



Second Interim Narrative Report to the European Commission on progress in 2014

Progress in implementing the “Greening Economies in the Eastern Neighbourhood” (EaP GREEN) Programme in 2014

September 2015

The report presents progress made under the “Greening economies in the Eastern Neighbourhood” (EaP GREEN) Programme. It covers the period from 1 January to 31 December 2014.

The report is based on contributions from the four implementing partners: UNECE, UNEP, UNIDO and OECD. Its structure was discussed and agreed among the Partners, and with the EC Programme Manager at the Management Group video conference on 6 March 2015.

Relevant supporting documents are available electronically from the EaP GREEN site and via Internet hyperlinks in the text.

The report is accompanied by a consolidated financial report on expenditures incurred under the project during the period 1 January 2013 – 31 December 2014.

Action: Greening Economies in the Eastern Neighbourhood

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TABLE OF CONTENTS

INTRODUCTION.....	4
Political framework for the Action	4
Summary of the Action.....	4
Division of responsibilities between EaP GREEN Partners	6
PART 1: SUMMARY OF MAIN ACHIEVEMENTS AND CHALLENGES	7
Overall assessment of progress in 2014.....	7
Work plan for 2015.....	10
Risks of programme implementation in 2015.....	11
Areas where reinforced support from the European Commission will be needed.....	11
PART 2: PROGRESS ON ACTIVITIES IN 2013 AND PRIORITIES FOR 2014.....	12
Component 1 “Governance and finance tools”.....	12
Component 2 “SEA and EIA promotion”.....	29
Component 3 “Demonstration projects”.....	38
PART 3: MANAGEMENT AND COMMUNICATION	49
ANNEX 1. LIST OF NATIONAL FOCAL POINTS.....	53

INTRODUCTION

Political framework for the Action

The green economic growth aims at increased well-being while preserving natural capital and ensuring environmental sustainability. Internationally, commitments to green economy were spelled out in a number of policy documents adopted around the “Rio+20” Earth Summit in 2012. The European Union committed to implementing green growth in 2010 by adopting the “Europe 2020: A European Strategy for Smart, Sustainable and Inclusive Growth”. The strategy called for building a resource efficient, sustainable and competitive economy, exploiting Europe’s leadership in the race to develop new processes and technologies, including green technologies, accelerating the roll out of smart grids using ICTs, exploiting EU-scale networks, and reinforcing the competitive advantages of our businesses, particularly in manufacturing and within our SMEs, as well through assisting consumers to value resource efficiency.

Members of the Eastern Partnership¹ (EaP) of the European Union (EU) also committed themselves to the goal of a transition towards green economy. At the national level green economy and sustainable development have been recognised as “guiding principles” in a number of national development strategies in EaP countries (e.g. “Azerbaijan 2020” and “Moldova 2020”). Not only their titles, but also some of their priorities are aligned with the “Europe 2020”.

In a regional perspective, the important commitments within the EaP were made in the Declaration of the 2011 Warsaw “Eastern Partnership” Summit and in 2013 at the Vilnius Summit of the EaP. The commitment to greening the economy was also an important part of the Association Agreements signed between the EU and Georgia, Moldova and Ukraine in June 2014. The agreements called for enhanced environment protection to bring benefits to citizens and businesses, including through improved public health, preserved natural resources, increased economic and environmental efficiency, as well as use of modern, cleaner technologies contributing to more sustainable production patterns.

Summary of the Action

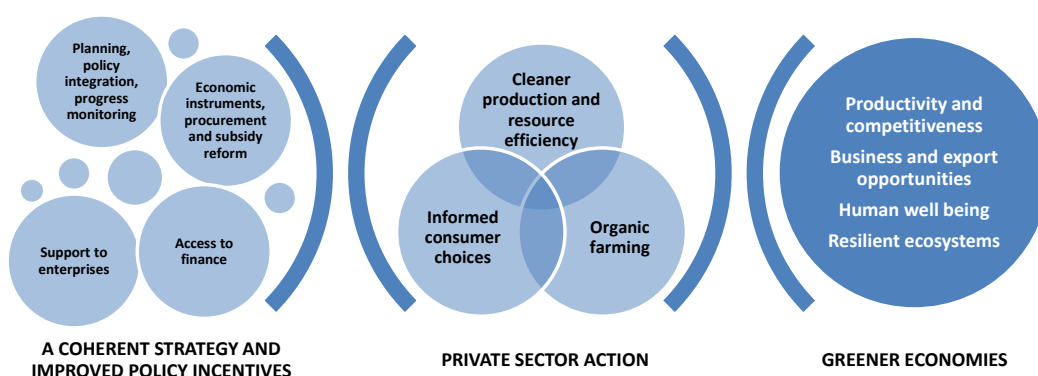
The “Greening Economies in the Eastern Neighbourhood” (EaP GREEN) Programme targets six countries of the European Union’s Eastern Partnership (EaP): Armenia, Azerbaijan, Belarus, Georgia, Republic of Moldova and Ukraine. The programme’s overall objective is for the EaP countries to move towards a green economy by decoupling economic growth from environmental degradation and resource depletion. More specifically, the Programme aims to:

¹ The Prague Summit in May 2009 launched the Eastern Partnership as a specific dimension of the European Neighbourhood Policy, to further support Eastern European countries’ reform processes and thus accelerate their political association and economic integration with the European Union. Armenia, Azerbaijan, Belarus, Georgia, Moldova, and Ukraine are members of the Eastern Partnership.

- **Mainstream sustainable consumption and production (SCP) into national development plans, legislation and regulatory frameworks** 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 the existing EU *acquis* in the relevant policy areas;
- Promote the use of Strategic Environmental Assessment (SEA) and Environmental Impact Assessment (EIA) as essential planning tools for an environmentally sustainable economic development;
- **Achieve a sector-level 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).

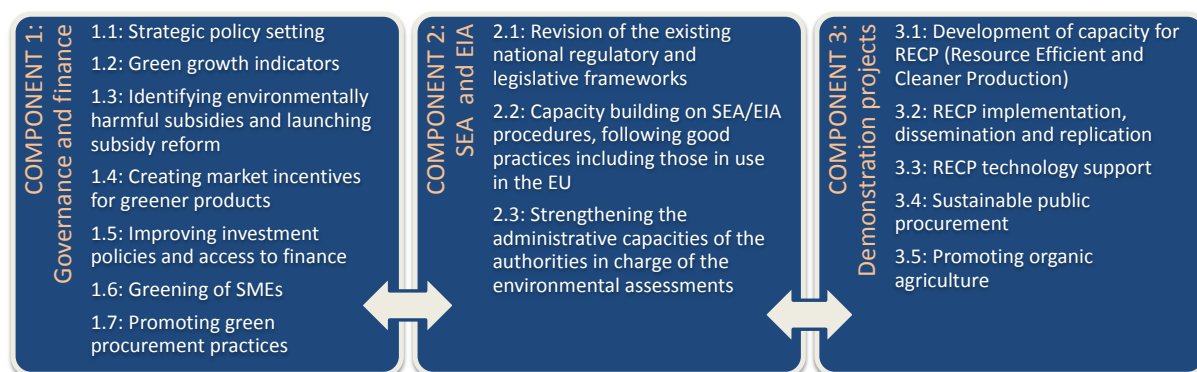
The EaP GREEN is a means for EaP countries to progress faster on their path to green economy. The programme aims to improve both public policies and management approaches applied by the private sector actors (Figure 1). Such improvements should result in higher productivity thus competitiveness on global markets, better management of natural capital, enhanced environmental quality of life, more resilient ecosystems and economies alike, and new business and export opportunities.

Figure 1. Overall framework for green economy promotion in EaP countries



The programme is structured around three components (Figure 2): (1) governance and financing tools; (2) Strategic Environmental Assessment (SEA) and Environmental Impact Assessment (EIA) accompanying policy development; and (3) demonstration projects. Although the programme is regional, many of its activities are implemented nationally and the results are shared in various regional forums.

Figure 2. Architecture of the EaP GREEN programme



The programme is targeted primarily at government authorities and the enterprise sector in the EaP countries. Various government ministries and institutions are involved in its activities, most importantly ministries of environment, ministries of economy, ministries of finance, national statistical offices and sectoral ministries. The International Financial Institutions (IFIs) and the domestic banking sector representatives are important partners as well. The programme is implemented in close consultation with the NGO community. Its activities are coordinated with other relevant projects in the six EaP countries from the EU as well as otherwise funded.

The programme is supported by the European Commission and other donors, including the four implementing partners. The total EaP GREEN budget for an implementation period of 48 months (January 2013 – December 2016) is 12.5 million Euros.

Division of responsibilities between EaP GREEN Partners

Four partner organisations are responsible for different elements of the programme:

OECD (Organisation for Economic Co-operation and Development) serves as coordinator of the programme, and support the implementation of market-based approaches to promote green growth and the reform of environmentally-harmful subsidies, the greening of banks and small- and medium-sized enterprises, and the adoption of green growth indicators;

UNECE (United Nations Economic Commission for Europe) supports the implementation of strategic environmental assessments and environmental impact assessments of national development activities;

UNEP (United Nations Environmental Programme) helps mainstream sustainable production and consumption in national policies through strategic policy setting, as well as help countries implement sustainable public procurement and organic agriculture policies and practices;

UNIDO (United Nations Industrial Development Organization) assists private sector actors adopt resource efficient and cleaner production practices and techniques.

