“GREENING ECONOMIES IN THE EASTERN NEIGHBOURHOOD” (EaP GREEN) PROGRAMME:

Draft plan of work for 2013

UNITED NATIONS ECONOMIC COMMISSION FOR EUROPE

UNEP

UNIDO

OECD

BETTER POLICIES FOR BETTER LIVES

Organisation de Coopération et de Développement Économiques
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ENVIRONMENT DIRECTORATE
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TASK FORCE FOR THE IMPLEMENTATION OF THE ENVIRONMENTAL ACTION PROGRAMME FOR CENTRAL AND EASTERN EUROPE, CAUCASUS AND CENTRAL ASIA

"GREENING ECONOMIES IN THE EASTERN NEIGHBOURHOOD" (EaP GREEN) PROGRAMME: Draft plan of work for 2013

26 April 2013, Berlin, Germany

Agenda item: 4.

ACTION REQUIRED: For discussion and endorsement. Written comments can be provided by 10 May 2013.

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DRAFT EAP GREEN PLAN OF WORK FOR 2013

Introduction

1. This document presents the Draft Plan of Work for 2013 of the "*Greening Economies in the European Union's Eastern Partnership Countries*" programme. The programme aims to promote green growth in six countries of the Eastern Partnership (EaP): Armenia, Azerbaijan, Belarus, Georgia, Republic of Moldova and Ukraine. The goal is to help decouple economic growth from environmental degradation and resource depletion. More specifically, the EaP GREEN aims to:

- Mainstream sustainable consumption and production into national development plans, legislation and regulatory framework with a view to provide a sound legal basis for future policy development, in line with the regional and international agreements and processes and consistently with existing EU *acquis* in the relevant policy areas;

- Promote the use of the Strategic Environmental Assessment (SEA) and Environmental Impact Assessment (EIA) as essential planning tools for an environmentally sustainable economic development; and

- Achieve a shift to green economy through the adaptation and adoption of sustainable consumption and production practices and techniques in selected economic sectors (manufacturing, agriculture, food production and processing, construction).

2. Accordingly, the EaP GREEN is structured around three components: (1) Governance and financing tools; (2) SEA and EIA: accompanying SCP policy implementation; and (3) Demonstration Projects.

3. The EaP GREEN will support partner countries' commitment to move towards a green economy as stated in the Joint Declaration of the Warsaw Eastern Partnership Summit and in the Declaration of Seventh "Environment for Europe" Ministerial Conference held in Astana (September 2011). Its objectives are consistent with the vision agreed in the outcome document of the Rio+20 Summit.

4. The EaP GREEN budget for 48 months is 12.5 million Euros, of which 10 million were provided by the European Union and the rest – by several OECD and EU governments and institutions, in particular Norway, The Netherlands, Slovenia, Switzerland, and the Austrian Development Bank, as well as the four implementing partners: OECD, UNECE, UNEP, and UNIDO. Project implementation started in January 2013. During the first half of 2013, it is foreseen to formalize and operationalize the programme implementation in all six countries and start selected activities. The first intermediary results are expected towards the end of 2013. Two meetings of the Steering Committee will be convened as a means to ensure the programme's governance and start the process of experience sharing and peer learning.

5. The Table 1 below describes activities identified for implementation in 2013. A detailed description of the EaP GREEN activities planned for 2013-16 is available from [ENV/EPOC/EAP(2013)1]. The timeline and identification of pilot countries are indicative.

