 21.06.2014. The Law on Environmental Impact Assessment and Review was adopted on 21.06.2014. It defines the Strategic Environmental Assessment (SEA) as an integral part of the planning mechanisms and stipulates which documents, spheres and procedures are subject to SEA and sets detailed requirements. In reality, the SEA is not applied to any programmes.

Ecological expertise exists and its application has been substantially updated. The EIA procedure is regulated by the Law on Environmental Impact Assessment and Review of 21.06.2014 which prescribes implementation procedures and reporting requirements similar to the EIA laws in EU. However, the way the law is applied, notably to large mining projects raises certain criticism expressed by different actors.

There is large use of subsidies in agriculture. Small farmers and fish farming are subsidized also for intermediate goods and, in general, without specific limitation on the use of subsidies. Graph 2 shows the level of completeness of laws.



**Graph 2**

Cooperation between ministries is theoretically high, although it does not show to be operationally effective for many issues, notably regarding the mining sector. Ad-hoc inter-ministerial meetings are also utilized through working groups for specific issues.

The workforce at central unit of Ministry of Environment compared to population is by far the highest among EAP countries. However, statistics might not be comparable as other countries have territorial branches.

The extension of protected area is large compared to the country. The effectiveness of MoE to introduce environmental concerns in the governments' agenda is increasing, but not yet satisfactory.

### 11.1.3 Good practices insights

#### **A. Law on Land use, spatial planning and urban development is being updated with special provisions for groups of small/rural settlements**

The new law is trying to create municipalities-consortia to share costs and increase effectiveness. The mechanism is not new in EU countries and deserves attention to share practices.

#### **B. Policy for SHPP (Small Hydropower Plants) promotion in Armenia**

The programme to extend investments in SHPP can increase energy efficiency.

#### **C. Integrated water management programming in agricultural system**

## 11.2 Annex 2: Azerbaijan

Country fiche:		AZERBAIJAN		
MAIN DATA				
Economy (*)		Environment (**)	Azerbaijan	EaP average
Size (Km <sup>2</sup> )	86 600	CO2 emissions (***)	5.1	3.8
Population (million)	9.42	Life expectancy at birth (*)	71	72
Income (GDP in \$ billions)	73.56	Energy intensity in BTU (****)	19 376	31 718
Population under poverty line	5.3%	Environmental Performance Index latest (EPI) (*****)	55.47	55.74
Per capita GNI in \$ (Atlas Method)	7 350	Cumulative % reduction/increase Energy intensity 2007-2011	- 27.6 %	-12.51%
SPECIFIC INDICATORS				
Indicators	Situation		Recommendations	
Existence of a Sustainable Development Strategy	YES	Overall National Strategy document: “Vision 2020” and “State Programme on Poverty Reduction and Sustainable Development (SPPRSD) 2008 – 2015”	Complement the National Strategy document: “Vision 2020” with intensified inter-donors platform-dialogue to find/implement concrete (short-run and long-run) solutions for oil-diversification.	
Completeness of sector strategies and policy documents which include environmental considerations	60%	<i>Existing Strategies, Programmes and action plans:</i>	<ul style="list-style-type: none"><li>• Support and complement the implementation of measures advised by the World Bank for the development of SME and their capacity to invest in greener economy.</li><li>• Undertake a specific study within the EaP platform on SME access to finance to develop a green-economy” in Azerbaijan, but also in other EaP countries.</li><li>• Support, including through technical assistance and /or twinning:<ul style="list-style-type: none"><li>- Awareness campaign and mutual skill-transfers about environmental policies integration;</li><li>- Capacity-building of administrative structures</li><li>- Cross-sector environmental policies and legislation.</li></ul></li></ul>	
	Sectors (\$)			
	National	70%		
	Agriculture	60%		
	Economy	60%		
	Energy	70%		
	Env.	40%		
Transport	60%			
		Environment (draft)		
		"State Action Programme on Protection of the Environment to efficient use of Natural Resources 2014 – 2020" - a new environment policy which is to be submitted for approval.		
		Agriculture (draft)		
		Economy		
		State Programme on Socio-Economic development of Regions of the Republic of Azerbaijan for 2014 – 2018 years including Action Plan for The State Program on socio-economic development of regions of the Republic of Azerbaijan for 2014-2018		



<b>Existence of a law on physical/land use planning</b>	<b>YES</b>	Inherited from the Soviet times, but updated to take into account modern technologies (GIS) and real development aspects. Not applied in all cities/settlements.	<ul style="list-style-type: none"> <li>• Initiate and support the integrated, concerted spatial land-use planning and management.</li> <li>• Enhance cooperation to develop new concept of a land-use law.</li> </ul>
<b>Existence of a law and procedure on Strategic Environmental Assessment</b>	<b>NO</b>	No Law/procedure in place. A new Law is being drafted, covering both EIA and SEA. The new draft law does not fully comply with EU standards. SCUPA (State Commission for Urban Planning and Architecture) representatives informed that SEA has been conducted for the new Regional Development Plan for Greater Baku	<p>Support, including through technical assistance and /or twinning:</p> <ul style="list-style-type: none"> <li>• Drafting a Law on SEA</li> <li>• Awareness, training and concept-dissemination initiatives</li> </ul>
<b>Existence of a law and procedure on Environmental Impact Assessment</b>	<b>NO</b>	Existing procedure is based on old system ("environment expertise"). A new Law is being drafted, covering both EIA and SEA. The new Law does not fully comply with EU standards	<p>Support, including through technical assistance and /or twinning:</p> <ul style="list-style-type: none"> <li>• The review of draft Law and development of implementation mechanism.</li> <li>• New round of capacity building and public awareness raising.</li> <li>• Inclusion of higher education institutions, professional associations and other stakeholders in the development of scientific background and procedures of EIA application.</li> </ul>
<b>Info on environmental harmful subsidies</b>		Subsidies for farmers include intermediate goods and are assigned on the basis of land size: 50 AZN (around 50 \$) per Ha regardless their use. This is increased by 20 AZN per Ha when crop is grains. Agriculture is indirectly subsidized with a no-tax regime for the sector.	<p>Increase and develop cooperation, via twinning and technical assistance, regarding financing, banking and SMEs' access to finance.</p> <p>Increase and develop cooperation, via twinning and technical assistance, regarding diversification of funding for agriculture development within the perspective of reducing dependency from funds fuelled by oil-sector revenues.</p>
<b>Existence of a law on green public procurement</b>	<b>NO</b>	No green procurement is in place. The Government is aware of the concept of green procurement.	Increase and develop cooperation, via twinning and technical assistance to implement awareness campaign on green procurement
<b>Existence of a multi-agency coordination body:</b>	<b>NO</b>	The existing inter-ministerial body is not formalised and initiatives/strategies are poorly coordinated. There are some unstructured local initiatives which are always subject to approval by the President Office.	<p>Intensify cooperation, also via twinning, to ensure effective enforcement of the existing environment laws and bylaws and develop more adapted control mechanisms by simplifying the institutional framework and clarifying roles and responsibilities;</p> <p>Support the Ministry of Ecology and Natural Resources in improving the secondary legislation and its</p>

			implementation.
<b>Number of staff in the Ministry of Environment</b>	<b>110</b>	Azerbaijan has a quantitatively sufficient staff in Ministry of Environment, although not sufficient considering the huge environment problems to solve linked to the preponderance of oil industry in the economy.	Intensify cooperation, also via twinning, to ensure capacity-building in the targeted administrative structures
<b>Staff in the Ministry of Environment compared to population (per 1 million inhabitants)</b>	<b>11.68</b>	Compared to population, Azerbaijan has a large staff in Ministry of Environment. Nevertheless, there is scope for further capacity-building, mainstreaming, closing gaps.	
<b>Staff in the Ministry of Environment compared to country size (per 1000 km<sup>2</sup>)</b>	<b>1.27</b>	Compared to territorial size, Azerbaijan has a large staff in Ministry of Environment. Nevertheless, there is scope for further capacity-building, mainstreaming, closing gaps.	
<b>Effectiveness of the competent line ministries in introducing environmental concerns to the governments' agenda, influence the laws, etc. (qualitative indicator)</b>	During the last decade influence of environmental policies has been growing. Ministry of Environment has been able to draw attention on environment cross-cutting issues at least in terms of awareness, but much less in terms of real results and effectiveness in the field of integration into other policies. There is clear understanding that an effective environmental policy in Azerbaijan requires above all the differentiation of economy - via increase of non-oil economy. In this respect, administration's efforts to develop economic-diversification are manifest but not yielding tangible results yet.		Intensify cooperation, also via twinning, to ensure awareness and capacity-building in targeted administrative structures
<b>Number and/ or percentage of plans/programmes which underwent full SEA during last two years</b>	No SEA yet.		Support: <ul style="list-style-type: none"> <li>• The mainstreaming and awareness campaign regarding SEA concepts and implementation</li> <li>• Theoretical and practical training, also on roles of different actors.</li> </ul>
<b>Number and/ or percentage of large projects provided with full EIA during last two years</b>	Not all projects undergo with fully-fledged EIA. Internationally-funded projects underwent EIA.		As above
<b>Number and area of protected areas similar to EU regulations (Natura 2000, etc.)</b>	The protected area system consists today of 9 national parks, 11 state nature reserves and 24 state nature sanctuaries and preparation to further extension and to establish the first marine protected area has started. The overall area of specially protected sites is 892.546 ha (10.3% of the national territory).		Intensify cooperation, also via TA and twinning, to develop capacities in protection of natural areas.
<b>Number of UN conventions</b>	Azerbaijan is currently a party of 20 multilateral		Intensify cooperation, also via TA and twinning, to develop capacities in

signed	environmental agreements protocols.	protection of natural areas.
<b>GOOD PRACTICES list</b>		
<b>Greater Baku Regional Development Plan</b>		
<b>Green Port of Baku</b>		
<b>Reduction of energy intensity on GDP is highest among EaP countries.</b>		

(\*) Latest published World Bank data (except size) (\*\*) Various sources (\*\*\*) Metric tons per capita, World Bank data (\*\*\*\*) Energy Intensity - Total Primary Energy Consumption per Dollar of GDP (Btu per Year 2005 U.S. Dollars (Market Exchange Rates) 2011 data published by EIA (US agency) at <http://www.eia.gov/cfapps/ipdbproject/iedindex3.cfm?tid=92&pid=46&aid=2> (\*\*\*\*\*) Max 100. Source EPI (Yale U): <http://epi.yale.edu/epi/data-explorer> (\$) Value 100% = Complete, highest quality. Value 50% = Existing. Value 0 = Non-existent. Values 50% to 100% = quality value assigned by experts to existing programming documents.

### 11.2.1 Analysis of main data on economy and environment

Azerbaijan is a medium-sized country that reached income levels comparable to many EU countries, thanks to spectacular growth during last decades fuelled by a strong oil-industry. **National income and GNI per capita are currently much higher than in soviet times.** The GNI per capita has reached 7350 USD in 2014 and it is still growing, although at a slower pace.

A substantial part of Azerbaijani population lived under poverty line until a decade ago, **and today just 5.3%** of population lives in poverty, mainly in rural areas, and such zones as Upper-Karabakh region.

Current policies tend to focus on solving pressing economic structure, dominated by oil-sector. Diversification policies started at least a decade ago, with the creation of SOFAZ fund, re-investing revenues from oil-export to income distribution, non-oil investments (especially agriculture) and infrastructure.

Currently, the country performs badly in all general environmental indexes. **CO2 emissions** are well above the EaP regional average, at **5.1 metric tons per capita** whereas the average of EaP countries together reaches 3.8 metric tons per capita. This is mainly due to the economic structure of Azerbaijan, still dominated by out-dated industrial infrastructure and, as mentioned, high-polluting oil-industry.

**Life expectancy** at birth, which is a proxy also for environment-related health conditions of population, is 71 years, only slightly worse than EaP country average (72 years).

On the other hand, **Azerbaijan is performing very well on Energy intensity**, substantially better than EaP average (**19 376Btu in Azerbaijan, compared to 31 718 as EaP countries average**). This result has been reached thanks to vast improvement in the main industries from 2007 to 2011 where Azerbaijan **has greatly improved its energy-efficiency performance reducing energy intensity by a hefty 27.6 % in total. This is the highest improvement when** compared to average all other EaP, and to average reduction of 12.51% in all EaP together in the same period.

**The Environment Performance Index (EPI)** of Azerbaijan is much worse. At **47.33, EPI for Azerbaijan** is sensibly lower than region's average of 54.40 and the worst among EaP countries. The EPI takes into account also policies and regulations regarding environment governance and therefore highlights that the performance in oil-diversification and environmental policies is currently mixed at best.