This implementation arrangement offers the benefit of using, in a highly synergetic way, the comparative advantages and experience of working in the region and expert networks of these four important players in the area of green economy.

PART 1: SUMMARY OF MAIN ACHIEVEMENTS AND CHALLENGES

Overall assessment of progress in 2014

The year 2014 was the second year of the EaP GREEN programme implementation. After substantial efforts put in place in 2013 to engage the EaP countries in the programme implementation, to establish work and coordination routines among the implementing partners, the beneficiary countries and the EC, and to develop the governance structure, the emphasis in 2014 was placed on launching and implementing country-based projects in all EaP countries. These activities followed the 2014 work plan which was approved at the Second Steering Committee Meeting in September 2013. Further emphasis was also placed on developing a communication strategy and additional means for disseminating information about the EaP GREEN, individual activities and progress in their implementation.

Overall, substantial progress has been made on all programme elements resulting in important achievements in individual countries and at the regional level (Table 1). The implementation of the EaP GREEN is on track on all three components:

- Under Component 1 substantial progress was made on: i) launching quantitative sectoral analyses to demonstrate environmental, economic and social benefits of a transition to a green economy in Belarus, Moldova and Ukraine, as a base for the subsequent development of strategic policy frameworks/action plans; ii) developing and building consensus on policy paths for greening SMEs and greening public procurement as well as launching country specific analysis of progress on greening SMEs in Armenia and Moldova and on greening public procurement in Moldova and Ukraine. Important advances were also made with developing a framework for assessing access to green financing and to create market incentives for greener products. Work on green growth indicators focused on analysing green growth measurement in Moldova and Ukraine.
- Under Component 2 in-depth reviews of the legislative and institutional frameworks for the application of SEA and EIA were carried out in Armenia, Azerbaijan, Belarus, Georgia and Moldova. The results of the reviews led to launching comprehensive reforms of the legislation in individual countries which will make the existing procedures for various assessment processes more coherent and aligned with the provisions of the UNECE Espoo Convention and the SEA Protocol as well as the EU SEA and EIA Directives.
- Under Component 3 progress was made in establishing core projects teams to foster adaptation an adoption of resource efficient and cleaner production (RECP) in all six EaP countries, in carrying out detailed RECP assessments for selected companies and in providing training to complete qualifications for RECP expert awards. In addition, support was provided to Armenia, Moldova and Ukraine to enhance their knowledge of market opportunities and barriers and build capacities for production and trade of organic products.

Table 1. Examples of national-level achievements under the EaP GREEN programme in 2014

Country	Examples of achievements
Armenia	<ul style="list-style-type: none"> • In-depth analysis of current practices on greening SMEs completed and an agreement on the incorporation of elements on SME greening into both the national SME Support Strategy and the Concept of a Green Economy; • Review of the legislative and institutional frameworks for the application of EIA completed; • Detailed RECP assessments of 11 enterprises carried out by national experts in cooperation with enterprise representatives and under guidance of international experts; • Awareness raised on opportunities linked to organic agriculture in the framework of a green economy through knowledge exchange among lighthouse farms, companies and international experts;
Azerbaijan	<ul style="list-style-type: none"> • Review of the legislative and institutional frameworks for the application of SEA and EIA completed and followed by the development of draft changes to the legal framework; • Detailed RECP assessments of 8 enterprises carried out by national experts in cooperation with enterprise representatives and under guidance of international experts;
Belarus	<ul style="list-style-type: none"> • Capacity strengthened on the approaches and potential of green economy and tools for green economy assessments of key government stakeholders, research institutes and NGOs; • Pilot testing of the post-project analysis procedure of a transboundary EIA in Belarus and Ukraine completed; • Detailed RECP assessments of 6 enterprises by national experts in cooperation with enterprise representatives and under guidance of international experts; • Capacity strengthened on the joint application of sustainable public procurement and eco-labelling
Georgia	<ul style="list-style-type: none"> • Analytical documents for developing a draft Law on EIA and SEA completed; • Detailed RECP assessments of 10 enterprises by national experts in cooperation with enterprise representatives and under guidance of international experts;
Moldova	<ul style="list-style-type: none"> • Quantitative green economy modelling analysis for three priority sectors carried out and approved by the government; • Inter-ministerial Working Group on Green Economy established; • Capacity strengthened on the approach and potential of green economy and tools for green economy assessments of key government stakeholders, research institutes and NGOs; • Reforms of two major environmentally-related subsidies (reduced VAT rates for the consumption of natural gas and of electricity in the residential sector) modelled, analysed and agreed upon; • In-depth analysis of current practices on greening SMEs completed and followed by a submission of the draft legal framework on SEA to the Parliament, a pilot project to test the practical implementation of the legal changes, 15 national experts are trained in practical application of SEA; • Pilot project on the application of SEA to the Orhei Town Master Plan completed; • Local organic producers supported to exhibit their products at a local market in Chisinau • Pilot study mapping producers of organic agriculture products and the perspective of partnerships between organic producers and educational institutions completed; • Detailed RECP assessments of 5 enterprises by national experts in cooperation with enterprise representatives and under guidance of international experts completed; • Review of sustainable public procurement legal framework completed, and draft National Sustainable Public Procurement Policy and Action Plan developed; • Capacity strengthened on the joint application of sustainable public procurement and eco-labelling; • 4 priority products and services for Sustainable Public Procurement

	demonstration activities were identified (energy efficient doors and windows, organic fruits and vegetables).
Ukraine	<ul style="list-style-type: none"> • Capacity strengthened on the approach and potential of green economy and tools for green economy assessments of key government stakeholders, research institutes and NGOs; • Review of sustainable public procurement legal framework completed and draft National Sustainable Public Procurement Policy and Action Plan developed; • Testing the post-project analysis procedure of a transboundary EIA in Belarus and Ukraine completed; • Detailed RECP assessments of 5 enterprises by national experts in cooperation with enterprise representatives and under guidance of international experts; • Capacity strengthened on the joint application of sustainable public procurement and eco-labelling; • Three priority products and services for Sustainable Public Procurement demonstration activities were identified (heat insulation materials, paintwork materials, washing and cleaning products).
EaP-wide	<ul style="list-style-type: none"> • Regional report on "Sustainable Consumption and Production Policies and Initiatives in Eastern Europe and the Caucasus" prepared; • Regional report on Resource Efficiency Economic Outlook launched in Russian; • Regional consensus on a report "Creating Market Incentives for Greener Products"; • Regional consensus on the methodology for reviewing greening credit lines by the commercial banks; • Regional study tour on the "Application of Strategic Environmental Assessment at the national level in the field of urban planning, waste management, agriculture and energy sector" conducted in the Czech Republic. • Regional conference on Post Project Analysis under the procedure of the Environmental Impact Assessment in a transboundary context and Regional Conference on how to identify strategic documents for SEA pilot projects. • Feasibility study on the value and introduction of a sub-regional organic standard carried out • Market assessment report analyzing the organic sector in Armenia, Moldova and Ukraine prepared; • Regional capacity built and awareness raised on green economy, sustainable consumption and production, and sustainable public procurement

Efforts were made throughout 2014 to strengthen synergies between individual activities carried out by the Partners and to enhance mutual reinforcement of successful project implementation. Most progress was made in establishing closer links between activities that supported greening SMEs and leveraging green lending (both implemented by OECD) and projects that promoted resource efficient and cleaner production (implemented by UNIDO) as well as between activities on organic farming and public procurement (implemented by UNEP). Other focus was directed at establishing close links between work on green growth indicators and the development of the Shared Environmental Information System (SEIS) and between green financing and climate change which are other priority projects supported by the EU. For example, UNEP and UNIDO provided substantive comments on OECD's report on greening SMEs, UNEP delivered a session during the OECD's workshop on green finance, OECD, UNECE and UNEP discussed how the green economy strategies link with OECD's green growth indicators work. A pilot transboundary EIA post project analysis in Belarus and Ukraine was carried out jointly by UNECE and UNEP. A communication strategy was developed and communication and dissemination tools were designed to inform about activities and their implementation. Frequent communication channels between the EC and Partner organisations were maintained and further strengthened.

Progress notwithstanding, several changes had to be introduced to the original schedule of implementation. Most profound impacts resulted from the unstable political situation in all six countries:

- The situation in Ukraine was particularly difficult due to the revolutionary changes of the political regime that started in February 2014, the subsequent annexation of Crimea by the Russian Federation, the military conflict in the eastern part of the country throughout the year and the presidential and parliamentary elections, in May and October 2014 respectively.
- In Azerbaijan, Armenia and Georgia the personal changes in public administration continued in 2014 following parliamentary elections in 2013.
- In Moldova the parliamentary elections were held in the second half of 2014 and they impacted the operations of public administration for most of the year.
- Some personal changes in the Ministry of Environment also affected co-operation with Belarus.

The programme implementation was also affected by delays in country responses to information requests and requests for expression of interest for launching individual projects. These delays were mostly linked to the political instabilities mentioned above but there were other influencing factors, such as:

- conflicts in attribution of competencies between ministries;
- lack of overall strategies or leadership in implementation at national level;
- limited absorption capacity in the administration (especially in Armenia, Georgia, Moldova or Ukraine);
- low priority attached to green economy issues in the current political and economic situation. (especially Ukraine); or
- low priority for the implementation of EaP GREEN programme (Azerbaijan).
- limited, or unco-ordinated delivery of information about country specific activities.