Table 1. Draft EaP GREEN Plan of Work for 2013

Task title and lead partner	Intermediate and final outcomes	Activities and outputs planned in 2013	Indicative timeline	Comments
		PROGRAMME COMPONENT 1		
1.1: Supporting strategic policy setting **(UNEP)**	**Intermediate outcomes:** • Awareness about SCP is increased and lessons learnt and successful experience on SCP are shared. • Improving cooperation between different ministries • Raising public understanding and support by involving relevant stakeholders • National production and consumption status and trends are identified • Economic and social cost and benefits of GE/SCP be understood **Final outcomes:** • SCP/GE strategies and programmes, and possibly National Roadmaps (upon request from the countries)	**Regional level work** • Organisation of a regional workshop; • Production of a SCP review paper; • Setting up and making operational the Regional Information Exchange Platform ; **National level work (Ukraine, other 2 countries)** • Selection of countries; • National stakeholder workshop; • Conducting situation analysis and sectoral modelling; • Draft SCP strategy/policies, programmes.	June 2013 July 2013 December 2013 Q1 Q2-3 Q3-Q4 Q4	Activities will be carried out in coordination with OECD, UNIDO, and in collaboration with European Environmental Agency. EU member states and, to the extent possible, other Eastern European and Central Asia countries will be invited to the regional workshop. The work will be closely coordinated with 10 YFP SCP secretariat.

Task title and lead partner	Intermediate and final outcomes	Activities and outputs planned in 2013	Indicative timeline	Comments
1.2: Progress measurement: Green Growth Indicators **(OECD)**	**Intermediate outcomes:** • Awareness about the value of green growth indicators and the EU and OECD country experience is raised within at least four EaP governments and the NGO community; • Support and capacity for national-level progress measurement is built by informing, consulting and involving all relevant stakeholders in pilot projects **Final outcomes:** • Better integration of economic and environmental decision-making • Evidence-based policy debate and more effective monitoring of transition towards green economy	**Regional level work** • Organisation of a regional expert meeting on the use of green growth indicators (5-6 March 2013, Prague); • Development of a policy brief; • Producing a toolkit in support to the development and use of green growth indicators; **National level work: Country 1 (GEO/AZB)** • Kick off mission and training; • Data gathering; • National workshop; • Draft report ; **National level work: Country 2 (ARM/MDA)** • Kick off mission and training; • Data gathering; • National workshop; • Draft report.	March 2013 April-May June-December 2013 May Q2-Q3 October December May-June Q2-Q3 November December	Activities will be coordinated with UNEP, EEA and UNECE. Regional work will involve Ministries of Environment and Economy and, to the extent possible, National Statistical Offices. **Co-financing** for this project is available from Norway, the Netherlands and Switzerland.

Task title and lead partner	Intermediate and final outcomes	Activities and outputs planned in 2013	Indicative timeline	Comments
1.3: Identifying environmentally-harmful subsidies (EHS) and launching subsidy reform **(OECD)**	**Intermediate outcomes:** • Enhancing decision-making by evidence on the magnitude and level of EHS and their environmental and fiscal consequences in the pilot EaP countries • Improving cooperation between ministries • Raising public understanding and support by involving relevant stakeholders **Final outcomes:** • Opportunities created to reduce the subsidy burden on public budgets and improve environmental performance in a cost-effective way • Agreement on necessary reforms vis-à-vis EHS	**Regional level work** • Regional-level activities will start in 2015; **National level work: Moldova** • Data gathering; • National-level meeting; • Draft report. **National level work: Country 2 (AZB/GEO)** • Kick off mission; • Data gathering.	Q2 June December October October-December	This work will require a close cooperation among key government ministries in the selected countries, including sectoral ministries (e.g. ministries of energy). In Moldova, the project will be implemented also in close cooperation with UNDP Moldova. This work is also supported by Norway and the Netherlands, as well as Switzerland.