In general, all indicators regarding general environment-performance can probably improve in the future, after real oil-diversification and better coordination of environmental policies across sectors take place effectively.

MAIN DATA	Armenia	Azerbaijan	Belarus	Georgia	Moldova	Ukraine	EaP Average
Size (Km <sup>2</sup> )	29 800	86 600	207 595	69 700	33 846	603 500	171 840

Population (million)	2,98	9,42	9,47	4,48	3,56	45,49 <sup>(1)</sup>	<b>12.57</b>
Income (GDP in \$ billions)	10,4	73,5	71,7	14,1	8,0	177,4 <sup>(1)</sup>	<b>59.2</b>
Population under poverty line	32,0%	5,3%	5,5%	14,8%	12,7 %	9,1 % <sup>(2)</sup>	<b>13.23%</b>
Per capita GNI in \$	3 800	7 350	6 730	3 570	2 470	3 960 <sup>(1)</sup>	<b>4 647</b>
CO2 emissions (***)	1,7	5,1	6,6	1,4	1,4	6,6 <sup>(2)</sup>	<b>3.8</b>
Life expectancy at birth (*)	75	71	72	74	69	71	<b>72</b>
Energy intensity in BTU (****)	35 954	19 376	26 706	20 070	31 701	56 503 <sup>(2)</sup>	<b>31 718</b>
Env. Performance Index (*****)	61,67	47,33	67,69	47,33	53,36	49,01 <sup>(1)</sup>	<b>54.40</b>
Cumulative % reduction/increase Energy intensity 2007-2011	+3,66 %	- 27,6 %	- 16,65 %	- 5,30 %	- 22,36 %	- 6,83%	<b>-12.51%</b>

### 11.2.2 Analysis on specific indicators

The following table summarizes specific indicators about environmental integration in other sectors for Azerbaijan and compared to all other EaP countries.

Indicators	Armenia	Azerbaijan	Belarus	Georgia	Moldova	Ukraine
<b>Existence of Strategies and/or Programmes</b>						
National	Yes	Yes	Yes	Yes	Yes	Yes
Agriculture	Yes	Yes	Yes	Yes	Yes	Yes
Economy	Yes	Yes	Yes	Yes	No	Yes
Energy	Yes	Yes	Yes	Yes	Yes	Yes
Environment	No	No	No	Yes	No	Yes
Transport	Yes	Yes	Yes	Yes	Yes	Yes
<b>Sector strategies completeness and inclusion of environmental issues</b>						
<b>General (average)</b>	<b>65%</b>	<b>60%</b>	<b>68%</b>	<b>73%</b>	<b>60%</b>	<b>82%</b>
National	60%	70%	70%	60%	60%	90%
Agriculture	60%	60%	60%	80%	80%	90%

Economy	70%	60%	80%	90%	40%	90%
Energy	70%	70%	80%	70%	70%	80%
Environment	40%	40%	40%	70%	30%	70%
Transport	90%	60%	80%	70%	80%	70%
<b>Existence of Laws</b>	<b>Armenia</b>	<b>Azerbaijan</b>	<b>Belarus</b>	<b>Georgia</b>	<b>Moldova</b>	<b>Ukraine</b>
Urban Planning	Yes	Yes	Yes	Yes	Yes	Yes
EIA	Yes - EE	Yes - EE	Yes	Yes - EE	Yes - EU	Yes - EE
SEA	Yes - Local	No	No	No	No	No
Green procurement	No	No	No	No	No	No
<b>Other specific indicators</b>						
Env. harmful subsidies	medium	high	medium	medium	low	high
Inter-ministerial cons.	high	low	high	medium	low	medium
Staff M of Environment	406	110	94	184	61	211
Staff MoE/population*	136.24	11.68	9.95	41.1	17.13	4.64
Staff MoE/area**	13.6	1.27	0.45	2.6	1.80	0.35
Effectiveness MoE	medium	low	high	medium	low	medium
Protected areas***	387 054 Ha	892 546 Ha	1 797 000 Ha	600 668 ha	192 954 Ha	3 650 904 Ha
UN conventions****	20	20	56	19	18	20

Azerbaijan has the development strategies in place for all reviewed sectors. For what concerns environmental sustainability, the completeness of strategic and programming documents is around 65%. In sector programmes of Agriculture, Economy and Transportation the integration of environmental policies is contradictory and there is scope for improvement.

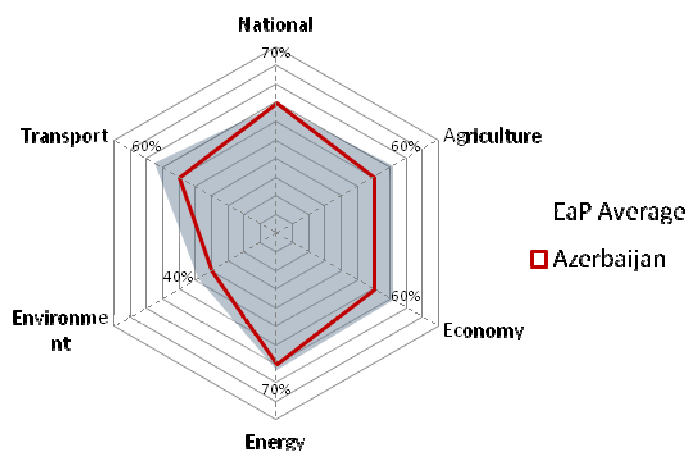
The law on Urban Planning and Land Use (spatial planning) is in place. However, it is implemented only in a small portion of cities and settlements.

A law for EIA exists, but only with the procedures similar to the soviet-times Environmental Expertise, not complying with EU EIA standards and procedures. Law on SEA does not exist yet as well as a law on green procurement.

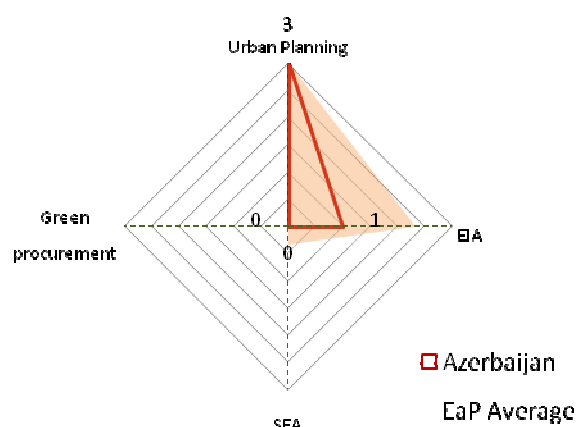
There is a high use of environmental harmful subsidies in agriculture and inter-ministerial cooperation for the inclusion of environmental policies in other sectors is low. However, quantity of staff at the ministry of

environment is relatively high, compared to other EaP countries and in relation to country population and size. The extension of protected area is also large compared to the country.

Graph 1 shows the level of completeness of strategies, while Graph 2 shows the level of completeness of laws.



Graph 3



Graph 4

### 11.2.3 Good practices insights

#### A. Greater Baku Regional Development Plan

Despite structural problems in the implementation of Urban Planning, the administrative structures of Azerbaijan succeeded in approving a complex Urban Planning project facing specific and challenging problems especially related to environment protection.

#### B. Green Port of Baku

New harbour development project of Baku has been designed with updated approaches. It is worth to focus more on this case.

#### C. Reduction of energy intensity on GDP is highest among EaP countries.

This is probably the result of appropriate diversification policies from oil-industry and investments in efficiency on the oil production itself.

## 11.3 Annex 3: Belarus

Country fiche:	BELARUS			
MAIN DATA				
Economy (*)		Environment (**)	Belarus	EaP average
Size (Km <sup>2</sup> )	207 595	CO2 emissions (***)	6.6	3.75
Population (million)	9.47	Life expectancy at birth	72	72
Income (GDP in \$ billions)	71.7	Energy intensity in BTU (****)	26 706	31 718
Population under poverty line	5.5%	Environmental Performance Index latest (EPI) (*****)	67.69	55.74
Per capita GNI in \$ (Atlas Method)	6 730	Cumulative % reduction/increase Energy intensity 2007-2011	- 16.65 %	-12.51%
SPECIFIC INDICATORS				
Indicators	Situation		Recommendations	
Existence of a Sustainable Development Strategy	YES	National Strategy for Sustainable Development, for the period to 2020. It provides general concepts and long-term framework and forecast, including chapters on environment and natural resources. Actions and investments are broadly stated.	Support the efforts in the policy-dialogue, also via twinning and study-projects, to ensure the gradual reform of current state-economy system.  Improve public participation especially at the earliest stage of strategy development.  .  .	
Completeness of sector strategies and policy documents which include environmental considerations	73%  Sectors (\$) National 70% Agriculture 60% Economy 80% Energy 80% Env. 40% Transport 80%	Economy  Environment  Agriculture  Energy  Transport all modes of transportation sectors interconnected.  Strategies and programming documents are produced within a state-planning system.	Support efforts in the policy-dialogue, also via twinning and study-projects, to identify of financial support to invest in greener economy. Support the cooperation, also via twinning and study-projects, to: a) include more operational provisions in economic-development programming documents, possibly within a bottom-up perspective.  b) facilitate the growth of SMEs operating in all sectors, including those working for a greener	



			economy
<b>Existence of a law on physical/land use planning</b>	<b>YES</b>	Law existing, within Belarus system (not on the EU model but advanced in relevant fields/procedures) and covering national, regional and municipal levels. Apparently implemented with all or almost all EU standard requirements. Territorial environmental planning is carried out within the framework of territorial complex schemes of environmental protection.	Support the exchange of experience and the initiation of the integrated, concerted spatial land-use planning and management of projects/programmes;
<b>Existence of a law and procedure for Strategic Environmental Assessment</b>	<b>NO</b>	Law on SEA does not exist. However, strategic level of programming is reviewed also by Ministry of Environment and Ministry of Economy within State Economic Planning procedures	<p>Support the cooperation to draft SEA Law and check-implementation mechanism. Identify awareness and capacity gaps for a new round of capacity building and awareness cooperation.</p> <p>Introduce ex-post environmental impact evaluation for large investments or large cooperation programmes. This should be a mandatory part of the EIA mitigation measures and Environmental Management Plans. Encourage Strategic Environmental Assessment for important sector plans and programmes with a potentially significant environmental impact (machinery industry, energy sector, agriculture, transport). To improve access to the state ecological expertises and approved EIA for the public. It is necessary to provide for early public participation, when all options are not decided.</p>
<b>Existence of a law and procedure on Environmental Impact Assessment</b>	<b>YES</b>	Law on State Ecological Expertise lists what is subject to SEE with the procedures similar to Environmental Expertise but already including standards and procedures similar to EU, in format that is interesting as a focus for good practice study.	Support the comparative assessments and best practices exchange workshops/seminars to exchange best-practices cases so to further improve the relevant regulations and/or implementing guidelines.