In Belarus, complicated and strict registration requirements and procedures, and a delay in the registration of EaP GREEN programme by the Government, made it difficult for the project to advance its activities. The fact that the EaP Green project is still not registered in the country, may hamper the implementation of country activities further and cause delays in the 2015 work plan.

Although efforts have been made to achieve a reasonable balance among beneficiary countries, taking account of the interests they had expressed in particular during the start up period in 2013, relatively more activities were undertaken in Georgia, Moldova and Ukraine. This may be related to the strengthening and diversification of the relations between the EaP countries and the EU following the signature of the Association Agreements and Deep and Comprehensive Free Trade Area between the EU and the three countries in June 2014. However, not all those activities were translated into concrete outcomes, except for Moldova where a number of important policy, regulatory and administrative reform was carried out.

Work plan for 2015

The work plan for 2015 was developed in September 2014 and approved at the third Steering Committee Meeting on 8 October 2014 in Minsk, Belarus. The plan provides an overview of planned activities to reach objectives described in the Description of the Action. To accelerate the review of progress and adjust planned activities it was agreed that the fourth Steering Committee meeting be

held in June 2015 (Chisinau, Moldova). It was further agreed that the plan would adjust activities for 2015 and present plans for 2016 until the end of the EaP GREEN in December 2016.

During 2015, further efforts will be made to consolidate results of in-country activities and seek the regulatory reform to be implemented as a result of analysis and capacity building efforts. More work needs to be done to deliver potential synergies between individual project activities at national, thematic, sector and regional levels. For example, closer cooperation is needed between activities that support greening SMEs and financing (by OECD) and projects that promote resource efficient and cleaner production (by UNIDO), similarly the development of strategic framework for green economy (by UNEP) needs to be paired with the development of green growth measurements (by OECD) and impacts assessment (by UNECE).

More emphasis will also be placed on intensifying and improving communication with Partner Countries through more regular and detailed information on country specific activities and their results and to disseminate information to broader in-country audiences, including by working with journalists and the media. There is also a need to liaise with a wider range of local actors as a way to employ their networks and pay particular attention to the implementation of pilot projects as a means to increase ownership.

Risks of programme implementation in 2015

All risks identified in the Description of Action remain valid. Following prolonged periods of political instability in Armenia, Georgia, Moldova and Ukraine in 2014 the outlook for 2015 is cautiously more optimistic. The new governments are in place in four countries listed above. The situation in Ukraine remains fragile due to the military conflict in the eastern part of the country and an unstable economic situation which make the green issues not being at the top of the country priority.

To mitigate the risks the programme should consider establishing stronger links with top decision-makers backed up by official confirmation of pilot projects to engage countries and avoid shifting priorities during the remainder of the project life cycle. There is also a need for back up communications with additional staff in ministries, agencies and private sector to help maintain access to information and support to the project also in case key people leave their position and build constituencies for changes in the current national legal system. These will need to be supported by the development of key messages that should be delivered in an effective though accessible way for policy-makers, especially in Parliament. Establishing a link to the Association Agreements process should be an effective tool.

Areas where reinforced support from the European Commission will be needed

As the programme advances and policy recommendations are developed, a more active involvement of the European Commission will be desirable. There is a need for greater involvement of high-level officials from EU Delegations in the presentation and further promotion of project achievements, dissemination of lessons learned and resulting policy recommendations in events organised in individual EaP countries in order to communicate a unified message and to address challenges. It is recommended that EU disseminates the EaP GREEN policy recommendations among relevant directorates within the EC and other EC-financed projects and programmes to further ensure the links to political processes. Furthermore, outputs and outcomes of the EaP GREEN activities defined under the annual Work Plan should be taken into consideration in the design of new EC-financed project in the region. The support of the EC and the EU Delegations will be timely requested whenever potential risks are detected.

PART 2: PROGRESS ON ACTIVITIES IN 2013 AND PRIORITIES FOR 2014

Component 1 “Governance and finance tools”

Seven “work streams” under Component 1 of the EaP GREEN Programme address various facets of public policies that would enable a more rapid shift towards green economy. First of all, EaP countries will be assisted to put in place comprehensive strategies of transition towards green economy and establish adequate progress measurement frameworks. Reforms of specific instruments will be promoted so that incentives are created for both public and private actors to adopt a greener model of development and invest in green projects. The current section describes the activities carried out in 2014 and some of the initial findings and results. A summary of progress under Component 1 and future plans is presented in a complementary Table. OECD and UNEP are responsible for implementing activities under Component 1.

Work stream 1.1: “Strategic policy setting”

Under this work stream UNEP supported the EaP countries in the development of national sustainable consumption and production (SCP) policies with the aim to (a) promote the integration of resource efficiency and SCP policies into national economic and development planning and implementation; (b) develop and implement national Green Economy/SCP programmes or action plans where these are requested; and (c) show the added value of SCP practices in transitioning to a Green Economy.

The first year of implementation focussed on rolling out the activities at the national level in Belarus, Moldova and Ukraine, and launching regional policy dialogue, awareness-raising and capacity development. In 2014 the main emphasis was two-fold: establishing inter-ministerial working groups at the national level to ensure the implementation of Green Economy and SCP policies and commencing the work on quantitative sectoral analyses to demonstrate environmental, economic and social benefits of a transition to a green economy, as a base for the subsequent development of strategic policy frameworks.

Main achievements towards objectively verifiable indicators:

- A quantitative modelling analysis for two priority sectors (agriculture and energy efficiency) in **Moldova** was carried out; the draft modelling report was prepared and approved by the Government which is a basis for establishing a consensus on policy recommendations and development of planning documents;
- Trainings and awareness raising on the approach to, and potential of, Green Economy as well as tools and methodologies for Green Economy assessments were conducted in **Belarus, Ukraine and Moldova** with the participation of key government stakeholders, research institutes and NGOs. This contributes to an increased awareness about the project activities and creating a critical mass of “front-runners”;

- A **regional** report on “Sustainable Consumption and Production Policies and Initiatives in Eastern Europe and the Caucasus” was completed reviewing the progress on SCP policies and initiatives in the EaP region. The report shows benefits of reform and provides a basis for further in-country work on developing a strategic policy framework;

Challenges:

- Under the current political circumstances, it is no longer certain if the government of **Ukraine** will develop a Strategic Framework for Green Economy or establish an inter-ministerial working group. Discussions will be held with the Ukraine’s authorities, including the Ministry of Economy and Trade and the Ministry of the Environment to mobilise their commitment to develop the Strategic Framework.
- Despite continuous mobilization efforts by project partners, the EaP GREEN project has still not been registered in **Belarus**. This fact has severely hampered the implementation of project activities in the country and resulted in a delay of planned activities. Requests were made to the European Commission and its Delegation in Minsk to facilitate the dialogue with the Ministry of Economy and the Ministry of Environment to speed up the registration of the project.
- Delays were encountered in the nomination of members to the inter-ministerial Working Group in **Moldova** due to the parliamentary elections in November 2014. The follow up discussions with the Ministry of the Environment are expected to accelerate the nominations.

Work stream 1.2: Progress measurement

Changing the development path requires analytical evidence that resonates both with environmental and non-environmental communities. To generate such evidence, governments may need to revisit the set of indicators that they currently use. The OECD proposed a set of green growth indicators on the basis of existing work in international organisations, and in OECD and partner countries. The proposed set has been kept flexible enough so that countries can adapt it to different national contexts. It includes four groups of indicators: environmental and resource productivity, the management of natural assets, environmental quality of life, and economic opportunities arising from environmental policies. The objective of this work stream is to enable EaP countries to use Green Growth Indicators (GGIs) in a way that best fits the needs for more evidence-based decisions at the nexus of environment and economy.

Main achievements towards objectively verifiable indicators:

- A report on green growth indicators in **Ukraine** was published which provides a basis for a consensus building on a set of selected indicators;
- A comparative analysis of green growth indicators in **Moldova** was completed which provides a basis for a consensus building on a set of selected indicators;
- Close links have been established between the work on green growth indicators and the development of the Shared Environmental Information System at the **regional** level. This included the discussions between the OECD, the EEA and the UNECE in November and December and a decision to organise a join workshop on SEIS and green growth in early 2015. This work will show the benefits of reform and utilising the synergies between relevant activities carried out at the international level.

Work stream 1.3: Identifying environmentally-harmful subsidies

Reforming environmentally harmful subsidies (EHS) is a fundamental element of green growth strategies. Its benefits include, among others, reducing the use of resource intensive inputs (e.g. energy) and subsequent decrease in pollution levels, fixing market distortions by making resource prices reflect resource value, and polluters pay for their pollution; releasing and/or reallocating public funding to other areas, such as education, energy saving or reducing debt.

Main Achievements towards objectively verifiable indicators:

- The reforms of two major schemes were modelled, analysed and agreed upon in **Moldova**. The schemes related to: reduced VAT rates for the consumption of natural gas and of electricity in the residential sector (8% and 0%, respectively, instead of the standard 20% rate). This work raised awareness of key institutions and individuals within the government about the costs of subsidies and benefits that can be derived from reform;
- A **regional** overview study of energy subsidy schemes in the EaP countries was launched with the expected delivery by the end of 2015. This is a step towards consensus building on policy recommendations and reform.

Challenges:

- There was no official feedback from **Azerbaijan and Georgia** about the involvement in the project despite earlier expression of interest. The regional approach is likely to address this constrain and engage the two countries in analysis.