Task title and lead partner	Intermediate and final outcomes	Activities and outputs planned in 2013	Indicative timeline	Comments
1.4: Reforming tax policies: creating market incentives for greener products **(OECD)**	**Intermediate outcomes:** • Awareness raised in all EaP countries about good OECD practices in the design and implementation of product-related economic instruments • Involvement of all relevant stakeholders in the pilot projects in at least two EaP countries **Final outcomes:** • Improved design and enhanced environmental impact of product-related economic instruments • Opportunities created for generating additional fiscal revenue	**Regional level work** • Review of the experience of OECD countries in the application of economic instruments targeting environmentally harmful products (taxes, tax differentiation, deposit-refund and extended producer responsibility schemes); • Elaboration of a draft toolkit for developing or reforming product-related economic instruments in EaP countries. Annotated outline to be endorsed by written procedure. **National level work: Moldova, Ukraine, possibly Armenia** • Kick-off mission and fact-finding for a pilot project to design or reform economic instruments for environmental management of products.	Q1-Q2 Q3-Q4 November	Activities will involve ministries of environment, economy and finance.

Task title and lead partner	Intermediate and final outcomes	Activities and outputs planned in 2013	Indicative timeline	Comments
1.5: Improving investment policies and access to finance **(OECD)**	**Intermediate outcomes:** • Level of IFIs and local banks involvement • Shared agreement, within selected EaP governments, on the reforms needed to remove barriers and improve the incentive framework for the banking sector to extend lending to low carbon projects, beyond IFI credit lines **Final outcomes:** • Contributing towards an increased share of green investments by the private sector	**Regional level work** • Identifying IFIs and local banks that had/have specific credit lines in the EaP countries in support to green investments; • Preparing a methodology for analysing the main trends, opportunities and barriers to private financing of climate/ resource efficiency projects in the EaP countries; • Organising a coordination and scoping meeting with IFIs and other relevant stakeholders ; **National level work: Country 1 (e.g. UKR)** • Kick off mission to launch a case study aiming to analyse existing experience and challenges with private sector's access to credit lines for green investment; • Data gathering.	As of May August-October November Q3-Q4 Q4	Activities will involve close cooperation with IFIs active in the EaP region and selected local commercial banks providing credit to green investments

Task title and lead partner	Intermediate and final outcomes	Activities and outputs planned in 2013	Indicative timeline	Comments
1.6: Promoting more sustainable production processes: greening of SMEs **(OECD)**	**Intermediate outcomes:** • Extent of involvement of stakeholder organizations and experts in the preparation of a regional review **Final outcomes:** • Providing a package of incentives to the private sector for the greening of production practices, without damaging its competitiveness	**Regional level work** • Development of an analytical framework and a questionnaire for reviewing policy tools and conditions to promote the greening of SMEs in EaP countries; • Conducting a regional review based on the developed framework; **National level work:** • Country-level activities will start in 2014.	April Q2-Q3	Activities will benefit from coordination with UNIDO and UNEP.
1.7: Promoting public consumption changes through green procurement practices **(UNEP)**	**Intermediate outcomes:** • Extent of involvement of stakeholder organizations and experts in the preparation of a regional review **Final outcomes:** • Providing a package of incentives to the private sector for the greening of production practices, without damaging its competitiveness	**Regional level work** • Organization of a regional awareness raising and capacity building workshop; **National level work:** • Selection of 3 countries; • Establishment of baselines; • Data collection; • Assessment of market's capacity.	Q2 Q1-Q2 Q 3-Q4 Q 3-Q4 Q 3-Q4	Activities will benefit from collaboration with OECD. National level work will be completed in 2014.

Task title and lead partner	Intermediate and final outcomes	Activities and outputs planned in 2013	Indicative timeline	Comments
PROGRAMME COMPONENT 2				
2.1: Revision of the existing national regulatory and legislative framework (UNECE)	**Intermediate outcomes:** • National legislative and institutional framework for SEA in Belarus and in the Republic of Moldova reviewed, weaknesses identified, and recommendations for their strengthening prepared and discussed. • Improved awareness, understanding and acceptance of the necessary legal, regulatory, administrative measures for proper implementation of SEA systems, in compliance with the SEA Protocol and Directive. **Final outcomes:** • SEA is integrated into the national regulatory framework and more regularly and effectively used in decision making. • Opportunities for public participation in decision-making and strengthened governance provided.	**Regional level work** • Regional coordination and experience sharing events will be organized in 2014-2016 and sub-regional overview produced in 2015/16; **National level work: Belarus, Republic of Moldova, and Georgia (to be confirmed)** • Review of national SEA legislation and procedures (Involving in-country data gathering and desk-based review by an international consultant assisted by a local expert); • Consultation of the national authorities on the results of the reviews at round-table events; • Development of final recommendations for legislative changes and for process and institutional improvements to ensure implementation of SEA in compliance with the SEA Protocol/Directive.	Q2-Q3 MDL (June-October) BLR (April-July) GEO (to be decided)	The reviews will be conducted as joint activities between the national governments and external legal experts. Therefore, the commitment and active involvement of the national authorities is key for successful project implementation.