<b>Info on environmental harmful subsidies</b>	<p>The sector suffers by problems mainly deriving by the continuation of the old soviet system of collectivized structure within a state-planned and highly subsidized framework. The State owns all land, as well as large agriculture-exploitation units, which tend to give priority to product quantity over quality, trying to meet state-set quotas of production. This system has also little incentive to increase environmental standards, food-quality and environmental sustainability.</p> <p>The current performance and investment policy development of agriculture sector is overwhelmingly dependant on public support and subsidies.</p>		<p>Increase and develop policy-dialogue, cooperation via twinning and/or technical assistance to:</p> <ul style="list-style-type: none"> <li>gradually implement a discontinuation of the old soviet system of collectivized structure within a state-planned and highly subsidized framework;</li> <li>re-direct agriculture policies toward a real and profound reform of the sector, notably on liberalization, privatization, abandoning price-distortions and reducing subsidies and quantity-quotas</li> </ul>
<b>Existence of a law on green public procurement</b>	<b>NO</b>	No green procurement is in place. The administration is drafting/planning a Law in this field.	Propose cooperation to draft green procurement Law, check-implementation mechanism. Identify awareness and capacity gaps for a new round of capacity building and awareness cooperation.
<b>Existence of a multi-agency coordination body</b>	<b>NO</b>	There is not a formalized body. Cooperation is anyway ensured, currently, with written procedure after final drafts of programmes are forwarded to relevant ministries. In addition, cooperation and coordination between ministries exist on a stable basis within State planning system.	<p>Support, also via T/A or twinning the cooperation and promotion of n of networking and effective communication/coordination of different ministries and other stakeholders dealing with the same environmental issue;</p> <p>Support the strengthening of the monitoring and reporting system, quality and enforcement control. This could include upgrade of old data, harmonisation of data collection by the different stakeholders, data analysis and interpretation, key environment indicator settings, information , knowledge and experience management and simple information access for the public.</p>
<b>Number of staff in the Ministry of Environment</b>	94	Does not include staff in regional and district inspection.	Support the policy-dialogue, also via twinning and study-projects, for exchange of information and ideas between Ministries of environment of EU and Belarus Support capacity building for MNREP and environment units/agencies in line ministries for modern planning/management and effective environment mainstreaming tools.
<b>Staff in the Ministry of Environment compared to population (per 1 million inhabitants)</b>	9,95		
<b>Staff in the Ministry of Environment compared to country size (per 1000 km2)</b>	0,45		

<p><b>Effectiveness of the competent line ministries in introducing environmental concerns to the governments' agenda, influence the laws, etc. (qualitative indicator)</b></p>	<p>During last decade influence of environmental policies has been growing. Ministry of Natural Resources and Environmental Protection (MNREP) has been able to draw attention on environment cross-cutting issues at least on a top-down process. As an example, MNREP and Ministry of Transport jointly developed strategy and actions to improve air quality.</p>	<p>Support, also via twinning:</p> <ul style="list-style-type: none"> <li>• The development of a green economy and the promotion of value chains of efficient natural resource and energy use.</li> <li>• The introduction of an eco-systemic planning and the strategic, process-orientated management approaches as part of a green economy policy;</li> <li>• The introduction of payments for ecosystem services by the development of more financial incentives for efficient water, land and energy use, and investments in cleaner production;</li> <li>• Preferences for integrated environment related projects with multi-stakeholder management units (several ministries together in the project management units)</li> <li>• Establishing mechanisms to improve cooperation of the Ministry of Environment with other ministries and state authorities.</li> </ul>
<p><b>Number and/ or percentage of plans/programmes which underwent full SEA during last two years</b></p>	<p>No SEA Law yet.</p>	<p>Support, also via TA/twinning, the introduction of the ex-post environmental impact evaluation (a few years after the programme/project completion) for large investments or large cooperation programmes. This should be a mandatory part of the EIA mitigation measures and Environmental Management Plans. Encourage Strategic Environmental Assessment for important sector plans and programmes with a potentially significant environmental impact (machinery industry, energy sector, agriculture, transport).</p>
<p><b>Number and/ or percentage of large projects provided with full EIA during last two years</b></p>	<p>Theoretically 100% of large projects must have EIA documentation.</p> <p>It was not possible within the limits of this study to determine the exact number/percentage</p>	<p>Support the comparative assessments and best practices exchange workshops/seminars to exchange best-practices cases so to further improve the relevant regulations and/or implementing guidelines. Improve public participation in EIA process; Provide adequate public access to the state ecological expertise, as well as the EIA. EIA should be placed in open access. To ensure public participation at an early stage</p>
<p><b>Number and area of protected areas similar to EU regulations (Natura 2000, etc.)</b></p>	<p>Currently Belarus has 1 reserve – Berezinsky Biosphere Reserve, 4 national parks – Belovezha Forest, Pripyat, Braslav and Narochansky and another 1235 wildlife sanctuaries and natural monuments of national and local area. 128</p>	<p>Propose policy dialogue with MNREP of Belarus to initiate the introduction of modern and effective tools for environmental management and the protection of natural resources, such as</p>

	protected areas are in Brest Region, 324 in Vitebsk Region, 121 in Gomel Region, 255 in Minsk Region, 159 in Mogilev Region and 3 in the City of Minsk. The quantity of them has been changing from year to year. The protected areas cover 1,797,000.24 ha.	integrated permits, taking into account the application of best available techniques (BAT), eco-labelling and environmental management and audit scheme (EMAS) into environmental legislation.
<b>Number of UN conventions signed</b>	Belarus is a party to the 13 global and 9 regional and international agreements and 34 bilateral and multilateral treaties.	

## GOOD PRACTICES list

**Belarus EIA Law case deserves focus**

**Energy efficiency practices and projects at Ministry of Housing**

**Progressive reduction of energy intensity**

**Highest score in EPI among EaP countries resulting from higher level of coordination**

**Effective Land use/physical-spatial planning coordinated at different levels**

(\*) Latest published World Bank data (except size) (\*\*) Various sources (\*\*\*) Metric tons per capita, World Bank data (\*\*\*\*) Energy Intensity - Total Primary Energy Consumption per Dollar of GDP (Btu per Year 2005 U.S. Dollars (Market Exchange Rates) 2011 data published by EIA (US agency) at <http://www.eia.gov/cfapps/ipdbproject/iedindex3.cfm?tid=92&pid=46&aid=2> (\*\*\*\*\*) Max 100. Source EPI (Yale U.): <http://epi.yale.edu/epi/data-explorer> (\$) Value 100% = Complete, highest quality. Value 50% = Existing. Value 0 = Non-existent. Values 50% to 100% = quality value assigned by experts to existing programming documents.

### 11.3.1 Analysis of main data on economy and environment

Belarus is the second-largest country among the six EaP countries in both territorial and population size. It is also a **medium-income country, showing a high GNI per capita among EaP countries**, and comparable with some countries in the EU.

A small **part of Belarusian population lives under poverty line (5.5 %)**. However, rural poverty is still a major problem with comparatively high rates in rural areas. The population living under poverty line decreased considerably in 2000-2008, thanks to strong-growth largely fuelled by particular beneficial trade-agreements with Russia, but rural areas experienced high growth of emigration to cities due to poor living conditions.

MAIN DATA	Armenia	Azerbaijan	Belarus	Georgia	Moldova	Ukraine	EaP Average
Size (Km <sup>2</sup> )	29 800	86 600	207 595	69 700	33 846	603 500	<b>171 840</b>
Population (million)	2.98	9.42	9.47	4.48	3.56	45.49 <sup>(1)</sup>	<b>12.57</b>
Income (GDP in \$ billions)	10.4	73.5	71.7	14.1	8.0	177.4 <sup>(1)</sup>	<b>59.2</b>
Population under poverty line	32.0%	5.3%	5.5%	14.8%	12.7 %	9.1 % <sup>(2)</sup>	<b>13.23%</b>
Per capita GNI in \$	3 800	7 350	6 730	3 570	2 470	3 960 <sup>(1)</sup>	<b>4 647</b>

CO2 emissions (***)	1.7	5.1	6.6	1.4	1.4	6.6 <sup>(2)</sup>	3.8
Life expectancy at birth (*)	75	71	72	74	69	71	72
Energy intensity in BTU (****)	35 954	19 376	26 706	20 070	31 701	56 503 <sup>(2)</sup>	31 718
Env. Performance Index (*****)	61.67	47.33	67.69	47.33	53.36	49.01 <sup>(1)</sup>	54.40
Cumulative % reduction/increase Energy intensity 2007-2011	+3.66 %	- 27.6 %	- 16.65 %	- 5.30 %	- 22.36 %	- 6.83%	-12.51%

Current policies pay high attention to environmental issues despite pressing macroeconomic disequilibrium and general financial difficulties highlighted by recurrent and very high inflation. Large strands of the economy, especially banking and agriculture sectors are very problematic.

Performances of general environmental indexes are mixed, with **high CO2 emissions at 6.6 per capita, (highest together with Ukraine among EaP regional average)**. This is due also to the economic structure of Georgia, having a much higher industrial-base than other EaP countries.

**Life expectancy** at birth, which is a proxy also for environment-related health conditions of population, is **72 years**. This is exactly the EaP countries average.

**Energy intensity, at (26 706 Btu)** is substantially better than EaP average (**56 503 Btu**). In the five years from 2007 to 2011 Belarus **has strongly improved its energy-efficiency performance reducing energy intensity by a hefty 16.65 % in total. The improvement is impressive also when compared to average EaP reduction of 12.51% in the same period.**

**The Environment Performance Index (EPI)** of Belarus, at **67.69** is the best among EaP countries and much higher than region's average of 54.40. The EPI takes into account also policies and regulations regarding environment governance. Current slowdown might induce to decrease EPI in upcoming years, should problems in macroeconomic and financial stability worsen.

### 11.3.2 Analysis on specific indicators

The following table summarizes specific indicators about environmental integration in other sectors for Belarus and compared to all other EaP countries.

Belarus has the development strategies in place for all reviewed sectors. For what concerns environmental sustainability, the completeness of strategic and programming documents is 73%. In particular, Belarus has programmes in National Economy, Energy and Transportation with inclusion of key-provisions for environmental integration and indicators of achievement (for economic development).

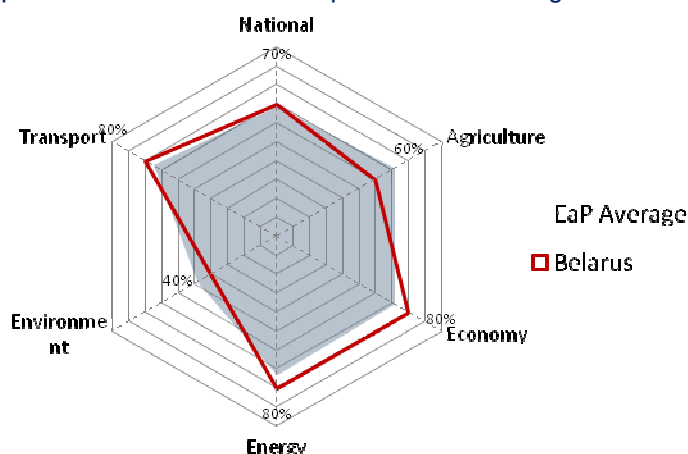
Indicators	Armenia	Azerbaijan	Belarus	Georgia	Moldova	Ukraine
<b>Existence of Strategies and/or Programmes</b>						
National	Yes	Yes	Yes	Yes	Yes	Yes
Agriculture	Yes	Yes	Yes	Yes	Yes	Yes
Economy	Yes	Yes	Yes	Yes	No	Yes

Energy	Yes	Yes	Yes	Yes	Yes	Yes
Environment	No	No	No	Yes	No	Yes
Transport	Yes	Yes	Yes	Yes	Yes	Yes
<b>Sector strategies completeness and inclusion of environmental issues</b>						
<b>General (average)</b>	<b>65%</b>	<b>60%</b>	<b>68%</b>	<b>73%</b>	<b>60%</b>	<b>82%</b>
National	60%	70%	70%	60%	60%	90%
Agriculture	60%	60%	60%	80%	80%	90%
Economy	70%	60%	80%	90%	40%	90%
Energy	70%	70%	80%	70%	70%	80%
Environment	40%	40%	40%	70%	40%	70%
Transport	90%	60%	80%	70%	80%	70%
<b>Existence of Laws</b>	<b>Armenia</b>	<b>Azerbaijan</b>	<b>Belarus</b>	<b>Georgia</b>	<b>Moldova</b>	<b>Ukraine</b>
Urban Planning	Yes	Yes	Yes	Yes	Yes	Yes
EIA	Yes - EE	Yes - EE	Yes	Yes - EE	Yes - EU	Yes - EE
SEA	Yes - Local	No	No	No	No	No
Green procurement	No	No	No	No	No	No
<b>Other specific indicators</b>						
Env. harmful subsidies	medium	high	medium	medium	low	high
Inter-ministerial cons.	high	low	high	medium	low	medium
Staff M of Environment	406	110	94	184	61	211
Staff MoE/population*	136.24	11.68	9.95	41.1	17.13	4.64
Staff MoE/area**	13.6	1.27	0.45	2.6	1.80	0.35
Effectiveness MoE	medium	low	high	medium	low	medium
Protected areas***	387 054 Ha	892 546 Ha	1 797 000 Ha	600 668 ha	192 954 Ha	3 650 904 Ha
UN conventions****	20	20	56	19	18	20

For what concerns the Transportation sector, a deep focus is provided in each sub-sector (different modes of transportation). The following sub-sector programmes are active: (i) State Program for Development of Railway Transport of the Republic of Belarus for 2011-2015; (ii) State program of development of transit potential of the Republic of Belarus for 2011-2015; (iii) State program for the development and maintenance of roads in the Republic of Belarus for 2015-2019; (iv) Strategy to reduce the harmful effects of transport on the air in the Republic of Belarus for the period up to 2020. In process of approval are following documents: (v) The Strategy of innovative development of the transport complex of the Republic of Belarus to 2030; (vi) The Concept Development Programme, inland waterway and maritime transport of Belarus for 2016 - 2020; (vii) The State Program for Development of Civil Aviation of the Republic of Belarus for 2015 – 2020.