Work stream 1.4: Creating market incentives for greener products

Promoting green growth requires policy instruments that are effective in achieving environmental objectives without imposing excessive burdens on the economy. There is growing recognition in OECD countries that economic instruments such as environmentally related taxes can be effective in stimulating a shift to less-damaging forms of production and consumption while providing producers and consumers with flexibility in making these adjustments. In this context, the EaP GREEN programme aims to help EaP countries to design or reform economic instruments related to environmentally harmful products thus providing incentives for both reducing pollution and introducing greener products.

Main achievements towards objectively verifiable indicators:

- **Regional** endorsement of a Policy Manual on product-related economic instruments which was a step towards building consensus on needed policy recommendations;
- Stakeholder endorsement of policy recommendations on market incentives for greener products in **Moldova and Ukraine** which provides a basis for adjusting the existing economic instruments and developing new ones to reduce environmental impacts of environmentally harmful products.

Work stream 1.5: Improving investment policies and access to finance

Access to finance is a serious challenge in the region. More attention needs to be paid to attracting private finance, which is at the core of the green transition. Recognising this, IFIs have established credit lines earmarked for environmental purposes in commercial banks. Such credit lines support immediate investment priorities and develop the capacity of local banks to conduct due diligence assessments and to demonstrate the viability of green financing as an attractive business model. Making the practice of green private financing sustainable requires that local banks see its benefits compared to other business opportunities, sufficient demand from borrowers, and a supportive public policy framework. This work stream aims to enable improved and sustainable disbursement of environmental credit lines in commercial banks of EaP countries.

Main achievements towards objectively verifiable indicators:

- Approval of the credit lines review methodology at the **regional** level which was a step towards building consensus on needed policy recommendations;
- Strengthened cooperation with **International Financial Institutions**, especially with the EBRD, in the project implementation which builds a critical mass of support for reform;
- A regional project to evaluate access to private finance for green investments in **all the EaP countries** was launched. This provides a basis for systematic analyses of the situation in the region and developing concrete country-specific recommendations;
- Agreement was made with **Ukraine**, through Ukreximbank with support by the Ministry of Economy, to participate in the credit lines review project. This is a step towards raising awareness of institutions and individuals within the government and the private sector about the benefits of the project and the need for reform.

Work stream 1.6: Promoting Sustainable Public Procurement (SPP)

Under this activity, countries are supported in the development and implementation of sustainable procurement policies (SPP) by increasing awareness and building capacities of policy makers and procurement managers in the EaP region. In 2013, three pilot countries (Azerbaijan, Moldova and Ukraine) were identified based on consultations and expressed interest from national governments. Governments were requested to designate focal points on SPP at the relevant Ministries. The project activities in 2013 had been delayed due to changes in internal human resource arrangements. However, the project activities and related spending have intensified considerably throughout 2014.

Main achievements towards objectively verifiable indicators:

- A Steering Committee for the SPP related activities was formally established in **Moldova and Ukraine**
- An SPP assessment report was prepared for **Moldova** which highlighted the current status of public procurement and established a baseline to monitor the project's progress;
- A market study was conducted in **Moldova** with a focus on two priority sustainable product groups (energy-efficient doors and windows and organic fruits and vegetables) for which the local market has sufficient capacity to respond to in future SPP tenders.

- A draft SPP National Action Plan for **Moldova** was completed which provides a basis for future reform of the SPP system.
- An analysis of the legal and regulatory framework for the implementation of the SPP in **Ukraine** was carried out which proposed recommendations for changes to the regulations.
- The draft market study on priority products and services for SPP was conducted in **Ukraine**.
- A draft national SPP Policy and Action Plan was developed and discussed by government officials in **Ukraine** which provides a basis for future reform of the SPP system.
- A **regional** train-the-trainers course on SPP was conducted for government counterparts from all EaP countries and Russian-speaking international consultants involved in the project creating a critical mass of “front-runners”;

Challenges:

- The experience in **Moldova and Ukraine** showed that a more detailed methodology that clearly defines each step under the UNEP SPP Approach was needed. Consequently, the UNEP SPP Guidelines Terms of Reference were revised for each activity in the policy phase of the project, i.e. for the status assessment, the legal review report, the prioritisation exercise, the market study and the SPP Action Plan. The revised Terms of Reference were translated and made available to the respective stakeholders in Russian.
- The State Procurement Agency of **Azerbaijan**, which was at first identified as partner to lead SPP activities at national-level, withdrew from the project due to the lengthy and cumbersome designation process of the National Focal Point. Subsequently, representatives from the Ministry of Natural Resources and Environmental Protection of **Belarus** confirmed their interest to join the project as the third pilot country. Due to this unforeseeable delay, a compressed timeline has been established to enable Belarus to both complete the policy component and start the demonstration component in 2015.
- **Armenia** who originally expressed an interest in implementing this activity component informed UNEP that they are no longer interested in implementing this component.

Work stream 1.7: Promoting more sustainable production processes

- While constituting a majority of businesses, small and medium-sized enterprises (SMEs) lack, to a large extent, the understanding that higher environmental performance can be a competitive advantage. Most importantly, they have limited capacity to interpret and respond to relevant policy incentives. Many EU and other OECD countries have addressed this challenge by implementing information-based tools and regulatory and financial incentives to encourage SMEs to improve their environmental performance, to comply with and go beyond regulatory requirements. However, EaP countries have given little consideration to the greening of small businesses. This work stream seeks to help EaP countries to establish a policy framework for improving the environmental performance of SMEs and to promote government-to-business and business-to-business dialogue on SME greening in the EaP region.

Main achievements towards objectively verifiable indicators:

- Over 800 SMEs in **Armenia and Moldova** were reached out to during the survey which provided a good basis for understanding the situation on the ground and disseminating information about the project and its benefits;
- The SME surveys identified main needs for government policy interventions in **Armenia and Moldova** to improve the environmental performance of SMEs and created a good basis for stakeholder dialogue;
- The Ministry of Economy of **Armenia** committed to incorporate important elements on SME greening into both the national SME Support Strategy and the Concept of a Green Economy;
- Analysis of the regulatory framework for greening SMEs in **the EaP countries** was incorporated into the OECD SME Policy Index study which allowed to disseminate the results of the project to a wider audience.

Table 2. Progress on the activities under Component 1 “Governance and finance tools”

1.1: Supporting strategic policy setting		Lead partner: UNEP	Progress made: ON TRACK
Context: <ul style="list-style-type: none"> None of EaP countries has established a vertically and horizontally coherent policy planning framework related to sustainable consumption and production (SCP) and green economy promotion. These goals need to be better reflected in in operational plans and programmes of the government and budgetary plans. 		Objectives: <ul style="list-style-type: none"> Support the development of national SCP policy frameworks Demonstrate added value of SCP practices 	Outcomes (impact): <ul style="list-style-type: none"> Resource efficiency and SCP policies are integrated into national economic and development planning and implementation processes; National SCP programmes or action plans are developed and implemented, where requested.
PROGRESS IN 2014			
Regional-level activities	National-level activities	Results achieved	
<ul style="list-style-type: none"> A Regional workshop was held on Green Economy and Sustainable Consumption and Production in Tbilisi, Georgia on 6 May 2014. A Regional SCP report was developed involving two rounds of review from the EaP national focal points. 	In Belarus: <ul style="list-style-type: none"> A National training workshop on economic modelling was held on 2 July 2014 Two national consultation meetings on simulation modelling in Belarus were held in December 2014 	In Belarus: <ul style="list-style-type: none"> Around 30 representatives from Ministries, Research Institutes and NGOs were trained on green economy simulation modelling; the methodology and next steps for the GE simulation modelling analysis were defined and agreed upon An agreement was signed with the Economic Research Institute of the Ministry of Economy; two priority areas were identified for the analysis, namely energy and transport 	
	In Moldova: <ul style="list-style-type: none"> A national consultation and kick off meeting was held on 6 June 2014 A national consultation and training workshop on economic modelling was held from 12-13 June 2014 A Working Meeting on the Coordination Mechanism for the implementation of Sustainable Development and Green Economy in Moldova was held on 22 July 2014 The GE simulation modelling was conducted by a team of local and international experts and its results presented at a national workshop on 25 November 2014 The draft report for the economic modelling analysis was prepared 	In Moldova: <ul style="list-style-type: none"> 34 representatives from Ministry of Economy, Ministry of Environment, Ministry of Agriculture and Food Industry, Scientific Research institutes, NGOs and private consulting firms were trained and their awareness raised on green economy simulation modelling The approach and next steps for the roll-out of project activities was agreed upon and priority sectors for the modelling analysis were identified, namely energy and organic agriculture An agreement was signed with the National Institute for Economic Research to assist with the compilation of data and drafting of targeted policy recommendations for the modelling report An inter-ministerial Working Group on Green Economy (under the Cabinet) was officially established The data and preliminary results of the draft modelling analysis were reviewed and approved by stakeholders at the national workshop The GE modelling analysis report was prepared 	