Task title and lead partner	Intermediate and final outcomes	Activities and outputs planned in 2013	Indicative timeline	Comments
2.2: Capacity building on SEA/EIA procedures, following good practices including those in use in the EU **(UNECE)**	**Intermediate outcomes:** • National and local authorities across the relevant sectors involved and trained in SEA. • Tailored training material elaborated and widely disseminated for reference and use in further trainings. • National authorities provided with the necessary knowledge and capacities for advising and training local authorities on SEA. **Final outcomes:** • Improved awareness of national and regional authorities, NGOs as well as general public of SEA and EIA as a planning tool for sustainable economic development. • Co-operation between authorities improved at national and local levels (including in border provinces of neighbouring States). • Improved capacities of stakeholders on effective application of SEA and EIA at national and local level • Opportunities for public participation in decision-making and strengthened governance provided.	**National level work: Ukraine, Belarus and Armenia** • Elaboration of training materials and case-studies tailored to national and local conditions and needs; • **Ukraine**: National training workshop on SEA; • **Belarus:** Three provincial training workshops on SEA in Brest, Gomel and Grodno. **National level work: Belarus and Ukraine** • **Belarus and Ukraine**: Pilot project on post project analysis of a transboundary EIA; • Both pilots involve a kick-off workshop, establishment of a task force to review the results of the pilot project (1-2 meetings of the task force), workshop to present the results of the pilot project; • Pilot between Belarus and Ukraine also involves establishment of a standing bilateral working group for monitoring of transboundary environmental impacts of a mining activity.	Q3 September As of July April 2013 – April 2014 Q2-Q3	The workshops are 4-5 day long participative, training of trainers, events delivered by an international consultant(s) with support of local consultants. The event in Ukraine aims to train participants from relevant ministries (environment, economics, health, industry, agriculture), planners, practitioners and NGOs The three events in Belarus will train relevant provincial authorities, including from border provinces from the neighbouring States (Ukraine, Poland and Lithuania) to improve cross-border co-operation e.g.in relation land-use planning The pilot projects build capacity of national and local authorities through supporting the application of SEA/EIA procedure to a Government plan or programme selected by the country. Armenia initially proposed a land fill plan in Sevan Basin as a target for the pilot but is yet to confirm this. Pilot in Belarus and Ukraine will focus on post project analysis of transboundary EIA of the exploitation of the chalky deposits “Hotislavskoe” in Belarus close to the border with Ukraine. The involvement engagement of the national and local authorities and the public is essential for successful project execution.