On the other hand, the programme for Agriculture lacks much needed structural reforms and the strategic programming does not reflect politically stated willingness to implement large reforming actions.

Graph 1 shows the level of completeness of strategies.



**Graph 5**

The law on Urban Planning and Land Use (spatial planning) is in place. The law is comparatively implemented in large portion of cities and settlements.

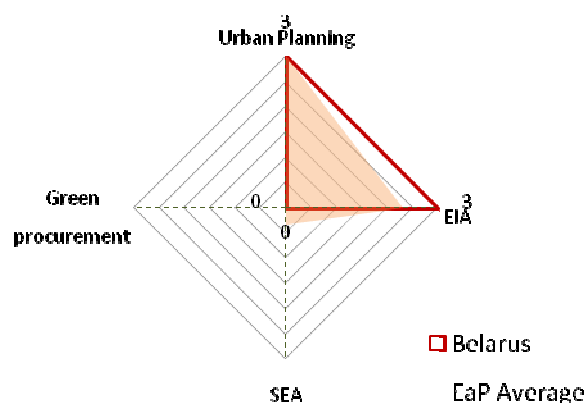
A law for EIA exists, with the procedures similar to Environmental Expertise but already including standards and procedures similar to EU, in format that is interesting as a focus for good practice study. The Law on State Ecological Expertise lists what is subject to SEE. The list includes concepts, programmes (including investment programmes), sectoral and territorial development schemes, schemes for the complex use and protection of natural resources, urban development plans, and projects for all kinds of activities that might have impact on the environment. The Law determines, inter alia, the competent authorities and their rights and responsibilities (President, Government, Ministry of Natural Resources and Environmental Protection, local authorities), the conditions and the procedure for carrying out SEE, and the rights and obligations of the initiators of the activity subject to SEE. Existing procedure is based on Belarus Law system which is different but similar to EU standards. Examples of EIA show Law application including most EU procedures.

EIA legislation don't regulate the procedure of admission of performers to conduction the EIA, on the one hand, it makes possible the development of corruption, and on the other - makes possible to do an EIA any organization whose competence cannot checked, and there is no mechanism responsible for poor quality or deliberately distorted EIA. On the issue about the relationship of our EIA and SEA its relevant "General guidance on improving consistency between the Espoo Convention and environmental assessment within the framework of the state ecological expertise in countries in Eastern Europe, Caucasus and Central Asia" - the document ECE / MP.EIA / 2014/2 can be found here:

[http://www.unece.org/fileadmin/DAM/env/documents/2014/EIA/MOP/ECE.MP.EIA.2014.2\\_r.pdf](http://www.unece.org/fileadmin/DAM/env/documents/2014/EIA/MOP/ECE.MP.EIA.2014.2_r.pdf)

A law on SEA does not exist. However, strategic level of programming is reviewed also by Ministry of Environment and Ministry of Economy within State Economic Planning procedures. A law on green procurement does not exist yet. Graph 2 shows the level of completeness of laws.





**Graph 6**

There is use of environmental harmful subsidies in agriculture within a state-owned system largely backed by public funds. Cooperation and coordination between ministries exists on a stable basis within State planning system. On the other hand, quantity of staff at the ministry of environment is currently low compared to country extension, but sufficient when compared to population for what concerns the region average. The extension of protected area is anyway large compared to the country. These areas are mostly located in the southern part of the country where, unfortunately, Chernobyl disaster has taken a high toll on environment. The effectiveness of MoE to introduce environmental concerns in the governments' agenda is high and increasing, excluding the agriculture sector and necessities of the backbone of the highly industrialized economy.

Ministry of Environment has insufficient influence on other ministries and departments. Recently on the first place of activities of the ministry more and more search and exploitation of natural resources are coming out than environmental protection. Belarus does not comply with the Aarhus Convention on the issue of public participation. The country received the assignments from the meeting of the parties Aarhus Convention, including necessity of the improvement of procedures for public participation in decision-making, but they have not been implemented yet. One of the major problems that the public is involved in the very last stage, when there is little possibility for change. In addition, decisions and documents, which are taken by other Ministries and state authorities, which has effect on the environment is very rarely discussed with the public

### 11.3.3 Good practices insights

#### A. EIA Law case deserves focus

The Belarus law on EIA includes most of the provisions of standard EIA law of EU countries, and in some issues interesting application proceeds.

#### B. Energy efficiency practices and projects at Ministry of Housing

Energy efficiency practices and projects of Ministry of Housing proved useful to implement energy-saving actions.

#### C. Progressive reduction of energy intensity

State planning coordination has been successful in reducing BTU. The case deserves focus



#### **D. Highest score in EPI among EaP countries resulting from higher level of coordination**

Again, State planning coordination may have been a key-factor to obtain a high EPI in Belarus. The case deserves focus.

#### **E. Effective Land use/physical-spatial planning coordinated at different levels**

Coordination between relevant ministries (especially Ministry of Environment and Ministry of Transport) may have been a key-factor to obtain more effective land use/physical-spatial planning in Belarus. The case deserves focus.

## 11.4 Annex 4: Georgia

Country fiche:		GEORGIA		
MAIN DATA				
Economy (*)		Environment (**)	Georgia	EaP average
Size (Km <sup>2</sup> )	69 700	CO2 emissions (***)	1.4	3.8
Population (million)	4.48	Life expectancy at birth	74	72
Income (GDP in \$ billions)	14.14	Energy intensity in BTU in 2011 (****)	20 070	31 718
Population under poverty line	14.8%	Environmental Performance Index latest (EPI) (****)	47.23	55.74
Per capita GNI in \$ (Atlas Method)	3 570	Cumulative % reduction/increase Energy intensity 2007-2011	- 5.30 %	-12.51%
SPECIFIC INDICATORS				
Indicators	Situation		Recommendations	
Existence of a Sustainable Development Strategy	YES	Social-economic Development Strategy „Georgia 2020” and a State Strategy for Regional Development – other sub sectors strategies gave been elaborated recently e.g. for climate change, forestry, biodiversity	Support the capacity building of administrative structures of Georgia both to be a motor for cross-sector environmental policies and to enforce ideas, provisions and legislation	
Completeness of sector strategies and policy documents which include environmental considerations	73%  Sectors (\$)  National 60% Agriculture 80%  Econ (RD) 90%  Energy 70% Env. 70% Transport 70%	National  Environment (including sub-sectors such as biodiversity)  Agriculture  Regional Development and Infrastructure (roads & urban)  Transport (water, air, rail)  Energy	Support, including through technical assistance and /or twinning :  • more participative approaches to the drafting of development programmes/strategies • development of more operational and project-related actions plans; • project fundraising structures and activities	
Existence of a law on physical/land use planning	YES	Law of 2005 has large scope for improvement. New Law is being drafted, but mandatory Planning is	Strengthen cooperation to improve Urban Planning regulatory framework, especially towards mandatory master planning at least	

		only at country level (Spatial). Urban planning is set not to be mandatory for municipalities in the current draft. Ownership problems (cadastre reorganization under Min of Justice) complicate matters	for large cities.
<b>Existence of a law and procedure for Strategic Environmental Assessment</b>	<b>YES</b>	No clear procedure is in place and gaps are evident. A new Law is being drafted under Regional project "EaP Green", covering both EIA and SEA. The new Law has been assessed by UNECE Experts who confirmed once more during 3rd Meeting of Eastern Partnership Panel on Environment and Climate Change that it complies with EU standards. Capacity building and mainstreaming has been somehow developed, but it is still not optimal. The regulation is planned to be submitted to the Parliament of Georgia at the beginning of 2016.	Support, including through technical assistance and /or twinning: <ul style="list-style-type: none"> <li>• the drafting of a Law on SEA</li> <li>• the launching of awareness campaign</li> <li>• Extensive training and concept-dissemination programmes</li> </ul>
<b>Existence of a law and procedure on Environmental Impact Assessment</b>	<b>YES</b>	Existing procedure is based on old system ("environment expertise"). A new Law is being drafted, covering both EIA and SEA. The new Law does not fully comply with EU standards. Notably, public administration projects would not be subjected to EIA. Capacity building and mainstreaming has been somehow developed, but still not optimal. New Law on EIA and SEA is in full compliance to Georgia-EU association agreement directive no. 2011/92/EU "on the assessment of the effects of certain public and private projects on environment". All projects listed in Annex I and Annex II of the directive are subject to EIA procedure.	Support, including through technical assistance and /or twinning: <ul style="list-style-type: none"> <li>• The review of draft Law and development of implementation mechanism.</li> <li>• New round of capacity building and public awareness raising.</li> </ul> Inclusion of higher education institutions, professional associations and other stakeholders in the development of scientific background and procedures of EIA application.
<b>Info on environmental harmful subsidies</b>		Subsidies to farmer include intermediate goods. Handling of expired chemical pesticides emerged as a problem, according with local NGOs	Provide TA to Implement specific provisions/sub programmes set-up in the new Agriculture development programme
<b>Existence of a law on green public procurement</b>	<b>NO</b>	No green procurement is in place. The administration is aware about concept of green procurement.	Providing support to: a) Draft a Law on green procurement; b) Launch awareness campaign; c) Extensive training and concept-dissemination programmes

<b>Existence of multi-agency coordination body:</b>	<b>NO</b>	Currently, agreement works through written procedure after final draft of programmes are forwarded to relevant ministries. On the other hand, cooperation between ministries develops on a stable basis with seemingly "liaison-officers" or units. Ad-hoc inter-ministerial meetings are also utilized through working groups for specific issues.	As inter-ministerial cooperation on environment cross-cutting issues is still at infancy stage, a step-by-step approach is recommended:  1) Foster liaison-officers/units for environment in each ministry  2) Fostering working groups in each relevant ministry meeting at least "on the spot"  Development of working groups in full inter-ministerial committee on environment with regular and ad hoc meetings with right timing and competence/capacity
<b>Number of staff in the Ministry of Environment</b>	<b>184.</b>	Compared to population, Georgia has a large staff in Ministry of Environment. Nevertheless, there is scope for further capacity-building, mainstreaming, closing gaps.	Provide cross-ministries capacity-building projects/programmes. Provide capacity-building projects for Ministry of Environment focusing on main chapters of AA. Provide assistance to enhance awareness mainstreaming also for other stakeholders and society as a whole.
<b>Staff in the Ministry of Environment compared to population (per 1 million habitants)</b>	<b>41.1</b>	Compared to population, Georgia has a large staff at Ministry of Environment	
<b>Staff in the Ministry of Environment compared to country size (per 1000 km2)</b>	<b>2.6</b>	Compared to territorial size, Georgia has a large staff at Ministry of Environment	
<b>Effectiveness of the competent line ministries in introducing environmental concerns to the governments' agenda, influence the laws, etc. (qualitative indicator)</b>		During last decade influence of environmental policies has been growing. Ministry of Environment has been able to draw attention on environment cross-cutting issues at least in terms of awareness, but much less in terms of real results and effectiveness in the field.	Provide cross-ministries capacity-building projects/programmes. Provide capacity-building projects for Ministry of Environment focusing on main chapters of AA. Provide assistance to enhance awareness mainstreaming also for other stakeholders and society as a whole.
<b>Number and/ or percentage of plans/programmes which underwent full SEA during last two years</b>		No SEA yet.	Providing support to: a) Draft a Law on SEA; b) Launch awareness campaign; c) Extensive training and concept-dissemination programmes
<b>Number and/ or percentage of large projects provided with full EIA during last two years</b>		Not all projects are currently provided with old system EIAs ("environment expertise"). Notably, new provisions in the new law being drafted, exclude public administrations from mandatory EIA.	Further mainstreaming is necessary on the administration and public's culture/awareness regarding EIA concepts and implementation. This would entail a robust support in terms of theoretical and practical training, also on administrative responsibilities of different actors.
<b>Number and area of protected areas similar to EU regulations (Natura 2000,</b>		14 State Nature reserves – 140 732 ha 11 Nature Reserves – 352 459.22 ha 19 National Parks – 70 392,8 ha	Strengthen cooperation to improve Natural-areas protection and management.

etc.)	41 Managed Reserves – 2 376,1 ha 2 Natural Monuments – 34 708 ha Total protected areas: 600 668,12 ha In regards to territory of Georgia: 8,62 % Planned protected areas: 309 298,87 ha In regards to territory of Georgia: 4,44 % Total: 13,06 %	
Number of UN conventions signed	Georgia is currently a party to 16 multilateral environmental agreements and 3 protocols.	