	In Ukraine: <ul style="list-style-type: none"> • A national training workshop on economic modelling was held on 10-11 April 2014; • An expert group meeting was held in December with a view to define the scope and priority areas for the modelling analysis 	In Ukraine: <ul style="list-style-type: none"> • 34 participants from government key agencies and scientific research institutes attended the national workshop on economic modelling. They were trained and awareness was raised on green economy concepts, methodologies and tools. • An inter-ministerial Working Group on Green Economy was established. • The expert group narrowed down the priority sectors for the modelling analysis to energy and organic agriculture. • An agreement was signed with the Institute of Green Economics for the coordination and development of the GE simulation modelling analysis.
		At regional level: <ul style="list-style-type: none"> • 42 participants attended the regional workshop in Georgia including representatives from the Ministry of Environment, Ministry of Economy, civil society, and business from five EaP countries (Azerbaijan, Belarus, Georgia, Moldova and Ukraine). The workshop raised awareness of decision makers on the economic benefits of environmental policies and return on investment from greener policy options. • The regional report on Resource Efficiency Economic Outlook was translated into Russian and launched and disseminated at the Regional workshop in Tbilisi. • Report on “Sustainable Consumption and Production Policies and Initiatives in Eastern Europe and the Caucasus” reviewing policies and initiatives in the EaP region drafted and finalized
PLANS FOR 2015		
Regional-level activities	National-level activities	Expected results
	In Belarus: <ul style="list-style-type: none"> • Organise and hold three national consultation workshops on the assumptions and base lines for the GE modelling report, the presentation of preliminary results and their validation by national stakeholders • Prepare the draft GE modelling report • Organise an event for the launch of the GE modelling analysis report 	In Belarus <ul style="list-style-type: none"> • Data collected and first modelling analysis conducted • Preliminary modelling results reviewed and verified by experts and national stakeholders • Green Economy modelling analysis report drafted in two languages and finalized • Green Economy modelling report launched

	In Moldova: <ul style="list-style-type: none"> • Organise a launching event for the GE modelling analysis report • Coordinate the work of the inter-ministerial Working Group and organise and hold 2-3 national consultation meetings on the prioritization of activities and draft of the Green Economy Action Plan • Prepare the Green Economy Action Plan and submit for adoption 	In Moldova <ul style="list-style-type: none"> • Green Economy modelling analysis report launched • Priorities for Green Economy Action Plan identified and agreed upon • Green Economy Action Plan drafted and adopted
	In Ukraine: <ul style="list-style-type: none"> • Organise and hold three national consultation workshops on the assumptions for the GE modelling report, the presentation of preliminary results and their validation by national stakeholders • Prepare the draft GE modelling report • Organise an event for the launch of the GE modelling analysis report 	In Ukraine: <ul style="list-style-type: none"> • Data collected and first modelling analysis conducted • Preliminary modelling results reviewed and verified by experts and national stakeholders • Green Economy modelling analysis report drafted in two languages and finalized • Green Economy modelling report launched
	Demonstration Project: <ul style="list-style-type: none"> • Plan, organise and conduct national awareness raising and information campaigns on the opportunities and benefits of a Green Economy in Ukraine and Moldova 	In Moldova and Ukraine: <ul style="list-style-type: none"> • Awareness raised among the broader public on their opportunities and benefits of a Green Economy

1.2: Progress measurement: Green Growth Indicators (GGIs)		Lead partner: OECD	Progress made: ON TRACK
Context: <ul style="list-style-type: none">Changing the development path requires analytical evidence that resonates both with environmental and non-environmental communities. To generate such evidence, governments may need to revisit the set of indicators that they currently use. Although the EaP countries have a long history of collecting statistical data, the collected data are often patchy, insufficient in terms of quality and poorly used in decision-making. The OECD proposed a set of Green Growth Indicators (GGI) on the basis of existing work in international organisations, and in OECD and partner countries.		Objectives: <ul style="list-style-type: none">Consensus on good practices and raised awareness about the value of GGIs.Adaptation of GGIs in three EaP countries.Identification of 6-7 headline GGIs for regional use.	Outcomes (impact): <ul style="list-style-type: none">Identification and use of national sets of GGIs.Better integration of economic and environmental decision-making.Evidence-based monitoring of transition towards green economy.
PROGRESS in 2014			
Regional-level activities	National-level activities	Achieved results	
<ul style="list-style-type: none">Preparation of a handbook on the use of GGIs launched.Production of a policy brief on GGIs launched.	Moldova <ul style="list-style-type: none">Two experts meetings (April and June 2014).Draft pilot study prepared by local consultants on measuring green growth (June 2014). Ukraine <ul style="list-style-type: none">Presentation of GGIs during the national workshop on 16 June 2014, Kiev.A comparative analysis of GGIs (June 2014) and support provided to the preparation and printing of a report on GGIs.	Regional level: The informal consultants with the EEA, UNECE and UNEP resulted in an agreement to organise a regional meeting on GGIs in early 2015 Moldova and Ukraine: Analytical basis created for further work on refining sets of GGIs and their incorporation into administrative procedures. All key stakeholders consulted during bilateral interviews and two roundtables conducted as part of the project scoping.	
PLANS FOR 2015			
Regional-level activities	National-level activities	Expected results	
<ul style="list-style-type: none">Finalisation and dissemination of the Handbook and the Policy Brief.A regional meeting on GGIs.Identification of headline indicators.	Moldova and Ukraine: Completion of the projects in and the preparation of road maps for the introduction of GGIs. Azerbaijan and Belarus: Studies of the use of green growth indicators.	<ul style="list-style-type: none">Publication and use of draft GGIs-based reports for shaping up government agenda (post-elections) in Moldova and Ukraine.Wider awareness about GGIs.Clear identification of actions to use systematically GGIs in the pilot countries and stakeholder agreement on draft roadmaps that will be developed following the analytical stage.	

1.3: Identifying environmentally-harmful subsidies (EHS) and launching subsidy reform		Lead partner: OECD	Progress made: ON TRACK
Context: <ul style="list-style-type: none">The benefits of reforming environmentally harmful subsidies (EHS) include, among others, reducing the use of resource intensive inputs and subsequent decrease in pollution levels, fixing market distortions; releasing and/or reallocating public funding to other areas, and saving or reducing debt. There is some evidence that EHS in the EaP countries may be significant. However, until now there has not been any consistent effort to analyse such subsidies in these countries and study the effects of their reform on country's fiscal and environmental conditions. This is the first such project in the region.		Objectives: <ul style="list-style-type: none">Implement projects in 3 countries to develop action plans to reform EHS schemes in selected sectors.Develop capacity to identify EHS and their potential impacts.Build political support for EHS reforms.	Outcomes (impact): <ul style="list-style-type: none">Number of subsidy schemes analysed and reforms proposed and agreed upon within the respective government.Existence of specific regulatory documents and decisions related to the EHS reform in the country.
PROGRESS in 2014			
Regional-level activities	National-level activities	Achieved results	
<ul style="list-style-type: none">Launch of work and design of detailed Terms of Reference for the preparation of a regional overview study of energy subsidy schemes in the EaP countries which will be based on information and data available in the public domain.	Georgia: A discussion launched in March 2014. The Ministry of Environment supported the project and provided comments on the project scope suggested for Georgia. Moldova: <ul style="list-style-type: none">The findings and conclusions of the analytical report were discussed and agreed upon at a stakeholder meeting.Following comments from participants, the report was completed in English and is being translated into Romanian and Russian.	Georgia: No official response of the Ministry of Economy Moldova: The reforms of two major schemes were modelled, analysed and agreed upon: the reduced VAT rates for the consumption of natural gas and of electricity in the residential sector (8% and 0%, respectively, instead of the standard 20% rate).	
PLANS FOR 2015			
Regional-level activities	National-level activities	Expected results	
<ul style="list-style-type: none">Dissemination of results from the country-level work.Preparation of an overview survey of major energy subsidy schemes in the EaP countries.Development of materials in preparation of awareness raising seminars in the EaP countries related to environmentally-harmful energy subsidies.	<ul style="list-style-type: none">Initial scoping report and a project kick-off meeting at the OECD Headquarters (July 2015, Paris)Collection of information and data available in the public domain in Armenia, Azerbaijan, Belarus, Georgia and Ukraine (July-October 2015)Preparation of draft country analytical chapters (November – December 2015)	Georgia: Clarifying the interest to participate in the project. All countries: <ul style="list-style-type: none">Identification of relevant energy subsidy schemes.Preparation of relevant materials on costs and benefits of energy subsidies for dissemination across EaP countries.	