Task title and lead partner	Intermediate and final outcomes	Activities and outputs planned in 2013	Indicative timeline	Comments
		PROGRAMME COMPONENT 3		
3.1: Development of human and institutional capacity for RECP (Resource Efficient and Cleaner Production) **(UNIDO)**	**Intermediate Outcomes** • Involvement of national government, business organizations and academia in governance for RECP activity at national level • Training of national experts, in particular in enterprise service delivery **Final Outcome** • A nationally appropriate mechanism established or strengthened for delivery of RECP services to enterprises and other organizations in each EaP country	**Regional** • Participation of lead national experts in the global RECP networking conference; **National (ARM, AZB, BEL and GE)** • Set up of national steering function with relevant government and business stakeholders; • Selection and contracting of national coordinating entity; • Delivery of RECP training and coaching programme for national experts.	4-6 Sept April – June Q2 As of September	Tasks 3.1, 3.2 and 3.3 are co-financed by Government of Slovenia and UNIDO, and in case of Georgia also by the Austrian Development Bank. The tasks are delivered to achieve synergies with ongoing cleaner production programmes in Republic of Moldova and Ukraine, by Governments of Austria and Switzerland (Ukraine only).
3.2: RECP implementation, dissemination and replication **(UNIDO)**	**Intermediate Outcome** • RECP assessments completed for demonstration companies **Final Outcome** • RECP concepts, methods, practices and technologies have been implemented by enterprises and other organizations in the EaP countries and their environment, resource use and economic benefits have been monitored and verified	**Regional** • No regional activities foreseen; **National (ARM, AZB, BEL, GEO, MDA and UKR)** • Confirmation of target sub-sectors; • Identification and recruitment of demonstration companies (6-10/country); • Start of RECP assessments in demonstration companies,	April-June July-August As of September	

Task title and lead partner	Intermediate and final outcomes	Activities and outputs planned in 2013	Indicative timeline	Comments
3.2: RECP technology support (UNIDO)	**Intermediate Outcome** • Key equipment and technology needs for target sectors identified and evalauted **Final Outcome** • Appropriate and affordable RECP techniques and technologies for the target sectors have been identified and promoted for transfer and widespread deployment in EaP countries	• No activities foreseen in 2013.		Equipment and technology needs will be determined following completion of the first sets of RECP assessments in enterprises, which is only foreseen from Q2, 2014
3.4: Stimulating innovation and more sustainable goods and services through sustainable public procurement (UNEP)	**Intermediate Outcome** • Increase in awareness and capacity for SPP and eco-labelling • Priority products and services for SPP are identified and products guidelines developed **Final Outcome** Public tender system for sustainable goods and services are established and implementation started.	• No activities foreseen in 2013.		This activity will start in 2015 building on the outcomes of 2.2.3

Task title and lead partner	Intermediate and final outcomes	Activities and outputs planned in 2013	Indicative timeline	Comments
3.5: Promoting organic agriculture **(UNEP)**	Intermediate outcomes: • Information collection and analysis for the promotion of organic agriculture are carried out. Final outcomes: • Increase in organic agriculture production lines of farms and companies. • Increase in capacity of government, companies and farms for the promotion of Organic Agriculture	**Regional Level** • Development of training materials and guides; • Development of studies: market information, tariff and non-tariff trade barriers, best practices and lessons learnt; • Regional workshop; • Feasibility study for sub-regional organic standards. **National level work: 6 countries** • National activities will start in 2014	As of May	This activity will benefit from the coordination with UNIDO's work on foods.

Task title and lead partner	Intermediate and final outcomes	Activities and outputs planned in 2013	Indicative timeline	Comments
		COORDINATION AND VISIBILITY		
Coordination and progress monitoring (OECD)	• Ensure effective and efficient implementation of the Programme	• Organising meetings of the Programme Implementation and Coordination Committee; • Establishing and maintaining the Clear Space page for the Programme; • Establish and keep updated distribution lists; • Establish and keep updated lists of meetings, missions and reports; • Conducting bilateral meetings with UN partners to monitor progress; • Preparing progress reports for the EC and donors that co-finance the Programme; • Responding to ad-hoc requests.	Q1-Q4 January Q1-Q4 As of July December Q1-Q4	
Implementation of the EaP GREEN Communication Strategy (OECD)	• Ensure the EaP GREEN's visibility	• Organising national-level kick-off; • Organising a regional meeting to launch EaP GREEN; • Organising a second regional meeting; • Establishing the Programme's web page in English and Russian; • Developing and publishing the Programme's brochure in English and Russian, and possibly national languages; • Disseminating information about EaP GREEN during relevant EU and other international meetings.	April- June April September April May As needed	