## GOOD PRACTICES list

Regional Development programming

Biodiversity strategy

Capacity-building and staff at Ministry of Environment reached higher levels in number and quality

Physical Planning Law draft interesting mandatory provision for Spatial planning at national level

Draft Strategy for Agriculture clear objectives/actions/measures

(\*) Latest published World Bank data (except size) (\*\*) Various sources (\*\*\*) Metric tons per capita, World Bank data (\*\*\*\*) Energy Intensity - Total Primary Energy Consumption per Dollar of GDP (Btu per Year 2005 U.S. Dollars (Market Exchange Rates) 2011 data published by EIA (US agency) at <http://www.eia.gov/cfapps/ipdbproject/iedindex3.cfm?tid=92&pid=46&aid=2> (\*\*\*\*\*) Max 100. Source EPI (Yale U.): <http://epi.yale.edu/epi/data-explorer> (\$) Value 100% = Complete, highest quality. Value 50% = Existing. Value 0 = Non-existent. Values 50% to 100% = quality value assigned by experts to existing programming documents.

### 11.4.1 Analysis of main data on economy and environment

Georgia is the third smallest country among the six EaP countries in both territorial and population size. It is also a **low-income country, showing a low GNI per capita even among EaP countries**, and one of the lowest in geographical Europe.

A **substantial part of Georgian population lives under poverty line** (14.8% lower only to Armenia, among EaP countries) with much higher rates in rural areas. The population living under poverty line increased considerably in the aftermath of 2008 Georgian war due to a vast movement of refugees, not yet absorbed in the socio-economic life.

MAIN DATA	Armenia	Azerbaijan	Belarus	Georgia	Moldova	Ukraine	EaP Average
Size (Km <sup>2</sup> )	29 800	86 600	207 595	69 700	33 846	603 500	171 840
Population (million)	2.98	9.42	9.47	4.48	3.56	45.49 <sup>(1)</sup>	12.57
Income (GDP in \$ billions)	10.4	73.5	71.7	14.1	8.0	177.4 <sup>(1)</sup>	59.2

Population under poverty line	32.0%	5.3%	5.5%	14.8%	12.7 %	9.1 % <sup>(2)</sup>	<b>13.23%</b>
Per capita GNI in \$	3 800	7 350	6 730	3 570	2 470	3 960 <sup>(1)</sup>	<b>4 647</b>
CO2 emissions (***)	1.7	5.1	6.6	1.4	1.4	6.6 <sup>(2)</sup>	<b>3.8</b>
Life expectancy at birth (*)	75	71	72	74	69	71	<b>72</b>
Energy intensity in BTU (****)	35 954	19 376	26 706	20 070	31 701	56 503 <sup>(2)</sup>	<b>31 718</b>
Env. Performance Index (*****)	61.67	47.33	67.69	47.33	53.36	49.01 <sup>(1)</sup>	<b>54.40</b>
Cumulative % reduction/increase Energy intensity 2007-2011	+3.66 %	- 27.6 %	- 16.65 %	- 5.30 %	- 22.36 %	- 6.83%	<b>-12.51%</b>

Current policies tend to focus on solving pressing economic and financial difficulties and using the limited available resources to increase the county's competitiveness.

Performances of general environmental indexes are mixed, with **low CO2 emissions at 1.4 per capita, (lowest among EaP regional average)**. This is thanks also to the economic structure of Georgia, having a much lower industrial-base than other EaP countries.

**Life expectancy** at birth, which is a proxy also for environment-related health conditions of population, is **74 years**. That is one of the best in the region only slightly lower than Armenia (75) and above EaP countries average (72 years).

**Energy intensity, at 20 070 Btu**, is substantially better than EaP average (**31 718 Btu**). In the five years from 2007 to 2011 Georgia **has improved its energy-efficiency performance reducing energy intensity by 5.30% in total. The improvement is less impressive when** compared to average EaP reduction of 12.51% in the same period.

**The Environment Performance Index (EPI)** of Georgia, at **47.33** is sensibly lower than region's average of 54.40, and the worst among EaP countries, together with that of Azerbaijan. The EPI takes into account also policies and regulations regarding environment governance. It might sensibly increase in the near future thanks to the policies being implemented in compliance with AA-related directives and legislation.

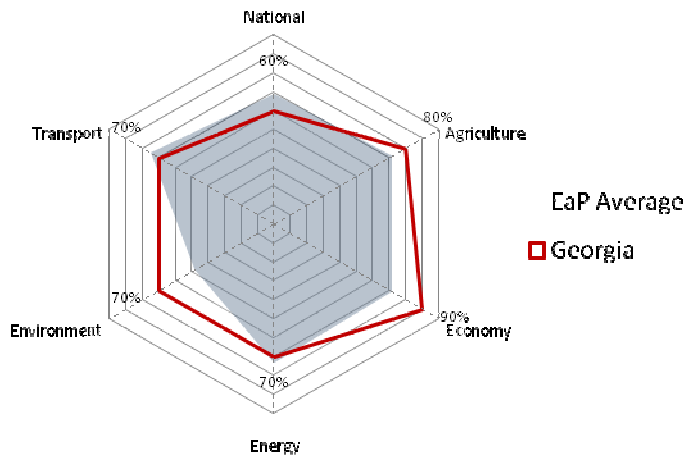
#### 11.4.2 Analysis on specific indicators

The following table summarizes specific indicators about environmental integration in other sectors for Georgia and compared to all other EaP countries.

Indicators	Armenia	Azerbaijan	Belarus	Georgia	Moldova	Ukraine
<b>Existence of Strategies and/or Programmes</b>						
National	Yes	Yes	Yes	Yes	Yes	Yes
Agriculture	Yes	Yes	Yes	Yes	Yes	Yes

Economy	Yes	Yes	Yes	Yes	No	Yes
Energy	Yes	Yes	Yes	Yes	Yes	Yes
Environment	No	No	No	Yes	No	Yes
Transport	Yes	Yes	Yes	Yes	Yes	Yes
<b>Sector strategies completeness and inclusion of environmental issues</b>						
<b>General (average)</b>	<b>65%</b>	<b>60%</b>	<b>68%</b>	<b>73%</b>	<b>60%</b>	<b>82%</b>
National	60%	70%	70%	60%	60%	90%
Agriculture	60%	60%	60%	80%	80%	90%
Economy	70%	60%	80%	90%	40%	90%
Energy	70%	70%	80%	70%	70%	80%
Environment	40%	40%	40%	70%	30%	70%
Transport	90%	60%	80%	70%	80%	70%
<b>Existence of Laws</b>	<b>Armenia</b>	<b>Azerbaijan</b>	<b>Belarus</b>	<b>Georgia</b>	<b>Moldova</b>	<b>Ukraine</b>
Urban Planning	Yes	Yes	Yes	Yes	Yes	Yes
EIA	Yes - EE	Yes - EE	Yes	Yes - EE	Yes - EU	Yes - EE
SEA	Yes - Local	No	No	No	No	No
Green procurement	No	No	No	No	No	No
<b>Other specific indicators</b>						
Env. harmful subsidies	medium	high	medium	medium	low	high
Inter-ministerial cons.	high	low	high	medium	low	medium
Staff M of Environment	406	110	94	184	61	211
Staff MoE/population*	136.24	11.68	9.95	41.1	17.13	4.64
Staff MoE/area**	13.6	1.27	0.45	2.6	1.80	0.35
Effectiveness MoE	medium	low	high	medium	low	medium
Protected areas***	387 054 Ha	892 546 Ha	1 797 000 Ha	600 668 ha	192 954 Ha	3 650 904 Ha
UN conventions****	20	20	56	19	18	20

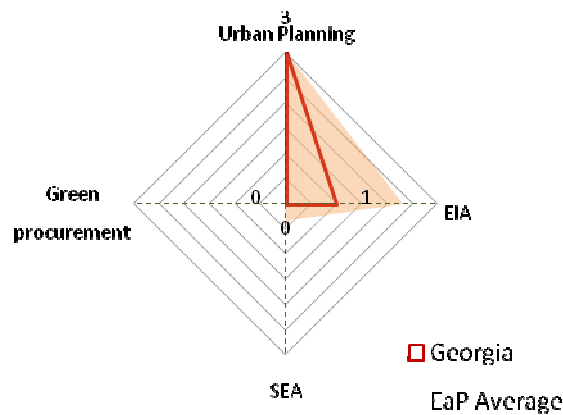
Georgia has development strategies in place for all reviewed sectors. For what concerns environmental sustainability, the completeness of strategic and programming documents has been evaluated at 73%, In particular, Georgia has an operational Regional Development Programme which includes large parts of key-transportation projects, and is currently attracting international investments. The programme in Agriculture is also of good quality, although not yet budgeted and detailed in specific projects-sub programmes. Graph 1 shows the level of completeness of strategies.



Graph 7

The law on Urban Planning and Land Use (spatial planning) is in place. However, the law is implemented only in a small portion of cities and settlements. A new Law is being drafted, but Planning is mandatory only at country level (Spatial), which is anyway a good achievement deserving good-practice focus. On the other hand, urban planning is not mandatory for municipalities in the current draft. Ownership problems (cadastre reorganization under Ministry of Justice) complicate land-use implementation.

A law for EIA exists, but only with the procedures similar to the soviet-times Environmental Expertise, not yet complying with EU standards and procedures. A law on SEA does not exist yet. New EIA and SEA laws based on EU models are being drafted. A law on green procurement does not exist either. Graph 2 shows the level of completeness of laws.



Graph 8



There is use of environmental harmful subsidies in agriculture. Handling of expired chemical pesticides emerged as a problem, according with local NGOs. Cooperation between ministries is unsatisfactory, although it develops on a stable basis with seemingly “liaison-officers” or units. Ad-hoc inter-ministerial meetings are also utilized through working groups for specific issues. On the other hand, quantity of staff at the ministry of environment is currently satisfactory, compared to other EaP countries and in relation to country population and size. The extension of protected area is anyway large compared to the country. The effectiveness of MoE to introduce environmental concerns in the governments’ agenda is increasing, but not yet satisfactory.

### **11.4.3 Good practices insights**

#### **A. Regional Development programming is very developed, especially for road and municipality infrastructures**

Georgia managed to create an effective regional development policy for national, regional and local infrastructure development. A full administrative unit is in place to attract investments from international donors implemented via specific regional development programmes on infrastructure.

#### **B. Biodiversity strategy**

Although not yet budgeted, the Ministry of environment produced an extensive biodiversity-protection programme, fixing key-goals and a large number of biodiversity-enhancing practices.

#### **C. Capacity-building and staff at Ministry of Environment reached higher levels in number and quality**

Compared to population, Georgia has a large staff in Ministry of Environment. Although, there is scope for further capacity-building, mainstreaming and closing gaps, the process is well underway and deserves focus as a good practice.

#### **D. Physical Planning Law draft has interesting mandatory provision for Spatial planning at national level**

A new Law being drafted set mandatory Spatial Planning at country level with new management concepts. This is a major improvement for in nature protection policy. The case deserves focus.

#### **E. Draft Strategy for Agriculture is very developed for what concerns clear objectives, actions and/or measures**

The Strategy for Agriculture Development 2015 – 2020 of Georgia provides an ambitious and far-reaching set of policies for much needed agricultural development. Although not yet budgeted and funded, it states fundamental principles for policy directions. It foresees also the production of a rural development programme (Measure 4.1) and a number of sub-sector development programmes (Measure 4.2).