1.4: Creating market incentives for greener products		Lead partner: OECD	Progress made: ON TRACK
Context: <ul style="list-style-type: none">EaP countries struggle with a number of environmental challenges that can be addressed through economic instruments (EIs), including the rapid growth of the use of motor vehicles and associated emissions of carbon dioxide and local air pollutants, the lack of sound waste management solutions for end-of-life vehicles and their parts; the exponential increase of municipal solid waste from packaging and electric and electronic equipment; the indiscriminate use of pesticides and fertilisers in agriculture, etc. All EaP countries are interested in expanding the use of product-related EIs.		Objectives: <ul style="list-style-type: none">Facilitate the reduction of environmental impacts of priority, largely diffused manufactured products;Build capacity in EaP countries for introduction and/or reform of product-related EIs.	Outcomes (impact): Adoption of new or reformed policies and economic instruments for the management of environmentally harmful products.
PROGRESS in 2014			
Regional-level activities	National-level activities	Achieved results	
<ul style="list-style-type: none">A regional expert meeting (6-7 March 2014, Paris).Policy Manual “Creating market incentives for greener products” finalised and published.A “Roadmap for policy action”, presenting policy-makers with a strategy for using economic instruments for managing environmentally harmful products, prepared and published.	Armenia: A national policy dialogue meeting held in Armenia on 4 June 2014 to disseminate the Policy Manual and discuss possible directions for reform in the country. Moldova: Second stakeholder workshop conducted within the pilot projects (13 June 2014) to discuss preliminary policy recommendations. Ukraine: Second stakeholder workshop conducted within the pilot projects (18 June 2014) to discuss preliminary policy recommendations.	Regional level: The regional meeting endorsed the regional guidance document (several EaP country ministries were willing to reference the guidance on their websites) and highlighted the importance of the brief for policy-makers. Stakeholder endorsement of preliminary policy recommendations in the pilot countries.	
PLANS FOR 2015			
Regional-level activities	National-level activities	Expected results	
<ul style="list-style-type: none">Dissemination of the Policy Manual in all EaP countries.	Moldova and Ukraine: <ul style="list-style-type: none">National stakeholder workshop on product-related economic instruments in Ukraine (16 April 2015, Kiev)Report on the current practices and recommendations for reform of on product-related economic instruments in Ukraine (April-May 2015)National stakeholder dialogue workshop on product-related economic instruments in Azerbaijan (May 2015, Baku)Special session of the EAP Task	All countries: <ul style="list-style-type: none">Wide dissemination of the Policy Manual and related communication products among policy makers in EaP countries; Moldova: <ul style="list-style-type: none">Improvements designed to the system of environmental product taxes.A system of extended producer responsibility (EPR) developed and introduced. Ukraine: <ul style="list-style-type: none">Proposals on the introduction of environmental product taxes;Reform proposals introduced to the existing laws and regulations on EPR for environmentally harmful products.	

	Force on economic instruments for environmentally harmful products (October 2015)	
1.5: Improving investment policies and access to finance	Lead partner: OECD	Progress made: ON TRACK
Context: <ul style="list-style-type: none"> Moving onto a greener, low-carbon and resource-efficient path of economic development requires significant investments. The public sector alone cannot bear the costs of such investments. In order to promote private sector finance, governments need to provide appropriate incentives. Commercial banks have a potentially important role to play in providing lending for green investments. However, under the current conditions in EaP countries the involvement of these banks is rather limited. 	Objectives: <ul style="list-style-type: none"> Reaching consensus on the conditions and reforms that would enable commercial banks in the EaP countries to support investments in green projects. Strengthening cooperation between governments and the private banking sector aiming to improve access to private finance. 	Outcomes (impact): <ul style="list-style-type: none"> Agreement between the government and the banking sector on needed regulatory reforms. Number of credit lines analysed and relevant policy recommendations made and agreed upon.
PROGRESS IN 2014		
Regional-level activities	National-level activities	Achieved results
<ul style="list-style-type: none"> A regional expert meeting organised (5-6 June 2014, Paris) to discuss and agree on a methodology for the in-depth review of environmentally-related credit lines provided by IFIs and disbursed by local banks; Preparation of an analytical report which contains a review of the experience with the design and implementation of existing environmental credit lines in the EaP countries and a methodology for in-depth analysis of such credit lines. 	Ukraine: <ul style="list-style-type: none"> Launching a country level activity to be implemented jointly with the Ukraine State Export-Import Bank (Ukreximbank). Organisation of a workshop (July 2014, Paris), with the participation of representatives of Ukreximbank and EBRD, a major source of long-term environmental funding to Ukreximbank, to discuss and agree on the project scope and organisation of the project. 	Regional level: <ul style="list-style-type: none"> Discussion and approval of the credit lines review methodology by meeting participants that included representatives of EaP Ministries of Economy, IFIs, EaP local banks, academics, international experts. Strengthened cooperation with IFIs and an agreement by the IFIs to take part in the project. Ukraine: agreement by Ukraine, through Ukreximbank with support by the Ministry of Economy, to participate in the activity.
PLANS FOR 2015		
Regional-level activities	National-level activities	Expected results
	<ul style="list-style-type: none"> Mission to review the experience of Ukreximbank in Ukraine with the design and implementation of IFI-supported environmental credit lines (end of May 2015) Stakeholder meeting in Ukraine to 	<ul style="list-style-type: none"> Ukraine: A policy-relevant report and reform recommendations prepared and discussed at a stakeholder's meeting in Ukraine Georgia (tbc): Organising a kick-off mission to launch a review process of selected environmental credit lines in a Georgian bank

	<p>present and discuss the major findings that have emerged from the analysis of the Ukreximbank experience with managing environmental credit lines (September 2015)</p> <ul style="list-style-type: none">• Mission to review the experience of Georgia with the design and implementation of environmental credit lines (October 2015)		
Activity 1.6. Promoting public consumption changes through Sustainable Public Procurement (SPP) practices		Lead partner: UNEP	Progress made: ON TRACK
Context: <ul style="list-style-type: none">• Governments in the Eastern Partnership countries are important consumers: their expenditure represents some 20% of the GDP, ranging from 11.3% in Azerbaijan to 27.3% in Moldova. With the exception of Georgia and Ukraine, where governments have already taken specific steps to make their procurement practices more sustainable, none of the ENPI partner countries have national green public procurement policies in place. Even where relevant provisions for SPP have been enacted in legislation, the operational policies are lacking.		Objectives: <ul style="list-style-type: none">• To assist countries in the development and implementation of SPP policies by increasing awareness and building the capacities of policy makers and procurement managers.	Outcomes: <ul style="list-style-type: none">• Awareness raised and capacity strengthened on SPP approaches;• National SPP Action Plans are developed in three target countries in coherence with existing SCP and sustainable development policies.
PROGRESS IN 2014			
Regional-level activities	National-level activities	Results achieved	
<ul style="list-style-type: none">• The regional awareness raising and capacity building workshop on SPP was successfully organized on 7-8 May 2014, in Tbilisi, Georgia.	<p>In Moldova</p> <ul style="list-style-type: none">• Agreements (Small Scale Funding Agreements, SSFA) were signed between UNEP and the designated Agency/Ministry for SPP in Moldova, and the Ministry of Environment in Ukraine and Belarus in support of the roll out of the UNEP Approach to SPP in the three countries.• 3 inception workshops were organized in Moldova, Ukraine and Belarus to (1) raise awareness on the benefits of SPP and the joint application of SPP and eco-labelling; and (2) launch the country-level SPP activities in the three countries. <p>In Moldova and Ukraine:</p> <ul style="list-style-type: none">• The status assessment questionnaires were completed by the Public	<p>In Moldova:</p> <ul style="list-style-type: none">• 27 participants representing the major public procurement players of Moldova are informed of the benefits of SPP and the joint application of SPP and eco-labelling.• The National Focal Organisation (NFO) and the National Focal Point (NFP) are formally designated, the Steering Committee for SPP is established; the project implementation plan for 2014 is adopted; and the project administrative and financial management modalities and the project scope are agreed upon. <p>In Ukraine:</p> <ul style="list-style-type: none">• 24 participants representing the major public procurement players of Ukraine are informed and aware of the benefits of SPP and the joint application of SPP and eco-labelling.• The NFO and the NFP for this activity are formally designated, the Steering Committee is established; the project implementation plan is adopted; and the project administrative and financial management modalities and the project scope are agreed upon.	

	<p>Procurement Agency in Moldova and the State Ecology Academy (SEA) in Ukraine.</p> <ul style="list-style-type: none"> • The Legal Review report was produced in both countries to identify the possibilities to mainstream SPP within their legal and regulatory frameworks. • The “Prioritization Exercise” was successfully carried out to select and prioritize the main categories of sustainable products which will be procured by public entities through the pilot tenders in 2015 • A draft market study was undertaken by Public Procurement Agency and State Ecology Agency (SEA) with a focus on the priority sustainable products identified earlier. The objective of the study is to assess the existing capacity of the local market to respond to future SPP tenders. • A draft SPP Action Plan was drafted by the PPA and the SEA. • An SPP Policy and Action Plan workshop was organized in Moldova and Ukraine to discuss the draft SPP Action Plan. 	<p>In Moldova and Ukraine</p> <ul style="list-style-type: none"> • Legal Review reports were prepared confirming the existence of a favourable legal environment in both countries to implement sustainable public procurement, and highlighting the required regulatory changes • Priority sustainable products which will be included in the pilot tenders in 2016 were selected: organic fruits and vegetables and energy efficient doors and windows for Moldova; heat insulation materials, paintwork materials and washing and cleaning products for Ukraine. • The draft findings of the market studies confirm the local productive capacities for the priority products and the potential responsiveness of the market to SPP tenders. • SPP Policy and Action Plan workshops provided relevant inputs to finalise the SPP Action Plan of Moldova and Ukraine. <p>In Belarus:</p> <ul style="list-style-type: none"> • 39 participants from different organisations including the Ministry of Natural Resources, Ministry of Economy, Ministry of Commerce, Ministry of Agriculture and Food Industry, Ministry of Energy, and the national Confederation of Entrepreneurship are informed and aware of the benefits of SPP and the joint application of SPP and eco-labelling. • The Ministry of Natural Resources and Environmental Protection was designated as the activity NFO. The official appointment of the project NFP took place after the workshop, in December 2014. • The draft list of SC members was discussed during the workshop and is pending approval by the Ministry of Natural Resources. The project implementation plan was tentatively adopted by the workshop participants and is pending official adoption by the Steering Committee. <p>At the regional level:</p> <ul style="list-style-type: none"> • 40 public procurers and representatives from the civil society and the business sector from Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine have an increased awareness of the benefits of SPP as well as strengthened capacities in SPP policy development and implementation.
PLANS FOR 2015		
Regional-level activities	National-level activities	Expected results
N/A	<p>In Belarus:</p> <ul style="list-style-type: none"> • Officially designate Steering Committee members; Complete the Status Assessment exercise • Produce the Legal Review report to identify the possibilities to mainstream 	<p>In Belarus:</p> <ul style="list-style-type: none"> • The Steering Committee is established; the project implementation plan for 2015 is adopted; and the project scope is agreed upon • Status Assessment questionnaire completed • Legal Review report produced highlighting the regulatory changes • Priority sustainable products which will be included in the pilot tenders in

	<p>SPP within the existing legal and regulatory frameworks.</p> <ul style="list-style-type: none"> • Carry out the Prioritization exercise to select the main categories of sustainable products for inclusion in pilot tenders and procurement by selected public entities in the Demonstration phase of the project • Undertake market study focusing on the products identified during the Prioritization exercise. The study will help assess the existing capacity of the local market to respond to future SPP tenders. • Draft the SPP Action Plan: Organise and conduct the SPP Policy and Action Plan workshop to discuss and finalize the SPP Action Plan. 	<p>2015</p> <ul style="list-style-type: none"> • The SPP Action Plan is drafted • The SPP Policy and Action Plan workshop organized allowing to finalise the SPP Action Plan.
1.7: Promoting more sustainable production processes	Lead partner: OECD	Progress made: ON TRACK
<p>Context:</p> <ul style="list-style-type: none"> • While constituting a majority of businesses, small and medium-sized enterprises (SMEs) lack, to a large extent, the understanding that higher environmental performance can be a competitive advantage. Most importantly, they have limited capacity to interpret and respond to relevant policy incentives. Many EU and other OECD countries have addressed this challenge by implementing information-based tools and regulatory and financial incentives to encourage SMEs to improve their environmental performance, to comply with and go beyond regulatory requirements. However, EaP countries have given little consideration to the greening of small businesses. 	<p>Objectives:</p> <ul style="list-style-type: none"> • Establish a policy framework for improving the environmental performance of SMEs. • Develop capacity in EaP countries to promote SME greening. • Promote government-to-business and business-to-business dialogue on SME greening in the EaP region. 	<p>Outcomes (impact):</p> <p>Policy and legislative changes in support to the SME greening.</p>
PROGRESS IN 2014		
Regional-level activities	National-level activities	Achieved results
<ul style="list-style-type: none"> • An annotated outline of the SME Greening Toolkit developed and agreed by all NFPs. • Ongoing work on the design of the SME Greening Toolkit. • Special session on SME greening under preparation for the annual meeting of the EAP Task Force in November 2014. 	<ul style="list-style-type: none"> • Armenia: an SME survey conducted in February-May 2014; the results were presented and discussed at the second stakeholder workshop (4 June 2014); stakeholders identified priorities for the rest of the project. • Third national stakeholder workshop of the SME greening pilot project (7 November 2014, Yerevan) • Moldova: the project kicked off with a 	<p>Armenia and Moldova:</p> <ul style="list-style-type: none"> • The SME surveys identified main needs for government policy interventions to improve the environmental performance of SMEs and created a good basis for stakeholder dialogue. • Over 800 SMEs in the two countries were reached out to during the survey. • The Ministry of Economy of Armenia incorporated important elements on SME greening into both the national SME Support Strategy and the Concept of a Green Economy.

	stakeholder workshop (13 February 2014); an SME survey conducted in May-August 2014.	
PLANS FOR 2015		
Regional-level activities	National-level activities	Expected results
<ul style="list-style-type: none"> • A special session on SME greening at the EAP Task Force meeting in November 2014. • Development of a draft SME Greening Toolkit. • A regional expert meeting to discuss the draft Toolkit. • Preparation of a brief for policy-makers based on the Toolkit. • Finalisation and publication of the Toolkit and the policy brief in English and Russian and their dissemination. 	<ul style="list-style-type: none"> • Report on the current practices and recommendations on policy instruments for SME greening in Armenia (April-May 2015) • Final stakeholder workshop of the SME greening pilot project in Moldova (June 2015, Chisinau) • Report on the current practices and recommendations on policy instruments for SME greening in Moldova (June 2015) 	<p>Armenia, and Moldova</p> <ul style="list-style-type: none"> • Active participation of local stakeholders in the development of policy recommendations and specific policy tools. • Institutionalisation of the pilot project's policy recommendations by the economy and environment ministries and key business associations. <p>Regional level:</p> <ul style="list-style-type: none"> • Dissemination of the regional guidance documents and pilot project results across EaP countries.

Component 2 “SEA and EIA promotion” (managed by UNECE)

Component 2 aims to support the integration of environmental considerations into the preparation and adoption of laws, policies, plans, programmes and projects by ensuring that environmental assessments are carried out for initiatives that are likely to have a significant impact on the environment in accordance with the UNECE Convention on Environmental Impact Assessment (EIA) in a Transboundary Context (the Espoo Convention) and its Protocol on Strategic Environmental Assessment (SEA) as well as with the relevant EU legislation.

Work stream 2.1: Revision of the existing national regulatory and legislative frameworks

The activities under this work stream aim to promote the integration of EIA and SEA systems into the national legal, regulatory, and administrative frameworks of the partner countries, and to improve acceptance of SEA and EIA systems among national stakeholders.

Main achievements towards objectively verifiable indicators:

- In the reporting period, three countries (**Armenia, Azerbaijan and Georgia**), in cooperation with the UNECE, completed a review of the national legislation, procedures and institutional structures for the application of SEA and EIA. The countries also developed recommendations on how to improve national legal frameworks in order to comply with the Protocol on SEA, the Espoo Convention (in Armenia, Azerbaijan and Georgia) and the EU SEA Directive. Drafting of the new national legislation is now completed in **Moldova** and initiated in **Azerbaijan and Georgia**. A plan for amending the existing legal framework in Belarus was also developed.
- **Ukraine** informed the UNECE that it obtained support for drafting SEA and EIA legislation in accordance with the EIA and SEA Directives through the EU-funded Project “Complementary Support to the Ministry of Ecology and Natural Resources of Ukraine for the Sector Budget Support Implementation” (SBS). It further requested the EaP GREEN project to support an awareness raising campaign to facilitate adoption of these laws.

Challenges

- EaP GREEN received five (instead of two as it was planned) requests for drafting EIA/SEA legislation and additional requests for organising constituency building exercises. Thus, to accommodate these requests UNECE and the partner countries agreed to downscale some capacity-building activities as presented in the description of the work stream 2.2 below.

Work stream 2.2: Capacity building on SEA/EIA procedures, following good practices including those in use in the EU Member States

The planned activities under this work stream aim to contribute to the development of national SEA/EIA systems and practice; to raise awareness and understanding of the benefits of SEA/EIA at national and local level and in different sectors; to provide opportunities for public participation in decision-making; and to facilitate acceptance among decision-makers, sectoral authorities and the public of the effects of plans, programmes and projects implementing SCP policies.

Main achievements towards objectively verifiable indicators:

- A local level pilot project was carried out on the application of SEA to the Orhei Town Master Plan in **Moldova** to test the new SEA enshrined in the draft SEA law. The project contributed to the awareness raising about the SEA and its benefits and it allowed to test the approach which was applied in the national legislation with the view of further replication in other localities;
- A new approach for training national and local officials on practical application of SEA was tested in **Moldova** in conjunction with the SEA pilot project for the Orhei Master Plan. This bring the project closer towards creating a critical mass of front-runners and developing training material that is tailored to national and local conditions;
- **Belarus and Ukraine** completed pilot projects on testing the post-project analysis procedure of a transboundary EIA and recommendations were elaborated for addressing the weaknesses and gaps in the national EIA systems related to the post-project analysis.
- A **regional** study tour “Application of Strategic Environmental Assessment at the national level in the field of urban planning, waste management, agriculture and energy sector” was organised in the Czech Republic for 32 participants from EaP GREEN countries. This contributes to the widening of the range of experts that are trained in applying modern assessments compatible with that in the EU.

Challenges

- The Ministry of Nature Protection of **Armenia** identified a Master Plan of Town Dilijan as a candidate for a pilot project. However, due to institutional changes in the Armenian government during 2014 financing of the plan was suspended. The EaP GREEN is looking for another governmental strategic document, which can become subject of SEA on a pilot basis.
- Taking into account the requests for extended legislative assistance from **Armenia, Azerbaijan, Belarus, Georgia and Moldova**, the plans for carrying out national and local level trainings were amended and scaled down.
- Due to the lack of efficient cooperation between the environment ministries who are the direct beneficiaries of the EaP GREEN and the developers of plans/programmes selecting and implementing SEA pilot projects in the absence of the proper legislative requirements in the participating countries is challenging.
- Due to delays associated with the preparation of the Orhei Town Master Plan by the planning authority, the end of the pilot project was postponed from December 2014 to May 2015.
- Georgia suggested to postpone the implementation of the pilot project in favour of a more comprehensive assistance on drafting EIA and SEA law and bylaws (see work stream 2.1).