## 11.5 Annex 5: Moldova

Country fiche:		<b>MOLDOVA</b>		
<b>MAIN DATA</b>				
<b>Economy (*)</b>		<b>Environment (**)</b>	<b>Moldova</b>	<b>EaP average</b>
Size (Km <sup>2</sup> )	33 846	CO2 emissions (***)	1.4	3.8
Population (million)	3.56	Life expectancy at birth	69	72
Income (GDP in \$ billions)	7.97	Energy intensity in BTU (****)	31 701	31 718
Population under poverty line	12.7 %	Environmental Performance Index latest (EPI) (*****)	53.36	55.74
Per capita GNI in \$ (Atlas Method)	2 470	Cumulative % reduction/increase Energy intensity 2007-2011	- 22.36 %	-12.51%
<b>SPECIFIC INDICATORS</b>				
<b>Indicators</b>	<b>Situation</b>		<b>Recommendations</b>	
<b>Existence of a Sustainable Development Strategy</b>	<b>YES</b>	National strategy "Moldova 2020". The specific aim of "Moldova 2020" strategy is to provide a number of actions, mostly targeting the creation/enhancement of a friendly business environment to increase growth-trends at macroeconomic level.	Support, including through TA or twinning : <ul style="list-style-type: none"><li>• The introduction of more emphasis on sustainability concepts and interlinking effects of development actions into strategic thinking and planning.</li><li>• Production of a sustainable economic development sector operational programme</li></ul>	
<b>Completeness of sector strategies and policy documents which include environmental considerations</b>	<b>60%</b>  <b>Sectors (\$):</b>  National 60% Agriculture 80% Economy 40% Energy 70% Env. 30% Transport 80%	All contacted ministries have a development strategy, specifically: Environment, Agriculture, Energy, and Transport. Specific economic development policy or regional development programme does not exist and policies are included in the national strategy, which targets more macroeconomic financial stability than sustainable development. Some strategies and programmes are still at "concepts" levels, with little practical and well defined actions	As above.	
<b>Existence of a law on</b>	<b>YES</b>	The Land use and Urban Planning	Support, including through TA or	

physical/land use planning		Laws provide all necessary details to implement an environmental-friendly control on the use of land. Despite profound transformation and a long transition, Moldovan administration is trying to resume best practices on the implementation also in a privatized economic environment. Lack of resources limits its implementation.	twinning the implementation of Urban Planning and Land Use laws at least in key-areas.
Existence of a law and procedure for Strategic Environmental Assessment	NO	Few administrative staff has some knowledge of SEA. A new draft law on SEA has been prepared and is currently in the legal review process; public consultations on the draft were held in July 2014.	Support, including through technical assistance and /or twinning: <ul style="list-style-type: none"> <li>• The drafting of a Law on SEA</li> <li>• Public awareness campaign</li> <li>• The drafting of clear guidelines for SEA implementation and details</li> <li>• Extensive practical training and concept-dissemination programmes</li> </ul>
Existence of a law and procedure on Environmental Impact Assessment	YES	Law in force since Jan 2015. Administration staff starts to know the procedure.	As above - with regard to EIA
Info on environmental harmful subsidies		In Agriculture sector subsidies are in place only for investment purposes in various types of equipment. No subsidies for means of production/intermediate goods such as pesticides.	Support, including through technical assistance and /or twinning the implementation of agriculture and rural development programme
Existence of a law on green public procurement	NO		Support, including through technical assistance and /or twinning: <ul style="list-style-type: none"> <li>• The draft of a green procurement Law;</li> <li>• Public awareness campaign</li> </ul>
Existence of a multi-agency coordination body:	NO	Currently, cooperation among ministries is ensured only with written procedure after final drafts of programmes are forwarded to relevant ministries.	Support the gradual development by the Ministry in partnership with the relevant public authorities of an effective <b>system of integrated environmental monitoring and information management</b> at the national level, by applying the Shared Environmental Information System principles.  Encourage securing of the funding from national resources and the establishment of an effective coordination mechanism.
Number of staff in the Ministry of Environment	61	Ministry of Environment has an appreciable capacity compared to other ministries in terms of personnel quantity.	Support, including through technical assistance and /or twinning the medium-long term capacity /building of the ministries involved in environment and especially the MoEnv.
Staff in the Ministry of Environment compared to population (per 1 million habitants)	17.13	Ministry of Environment has appreciable personnel quantity per population compared EaP countries average.	

<b>Staff in the Ministry of Environment compared to country size (per 1000 km2)</b>	<b>1.80</b>	Ministry of Environment has appreciable personnel quantity compared to country size and EaP countries average.	
<b>Effectiveness of the competent line ministries in introducing environmental concerns to the governments' agenda, influence the laws, etc. (qualitative indicator)</b>	Limited influence on political agenda. However, in the run-up to up-coming local elections (June 2015) progress toward consideration on environment chapters included in AA has been noticed in Moldovan-news. This is especially related the possibility of enhancing export to EU of agricultural and food products.		Support the design and implementation of an awareness campaign addressed to the public and to the politicians.
<b>Number and/ or percentage of plans/programmes which underwent full SEA during last two years</b>	No SEA yet.		Support, including through technical assistance and /or twinning: <ul style="list-style-type: none"> <li>• The drafting of a Law on SEA</li> <li>• Extensive training and concept-dissemination programmes</li> </ul>
<b>Number and/ or percentage of large projects provided with full EIA during last two years</b>	All projects are currently provided with old style (soviet times like) EIAs. Some provisions start to be in place, in the view of implementing the new law, for instance the regulation on road construction (manual) embodies elements of EIA proceeds.		Support: <ul style="list-style-type: none"> <li>• The mainstreaming and awareness campaign regarding SEA concepts and implementation</li> <li>• Theoretical and practical training, also on roles of different actors.</li> </ul>
<b>Number and area of protected areas similar to EU regulations (Natura 2000, etc.)</b>	The list of National ecological network of protected lands currently includes 12 categories, of which the most essential are: 5 scientific reservations, 63 natural reservations, and 41 landscape reservations. Protected areas cover 192 954.2 ha or 5.7 % of the total MD territory.		Provide TA to the Ministry of Environment, in cooperation with the Agency "Moldsilva", to accelerate the preparation of the new law on protected areas in order to, in particular: <ul style="list-style-type: none"> <li>• Harmonize national protected area categories with those of the International Union for the Conservation of Nature (IUCN);</li> <li>• Harmonize the management structure of protected areas in line with national conservation priorities and international standards;</li> <li>• Prioritize actions in regard to the extension of the protected areas network and ensure efficient and sustainable management of natural ecosystems.</li> </ul>
<b>Number of UN conventions signed</b>	Moldova is a party to 18 major environmental conventions		

## GOOD PRACTICES list

Adopted new EIA Law

Focus on organic farming in the Agriculture and rural sector strategy

## Up-grade of urban buses fleet being launched

## City by-pass roads being tendered/executed

(\*) World Bank data except for size (\*\*) Various sources (\*\*\*) metric tons per capita, World Bank data (\*\*\*\*) Energy Intensity - Total Primary Energy Consumption per Dollar of GDP (Btu per Year 2005 U.S. Dollars (Market Exchange Rates) 2011 data published by EIA (US agency) at <http://www.eia.gov/cfapps/ipdbproject/iedindex3.cfm?tid=92&pid=46&aid=2> (\*\*\*\*\* Max 100. Source EPI (Yale U.): <http://epi.yale.edu/epi/data-explorer>

### 11.5.1 Analysis of main data on economy and environment

Moldova is a small country, comparable in size and population to large Nut III regions or small countries of EU. It is also a **low-income country, showing the lowest GNI per capita among EaP countries**, and one of the lowest in geographical Europe. A **substantial part of its population lives under poverty line (12.7%)** with much higher rates in rural areas and, generally, outside the capital Chisinau. Therefore, current policies tend to focus on solving pressing economic difficulties and using the limited available resources to foster economic development rather than tackling environmental problems.

Nevertheless, the country performs well in some of general environmental indexes. **CO2 emissions** are well below the EaP regional average, at only **1.4 metric tons per capita** whereas the average of EaP countries together reaches 3.8 metric tons per capita. This is thanks to the economic structure of Moldova, still largely devoted to agriculture rather than industry, and the limited presence of CO2 emitting vehicles.

MAIN DATA	Armenia	Azerbaijan	Belarus	Georgia	Moldova	Ukraine	EaP Average
Size (Km <sup>2</sup> )	29 800	86 600	207 595	69 700	33 846	603 500	171 840
Population (million)	2.98	9.42	9.47	4.48	3.56	45.49 <sup>(1)</sup>	12.57
Income (GDP in \$ billions)	10.4	73.5	71.7	14.1	8.0	177.4 <sup>(1)</sup>	59.2
Population under poverty line	32.0%	5.3%	5.5%	14.8%	12.7 %	9.1 % <sup>(2)</sup>	13.23%
Per capita GNI in \$	3 800	7 350	6 730	3 570	2 470	3 960 <sup>(1)</sup>	4 647
CO2 emissions (***)	1.7	5.1	6.6	1.4	1.4	6.6 <sup>(2)</sup>	3.8
Life expectancy at birth (*)	75	71	72	74	69	71	72
Energy intensity in BTU (****)	35 954	19 376	26 706	20 070	31 701	56 503 <sup>(2)</sup>	31 718
Env. Performance Index (*****)	61.67	47.33	67.69	47.33	53.36	49.01 <sup>(1)</sup>	54.40
Cumulative % reduction/increase Energy intensity 2007-2011	+3.66 %	- 27.6 %	- 16.65 %	- 5.30 %	- 22.36 %	- 6.83%	-12.51%

**Life expectancy** at birth, which is a proxy also for environment-related health conditions of population, is 69, a bit worse than EaP country average (72). **Energy intensity** is slightly better than EaP average (**31 701 Btu in Moldova, compared to 31 718 as EaP countries average**). But in the five year from 2007 to 2011 Moldova has largely improved its energy-efficiency performance reducing energy intensity by a hefty 22.36%

compared to average EaP reduction of 12.51%. **Moldova managed to reduce energy intensity more than any other of six EaP countries did** from 2007 to 2011.

**The Environment Performance Index (EPI)** of Moldova, at **53.36** is a glimpse lower than region's average of 54.40. The EPI takes into account also policies and regulations regarding environment governance.

### 11.5.2 Analysis on specific indicators

The following table summarizes specific indicators about environmental integration in other sectors for Moldova and compared to all other EaP countries.

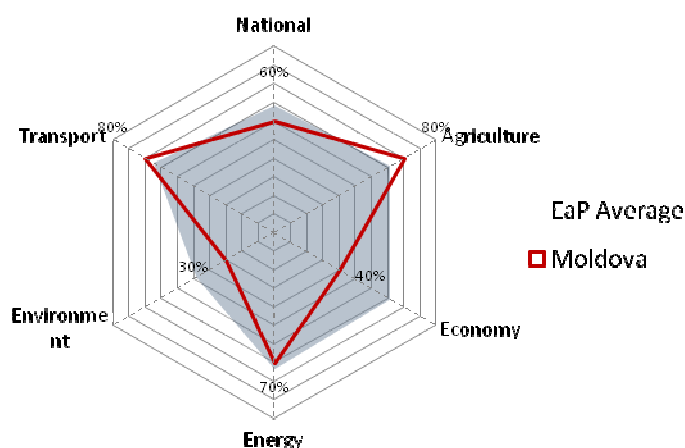
Indicators	Armenia	Azerbaijan	Belarus	Georgia	Moldova	Ukraine
<b>Existence of Strategies and/or Programmes</b>						
National	Yes	Yes	Yes	Yes	Yes	Yes
Agriculture	Yes	Yes	Yes	Yes	Yes	Yes
Economy	Yes	Yes	Yes	Yes	No	Yes
Energy	Yes	Yes	Yes	Yes	Yes	Yes
Environment	No	No	No	Yes	No	Yes
Transport	Yes	Yes	Yes	Yes	Yes	Yes
<b>Sector strategies completeness and inclusion of environmental issues</b>						
<b>General (average)</b>	<b>65%</b>	<b>60%</b>	<b>68%</b>	<b>73%</b>	<b>60%</b>	<b>82%</b>
National	60%	70%	70%	60%	60%	90%
Agriculture	60%	60%	60%	80%	80%	90%
Economy	70%	60%	80%	90%	40%	90%
Energy	70%	70%	80%	70%	70%	80%
Environment	40%	40%	40%	70%	30%	70%
Transport	90%	60%	80%	70%	80%	70%
<b>Existence of Laws</b>	<b>Armenia</b>	<b>Azerbaijan</b>	<b>Belarus</b>	<b>Georgia</b>	<b>Moldova</b>	<b>Ukraine</b>
Urban Planning	Yes	Yes	Yes	Yes	Yes	Yes
EIA	Yes - EE	Yes - EE	Yes	Yes - EE	Yes - EU	Yes - EE

SEA	Yes - Local	No	No	No	No	No
Green procurement	No	No	No	No	No	No
<b>Other specific indicators</b>						
Env. harmful subsidies	medium	high	medium	medium	low	high
Inter-ministerial cons.	high	low	high	medium	low	medium
Staff M of Environment	406	110	94	184	61	211
Staff MoE/population*	136.24	11.68	9.95	41.1	17.13	4.64
Staff MoE/area**	13.6	1.27	0.45	2.6	1.80	0.35
Effectiveness MoE	medium	low	high	medium	low	medium
Protected areas***	387 054 Ha	892 546 Ha	1 797 000 Ha	600 668 ha	192 954 Ha	3 650 904 Ha
UN conventions****	20	20	56	19	18	20

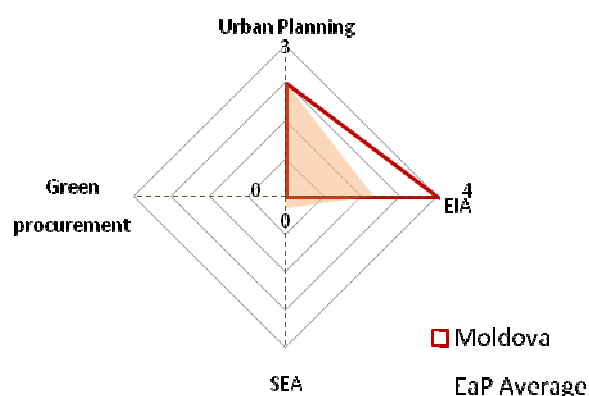
Moldova has the development strategies in place for almost all reviewed sectors. However, the national development strategy targets more macroeconomic-financial stability and the creation/enhancement of a friendly business environment to increase growth-trends at macroeconomic level than sustainable development. Thus, the completeness of strategic and programming documents in relation to sustainable development and integration of environmental policies into other sectors is only 67%, lowest among EaP countries. However, the programme in Agriculture and Transport are of good quality, although requiring additional funds and TA for implementation, and the core-programme in Environment sector and in Energy are promising. Graph 1 shows the level of completeness of strategies.

As other former USSR countries, Moldova has a strong tradition of physical and land-use planning. The Land use Law provides at least theoretically, all necessary details to implement an environmental-friendly control on the use of. Despite profound transformation and a long transition, Moldovan administration is trying to resume best practices on the implementation also in a privatized economic environment. Lack of resources to maintain and develop physical infrastructure and controlling construction activities, has produced a reduced quality of urban and rural infrastructure and land use, especially for what concerns public spaces and urban and rural roads.

Moldova is the only EaP country able to draft and prove an EIA Law, which is in force since Jan 2015. However, lack of implementation guidelines, administrative capacity and background is likely to limit its good implementation in the near future. Administration staff just started to know the procedure. A law on SEA does not exist yet as well as a law on green procurement. On both cases new laws on EU models are being drafted. Graph 2 shows the level of completeness of laws.



**Graph 9**



**Graph 10**

According to official statistics and some external studies (including from EU Food safety agency) show that there is little use of environmental harmful subsidies in agriculture. Handling of expired chemical pesticides could still emerge as a problem. Cooperation between ministries is unsatisfactory among ministries. It is ensured only with written procedure after final drafts of programmes are forwarded to relevant ministries.

Quantity of staff at the ministry of environment is currently at average level compared to other EaP countries and in relation to country population and size. However, compared to the new challenges posed by AA it is insufficient due to lack of financial means. The extension of protected area is anyway large compared to the country. The effectiveness of MoE to introduce environmental concerns in the governments' agenda is increasing, but yet unsatisfactory and needing a fast and effective re-launching in the political agenda.

### 11.5.3 Good practices insights

#### A. Adopted new EIA Law

Indeed, the approval of EIA law satisfying EU standards is a good and even best practice. Moldova is the first among EaP countries to draft and implement such a Law.

#### B. Focus on organic farming in the Agriculture and rural sector strategy



Programme on agriculture development pays attention to organic farming, which might have highest share of produce among EaP countries.

**C. Up-grade of urban buses fleet being launched**

Urban buses upgrade is being implemented in Chisinau and other Moldovan cities. The practice will make urban air cleaner.

**D. City by-pass roads being tendered/executed**

City by-pass roads are being tendered/executed in Chisinau and other Moldovan cities. The practice will make urban traffic less jammed and urban air cleaner.

## 11.6 Annex 6: Ukraine

Country fiche:		UKRAINE		
MAIN DATA				
Economy (*)		Environment (**)	Ukraine	EaP average
Size (Km <sup>2</sup> )	603 500	CO2 emissions (***)	6.6 <sup>(2)</sup>	3.8
Population (million)	45.49 <sup>(1)</sup>	Life expectancy at birth (*)	71 <sup>(1)</sup>	72
Income (GDP in \$ billions)	177.4 <sup>(1)</sup>	Energy intensity in BTU (****)	56 503 <sup>(2)</sup>	31 718
Population under poverty line	9.1 % <sup>(2)</sup>	Environmental Performance Index latest (EPI) (*****)	49.01 <sup>(1)</sup>	55.74
Per capita GNI in \$ (Atlas Method)	3 960 <sup>(1)</sup>	Cumulative % reduction/increase Energy intensity 2007-2011	- 6.83%	-12.51%
SPECIFIC INDICATORS				
Indicators	Situation		Recommendations	
Existence of a Sustainable Development Strategy	YES	New strategy approved by the Decree of the President # 5/2015 on “Approval of Strategy of Sustainable Development 2020”	Increase financial and technical assistance to reverse the current economic contraction and launch a new phase of sustainable economic development	
Completeness of sector strategies and policy documents which include environmental considerations	82%	<b>Existing Strategies, Programmes and action plans:</b>	Provide extensive and high quality TA to implement the ambitious Ukraine 2020 strategy and, specifically, to design and implement all programmes and reforms concerning environmental policies (directly and indirectly).	
	Sectors (\$)	<b>Agriculture</b>		
	National 90%	<b>Environment</b>		
	Agriculture 90%	Strategy of Ukraine's State Env. Policy until 2020;		
	Economy 90%	National Targeted Program for Water Management Development and the Environmental Rehabilitation of the Dnipro River Basin for the period till 2021.Mostly narrative documents without a real action plan and budget	TA focusing on upgrading the administrative structures of Ukraine in size (especially at Ministry of Environment) and capacity for the implementation of policies related to environmental governance and sustainable development.	
	Energy 80%			
	Env. 70%			
Transport 70%				
Existence of a law on	YES	Urban Planning Code approved in	Support, via TA and financial means, the application of the new	

physical/land use planning		<p>January 2011. The Code establishes five levels of planning: 1) National, 2) Regional, 3) District (sub-regional), 4) Urban (cities and rural areas) at general level, 5) Cities or rural districts with detailed zoning plan.</p> <p>Land Code of Ukraine (article 96 - environment).</p>	<p>Urban Planning Code, and specifically: a) Create and sustain a fund for Municipalities, to implement also urban planning activities. b) Provide TA (also via twinning) to adopt best practices regarding urban planning and zoning law-enforcement, c) Support public awareness campaign and actions of Ukrainian administration designed to enhance a robust civil society for monitoring possible abuses.</p>
Existence of a law and procedure for Strategic Environmental Assessment	<b>NO</b>	No procedure in place. Draft Law is still in approval phase Few administrative staff are in comprehensive knowledge about SEA	Provide: a) Support to draft a Law on EIA; b) Drafting guidelines to apply the new Law, c) Extensive training on guidelines, examples, implementation
Existence of a law and procedure on Environmental Impact Assessment	<b>NO</b>	Draft Law is still in approval phase. Currently, old EIA exists (DBN A.2.2-3-2012 "Composition and Content of Design Documentation"), but it does not fully correspond to the EU-EIA directive requirements. New EIA draft law is being developed.	Provide: a) Support to draft a Law on SEA; b) Drafting guidelines to apply the new Law, c) Extensive training on guidelines, examples, implementation
Info on environmental harmful subsidies	<b>USD 9 billion</b> <b>(6% of GDP)</b>	Around USD 9 billion (about 6% of its GDP)	Support relevant chapters of new Strategy for Agriculture and Rural Development 2015 – 2020. Launch ad-hoc studies in this field to know the extent of environment-harmful subsidies.
Existence of a law on green public procurement	<b>NO</b>	The development of the amendments to the Law of Ukraine "On State Procurement" regarding green public procurement was included as action No. 183. In National Environmental Action Plan for 2011-2015. But it has not been implemented.	Support to the amendments to the Law "On State Procurement" regarding green public procurement was included as action No. 183 in the National Environmental Action Plan for 2011-2015
Existence of multi-agency coordination body:	<b>YES</b>	<p>Formal inter-ministerial/inter sectoral/multi-stakeholder consultation body/ies and mechanisms, existing with regular meetings.</p> <p>It is mandatory for the draft laws and strategies to undergo consultation process among all relevant ministries. However, approval by the Ministry of Ecology and Natural Resources (MENR) is not necessary for the sectoral targeted programmes to be adopted.</p>	Provide TA and financial support to enhance Inter-ministerial cooperation for environmental integration in other sectors with more emphasis in pre-planning consulting activities and decision-making.

		Short-term and ad hoc working groups and task forces have been created to address issues such as energy efficiency, climate change, environmental audits, cleaner production and environmental monitoring.	
Number of staff in the Ministry of Environment	<b>211</b>	Insufficient staff quantity at central administration level considering the multiple and challenging tasks to cope with.	Support to increase and train new staff (at least 200) at the Ministry of Environment- Provide TA to re-organize the Ministry to cope with challenging tasks ahead.
Staff in the Ministry of Environment compared to population (per 1 million habitants)	<b>4.64</b>	Insufficient staff quantity at central administration level considering the population size of the country.	
Staff in the Ministry of Environment compared to country size (per 1000 km2)	<b>0.35</b>	Insufficient staff quantity at central administration level considering the territorial size of the country.	
Effectiveness of the competent line ministries in introducing environmental concerns to the governments' agenda, influence the laws, etc. (qualitative indicator)	Influence of Ministry of Ecology and Nature Protection remains low and depends on political decisions at higher level. However, the environment agenda has gained growing social and political attention over the last years. Despite some positive changes, the process of improvement of the system of the state environmental governance did not fully meet the strategic objectives and guidelines of the National environmental policy. Still mechanisms of multilateral, inter-sectoral cooperation, raising public environmental awareness, integration of the National environmental policy and sectoral policies, greening production, and implementation social-economic strategy are not developed.		Provide support for cross-sector awareness campaign. Provide support to environment-governance capacity building to the Ministry of Environment and other line ministries.
Number and/ or percentage of plans/programmes which underwent full SEA during last two years	All projects are currently provided with old style EIAs (ecological expertise) modified with (DBN A.2.2-3-2012 "Composition and Content of Design Documentation")		Administration needs: a) Support to draft a Law on SEA; b) Extensive training and concept-dissemination programmes
Number and/ or percentage of large projects provided with full EIA during last two years	All projects are currently provided with old style EIAs (ecological expertise) modified with (DBN A.2.2-3-2012 "Composition and Content of Design Documentation")		Administration needs: a) Support to draft a Law on EIA; b) Extensive training and concept-dissemination programmes
Number and area of protected areas similar to EU regulations (Natura 2000, etc.)	Number in 2013 – 8028, total area 3.650.903,7 Ha (6,05% of the total UA territory)		Provide support for cross-sector awareness campaign. Provide support to environment-governance capacity building to the Ministry of Environment for more efficient management of protected areas.

Number of UN conventions signed	Ukraine is a party to 20 major environmental conventions and a signatory to two more. It has acceded to nine and signed six protocols to environmental conventions. Compliance with and enforcement of international agreements are weak, mainly due to the lack of financial means clearly dedicated to implementing their provisions.	Provide support for cross-sector awareness campaign. Provide support to environment-governance capacity building to the Ministry of Environment for more efficient management of protected areas.
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## GOOD PRACTICES list

Up-date of motor vehicles fleet efficiency via application of EU emission standards

Support to electric cars

Participative process to draft the new Strategy for Agriculture and Rural Development

(1) Data referred to pre-war situation and probably to be revised downward. For what concerns population, refugees sources report around 1.4 million refugees, part of it going outside Ukraine borders (2) Data referred to pre-war situation and probably to be revised upward (\*) World Bank data, except for size (\*\*) Various sources (\*\*\*) metric tons per capita, World Bank data (\*\*\*\*) Energy Intensity - Total Primary Energy Consumption per Dollar of GDP (Btu per Year 2005 U.S. Dollars (Market Exchange Rates) 2011 data published by EIA (US agency) at <http://www.eia.gov/cfapps/ipdbproject/iedindex3.cfm?tid=92&pid=46&aid=2> (\*\*\*\*) Max 100. Source EPI (Yale U.): <http://epi.yale.edu/epi/data-explorer> (3) <http://www.oecd.org/env/outreach/eapgreen-ehs.htm> (\$) Value 100% = Complete, highest quality. Value 50% = Existing. Value 0 = Non-existent. Values 50% to 100% = quality value assigned by experts to existing programming documents.

### 11.6.1 Analysis of main data on economy and environment

Ukraine is by far the largest country among EaP, and one of the largest in territorial and population size when compared to EU countries. It is also a **low-income country, showing a low GNI per capita even among EaP countries**, and one of the lowest in geographical Europe. **All data here are those of pre-war situation and probably to be revised, due to a fast changing economic and social landscape.** Even population, estimated at more than 45 million before the war in Donbas, has been modified by large refugees flows (reports estimate around 0.8 million refugees, part of it going outside Ukraine borders). **National income and GNI per capita are currently much lower than pre-war estimate**, given the sharp contraction of Ukrainian economy experienced in 2014 (-6.8%) and 2015 (estimate -7.5%). At current exchange rates, dramatically worsened in current economic and financial crisis stemming mainly from war-events, the nominal national income could be around half of pre-war estimates, although higher when calculated in PPP. The GNI per capita, which was almost 4000 US\$ before 2014, is probably lower, placing Ukraine as the lowest per-capita income among EaP countries, bar Moldova.

**A substantial part of Ukrainian population lives under poverty line (9.1% pre-war)** with much higher rates in rural areas and, generally, outside the capital Kiev. Considering the **vast inflow of refugees**, and the **deterioration of disposable income due to sharp economic contraction** since 2014, current **population living under poverty line is likely to be higher.**

Therefore, current policies tend to focus on solving pressing economic and financial difficulties and using the limited available resources to stabilize as soon as possible the macroeconomic outlook and foster economic development rather than tackling only environmental problems. To this end, external help and political platforms of post-Maidan government targeted a vast, deep, and probably beneficial socio-economic restructuring, which would affect environment governance too, at least indirectly.

Currently, the country performs badly in all general environmental indexes. **CO2 emissions** are well above the EaP regional average, at **6.6 metric tons per capita** whereas the average of EaP countries together reaches 3.8 metric tons per capita. Yet, CO2 emissions are lower than in Belarus and Azerbaijan. This is mainly due to the economic structure of Ukraine, still dominated by out-dated industrial infrastructure.

**Life expectancy** at birth, which is a proxy also for environment-related health conditions of population, is 71 years, only slightly worse than EaP country average (72 years). Considering recent high rate of mortality in war zones (directly and indirectly provoked by war events), also this indicator ought to be revised downward.

**Energy intensity** is substantially worse than EaP average (**56 503 Btu in Ukraine, compared to 31 718 as EaP countries average**). However, in the five year from 2007 to 2011 Ukraine **has improved its energy-efficiency performance reducing energy intensity by 6.83% in total. Yet, the improvement is limited when** compared to average EaP reduction of 12.51% in the same period.

MAIN DATA	Armenia	Azerbaijan	Belarus	Georgia	Moldova	Ukraine	EaP Average
Size (Km <sup>2</sup> )	29 800	86 600	207 595	69 700	33 846	603 500	171 840
Population (million)	2.98	9.42	9.47	4.48	3.56	45.49 <sup>(1)</sup>	12.57
Income (GDP in \$ billions)	10.4	73.5	71.7	14.1	8.0	177.4 <sup>(1)</sup>	59.2
Population under poverty line	32.0%	5.3%	5.5%	14.8%	12.7 %	9.1 % <sup>(2)</sup>	13.23%
Per capita GNI in \$	3 800	7 350	6 730	3 570	2 470	3 960 <sup>(1)</sup>	4 647
CO2 emissions (**)	1.7	5.1	6.6	1.4	1.4	6.6 <sup>(2)</sup>	3.8
Life expectancy at birth (*)	75	71	72	74	69	71	72
Energy intensity in BTU (****)	35 954	19 376	26 706	20 070	31 701	56 503 <sup>(2)</sup>	31 718
Env. Performance Index (*****)	61.67	47.33	67.69	47.33	53.36	49.01 <sup>(1)</sup>	54.40
Cumulative % reduction/increase Energy intensity 2007-2011	+3.66 %	- 27.6 %	- 16.65 %	- 5.30 %	- 22.36 %	- 6.83%	-12.51%

The (pre-war) **Environment Performance Index (EPI)** of Ukraine, at **49.01** is also sensibly lower than region's average of 54.40. The EPI takes into account also policies and regulations regarding environment governance and might sensibly increase thanks to the commitment of post-Maidan governments regarding compliance with AA-related directives and legislation.

In general, all indicators regarding general environment-performance would be probably improve when not taking into account the eastern regions experiencing war events. In fact, war in Donbas regions has led to dramatic reduction of Ukrainian production of highly polluting industries mostly located in Donbas.

### 11.6.2 Analysis on specific indicators

Ukraine has the development strategies in place for all reviewed sectors. For what concerns environmental sustainability, the completeness of strategic and programming documents is high at 82%, mainly thanks to strong commitments of current government in launching many operational reforms identified in sub-programmes. This is more visible in sector programmes for socio-economic development at national level, with many reforms launched, and in Agriculture development where a new participative approach is making strategies and programmes more operational and designed with a bottom-up/demand driven perspective. In core-Environment and Transportation the integration of environmental policies has scope for improvement.

The country is provided with Urban Planning and Land Use (spatial planning) law. However, the law is implemented only in a small portion of cities and settlements.

The following table summarizes specific indicators about environmental integration in other sectors for Ukraine and compared to all other EaP countries.

Indicators	Armenia	Azerbaijan	Belarus	Georgia	Moldova	Ukraine
<b>Existence of Strategies and/or Programmes</b>						
National	Yes	Yes	Yes	Yes	Yes	Yes

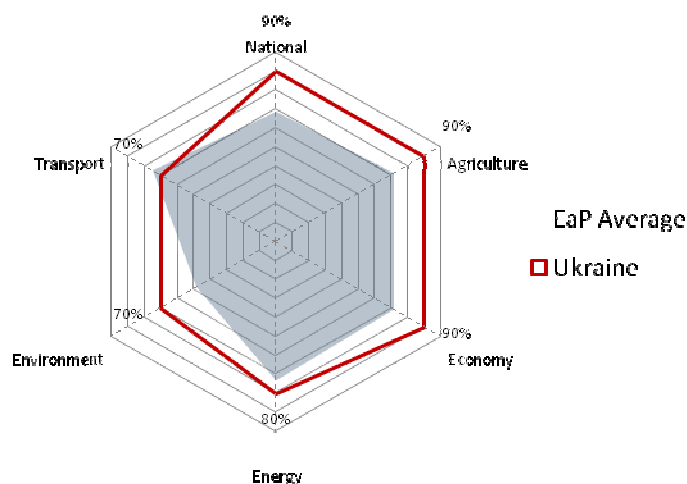
Agriculture	Yes	Yes	Yes	Yes	Yes	Yes
Economy	Yes	Yes	Yes	Yes	No	Yes
Energy	Yes	Yes	Yes	Yes	Yes	Yes
Environment	No	No	No	Yes	No	Yes
Transport	Yes	Yes	Yes	Yes	Yes	Yes
<b>Sector strategies completeness and inclusion of environmental issues</b>						
<b>General (average)</b>	<b>65%</b>	<b>60%</b>	<b>68%</b>	<b>73%</b>	<b>60%</b>	<b>82%</b>
National	60%	70%	70%	60%	60%	90%
Agriculture	60%	60%	60%	80%	80%	90%
Economy	70%	60%	80%	90%	40%	90%
Energy	70%	70%	80%	70%	70%	80%
Environment	40%	40%	40%	70%	30%	70%
Transport	90%	60%	80%	70%	80%	70%
<b>Existence of Laws</b>	<b>Armenia</b>	<b>Azerbaijan</b>	<b>Belarus</b>	<b>Georgia</b>	<b>Moldova</b>	<b>Ukraine</b>
Urban Planning	Yes	Yes	Yes	Yes	Yes	Yes
EIA	Yes - EE	Yes - EE	Yes	Yes - EE	Yes - EU	Yes - EE
SEA	Yes - Local	No	No	No	No	No
Green procurement	No	No	No	No	No	No
<b>Other specific indicators</b>						
Env. harmful subsidies	medium	high	medium	medium	low	high
Inter-ministerial cons.	high	low	high	medium	low	medium
Staff M of Environment	406	110	94	184	61	211
Staff MoE/population*	136.24	11.68	9.95	41.1	17.13	4.64
Staff MoE/area**	13.6	1.27	0.45	2.6	1.80	0.35
Effectiveness MoE	medium	low	high	medium	low	medium
Protected areas***	387 054 Ha	892 546 Ha	1 797 000 Ha	600 668 ha	192 954 Ha	3 650 904 Ha

UN conventions****	20	20	56	19	18	20
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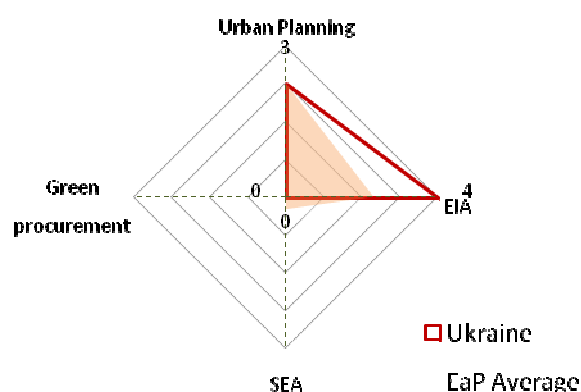
A law for EIA exists, but only with the procedures similar to the soviet-times Environmental Expertise, not yet complying with EU standards and procedures. A new law on EU model is being drafted. A law on SEA does not exist yet as well as a law on green procurement. On both cases new laws on EU models are being drafted.

There is a high use of environmental harmful subsidies in agriculture. However, the issue is extensively considered in the new Agriculture development strategy of 2015. Inter-ministerial cooperation for the inclusion of environmental policies in other sectors has started with a promising outlook. On the other hand, quantity of staff at the ministry of environment is currently very limited, compared to other EaP countries and in relation to country population and size. The extension of protected area is anyway large compared to the country. The effectiveness of MoE to introduce environmental concerns in the governments' agenda is increasing, despite much more pressing problems on security, national defence and macroeconomic stability.

Graph 1 shows the level of completeness of strategies, while Graph 2 shows the level of completeness of laws.



Graph 11



Graph 12



### 11.6.3 Good practices insights

#### A. Up-date of motor vehicles fleet efficiency via application of EU emission standards

Ministry of Infrastructure of Ukraine on 30.12.2013 approved detailed specification for designing the domestic Automotive Proving Ground facilities as part of the National Research Test Centre of Wheeled Vehicles (as a multifunctional object). Implementation of relevant project work has begun.

#### B. Support to electric cars

By the Law of Ukraine "On Amendments to Section XX« Transitional Provisions "Tax Code of Ukraine regarding peculiarities of taxation of entry into the customs territory of Ukraine and supply the customs territory of Ukraine vehicles equipped with electric motors".

The law provides for a temporary, until 1 January 2020, exemption from the value added tax and excise tax on import operations into Ukraine and supplies within the customs territory of Ukraine of vehicles equipped with electric motors.

The bill amends the final terms and the Tax Code of Ukraine. As a result, the bill cost vehicles equipped with electric motors, will reduce by 20% (20% - VAT and 109 Euro - excise tax). These changes will bring value to the cost of conventional cars equipped with electric motors.

In addition, according to expert estimates the average electric use 10 kilowatts of electricity per 100 kilometres, while the ordinary cars consume 10 litters of gasoline. As a result, the cost of travel 100 kilometres on electric vehicles is 2.8 hryvnia (10 kW \* 28 cents), and ordinary cars - 170 UAH (10 litters \* 17 USD).

Considering the average mileage conventional vehicle, the use of electric cars will save its owner 4000-6000 USD per month. Save auto transport companies from using these vehicles is calculated in USD millions, and within the country, in the billions. These savings do not count yet the beneficial impact on environment and describe the pure economic and financial benefits.

#### C. Participative process to draft the new Strategy for Agriculture and Rural Development

The Ministry of Agrarian Policy and Food has prepared a draft of a single and comprehensive Strategy for agriculture and rural development 2015-2020 that addresses the real needs of the sector through an inclusive consultation process with stakeholders, civil society and international donors. It outlines credible short and medium-term deliverables and includes a detailed implementation plan.

Within the above framework of renovated investment drive, the Ministry of Agriculture of Ukraine has drafted an Agriculture Development strategy structure for the period 2015-2020. It has then set-up a participation process to further develop the Strategy for Agriculture development opening up to bottom-up contributions from every citizen willing to contribute

For the preparation of the Strategy, 8 working groups and 24 subgroups have been established to elaborate inputs on different issues. To develop the preparatory work, a public consultation with civil society has been launched on 15 March 2015 and stayed open for contributions until 30 May 2015.

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