Work stream 2.3: Strengthening the administrative capacities

Strengthening the administrative capacities of the authorities in charge of the environmental assessment is needed in order to clarify responsibilities and roles of competent authorities for SEA and EIA procedures, improve inter-institutional cooperation and involve all the relevant actors in the legislative reviews, technical assistance, training on and pilot implementation of SEA/EIA. The planned interventions are closely connected with the activities described above and include: carrying out legislative reviews of EIA and SEA, pilot projects, training and technical assistance seeking active involvement of relevant authorities and stakeholders; prepare recommendations that cover both legislative process and institutional improvements; share and discuss the recommendations with governmental authorities at roundtable events; include institutional building as part of the training objectives; define and clarify roles and responsibilities of national authorities in the national guidance documents.

Main achievements towards objectively verifiable indicators:

- A review of the existing procedures and institutional structures in the participating countries (**Armenia, Azerbaijan, and Georgia**) was carried out during the revision of SEA related policy and legal frameworks (as described in the section Work stream 2.1 above).
- Links were established with co-operation development projects supported by Canada, Germany and the World Bank on SEA and EIA projects in **Armenia, Georgia and Ukraine** which contributes to the enhanced multistakeholder co-ordination and experience sharing events.

Table 3. Progress on the activities under Component 2 “SEA and EIA promotion”

2.1: Revision of national regulatory and legislative frameworks		Lead partner: UNECE	Progress made: ON TRACK
Context: <ul style="list-style-type: none"> The existing environmental assessment legislation in many EaP countries, provides for environmental impact assessment (EIA) procedures at the national and transboundary context, and contains elements of strategic environmental assessment (SEA). However, there were indications that gaps in legislation and practice prevented countries from conducting EIA and SEA procedures in line with the Convention on Environmental Impact Assessment in a Transboundary Context (Espoo Convention) and its Protocol on SEA, as well as with the relevant EU legislation. A review of national legislative and other regulatory framework on EIA and/or SEA in these countries has been recently undertaken, which has proven an efficient tool for identifying areas of concern and improvement. 		Objectives: <ul style="list-style-type: none"> Promote the integration of EIA and SEA systems into the national legal, regulatory, and administrative frameworks of the partner countries. Improve understanding for and acceptance of the necessary measures for efficient implementation of SEA and EIA among national stakeholders. 	Outcomes: <ul style="list-style-type: none"> Increased number of EaP countries, Parties of the Protocol on SEA and the Espoo Convention Environmental assessment legislative frameworks incorporate provisions for SEA and EIA in line with the Convention, the Protocol and relevant EU Legislation
PROGRESS IN 2014			
Regional-level activities	National-level activities	Results achieved	
<ul style="list-style-type: none"> A four hour session on practical considerations for developing national legislative frameworks for the application of SEA was held at the “Subregional conference, presenting results on pilot project on post-project analysis with Belarus and Ukraine and capacity building on SEA” (15- 16 April 2014, Minsk). Guidelines on developing national legislative framework on SEA are under development. 	<p>Armenia: Review of national legislative and institutional framework of SEA completed, the round-table meeting to discuss the results of the review organized (26 September 2014, Yerevan); Review of the national law on EIA and environmental expertise on request of the Espoo Convention Implementation Committee (IC) is developed</p> <p>Committee (IC) is developed</p> <p>Azerbaijan: Review of national legislative and institutional framework of SEA was developed in June-August 2014, the round-table meeting to discuss the results of the review organized (28 August 2014, Baku); review in mid-October 2014; Assessment of the draft law on environmental assessment is</p>	<p>Armenia and Azerbaijan: draft reports of the reviews of national legislative and institutional framework of SEA and opinion papers on draft EIA laws prepared (see column 2 for links).</p> <p>Georgia: background documents for development of a draft Law on EIA and SEA in Georgia elaborated. Notably, Report on analysis of the existing elements and gaps in the national legislation of Georgia related to implementation of the Protocol on Strategic Environmental Assessment to the Espoo Convention (2014) and Review of legislation on environmental impact assessment of Georgia vis-à-vis provisions of the Espoo Convention (2013) (see column 2 for links).</p> <p>Moldova: new legislation on SEA drafted and discussed with the national stakeholders (available in Russian and the national language).</p> <p>Regional level: numerous recommendations describing necessary legislative, process and institutional improvements developed for each country and incorporated into the draft guidance on developing national legislative framework (the guidance document will be ready by October 2015).</p>	

	<p>prepared on request of the IC.</p> <p>Georgia: Development of the draft law on EIA and SEA initiated during the start-up workshop (25 - 26 August 2014, Tbilisi). The draft law will be based on the result of the 2014 SEA mapping exercise and the 2013 Review of legislation on environmental impact assessment of Georgia via-a-vis the provisions of the Espoo Convention.</p> <p>Moldova: Draft Law on SEA prepared and discussed at the National round-table meeting (29 July 2014, Chisinau). Support on drafting bylaws for the implementation of the EIA law is been provided.</p>	
PLANS FOR 2015		
<ul style="list-style-type: none"> • Sub-regional conference to exchange experience in drafting SEA / EIA legislation and bylaws, barriers on adoption of the legislation and implementation of the pilot projects, October 2015 (Georgia). • Preparation of the sub-regional overview on application of the SEA and EIA in the participating countries (March – October 2015). 	<p>Azerbaijan: Assistance to the drafting of EIA and SEA law (November 2014 – March 2015).</p> <p>Armenia: Assistance to the drafting amendments to the law on environmental impact assessment and environmental expertise (March 2015 – May 2016). Planning meeting for preparation of the amendments to the law of the Republic of Armenia on “Environmental impact assessment and expertise” (24 March, 2015)</p> <p>Belarus: Assistance to the drafting SEA provisions to the law on EIA (March 2015 – December 2015).</p> <p>Georgia: Preparation of the draft law and relevant bylaws on EIA and SEA (September 2014 – September 2015); Press-tour to promote the EIA and SEA benefits (October 2015)</p> <p>Moldova: Preparation of the bylaws to support enforcement of the law on EIA and SEA (October 2014 - September</p>	<ul style="list-style-type: none"> • Armenia: Text proposals for amendments of the EIA law. • Azerbaijan: Text proposals to improve draft law on EIA and environmental expertise. • Belarus: Draft section on SEA to the law on EIA; • Georgia: Second draft of a new legal act on EIA and SEA is prepared; by laws on detailed SEA and EIA procedures are prepared; 15 national journalist are aware about the EIA and SEA as tools for greening the economy; at least 10 articles in the local media are published • Moldova: Bylaws to enforce EIA and SEA laws are prepared and submitted to the Parliament. • Sub-regional overview and guidance for drafting SEA and EIA legislation is prepared. • Awareness about the legal requirements of the Espoo Convention, the Protocol on SEA and EU SEA and EIA Directives is raised among at least 25 experts in each other participating countries.

	2015).	
	Ukraine: Awareness raising event for high level officials to support adoption of the draft law on SEA (12 June 2015 tbc)	
2.2: Capacity building on SEA/EIA procedures	Lead partner: UNECE	Progress made: ON TRACK
Context: <ul style="list-style-type: none"> In absence of a legislative framework which requires mandatory application of SEA, the EaP countries lack capacities and practical experience in the application of the SEA in line with the Protocol on SEA and relevant EU legislation. Most of the plans and programme subject to SEA are sub-national or local land-use plan or other local plans which impact people's everyday life. The capacity building activities will thus target both national and local authorities, whose involvement is vital for the development of successful SEA/EIA systems. National authorities will be enabled to provide advice and training on SEA to the local authorities. For better efficiency, training courses will be combined with carefully selected pilot SEA or EIA projects. 	Objectives: <ul style="list-style-type: none"> Contribute to the development of national SEA/EIA systems and practice. Increase awareness and understanding of the benefits of SEA/EIA and facilitating acceptance among decision-makers, sectoral authorities and the public. Elaborate and support implementation of recommendations for further improving the effectiveness of SEA and EIA systems. 	Outcomes: <ul style="list-style-type: none"> Practical experience and national capacities for application SEA/EIA at the national and local level are available in the EAP countries.
PROGRESS IN 2014		
Regional-level activities	National-level activities	Results achieved
<ul style="list-style-type: none"> EaP GREEN coordination meeting at the meetings of the Parties of the Espoo Convention and the Protocol on SEA organized (2-5 June, Geneva). Subregional conference, presenting results on pilot project on post-project analysis with Belarus and Ukraine and capacity building on SEA organised (15-16 April 2014, Minsk). study tour in the Czech Republic 'Application of Strategic Environmental Assessment at the national level in the field of urban 	<p>Armenia, Ukraine: The selection of an SEA pilot project is initiated.</p> <p>Azerbaijan: MOU for implementation of a pilot project on application of SEA to Alternative Energy Strategy in Azerbaijan is signed between UNECE and Regional Environmental Center for Caucasus (Office in Azerbaijan).</p> <p>Moldova: National training workshop on SEA (part 1) was carried out (part 1: 30-31 July 2014, Chisinau/ part 2: 16 December 2014); A pilot project on the application of the Draft Law on SEA to the Orhei town Master Plan development</p>	<p>Azerbaijan: MOU for the implementation of the pilot project is signed.</p> <p>Georgia: based on the request of the national counterparts the pilot project will either be postponed until the country developed its national legislation or cancelled in favour of drafting of necessary by-laws to support development of national EIA and SEA legislative framework.</p> <p>Moldova: draft training materials are produced based on the national conditions; SEA pilot project is initiated; 15 national experts are trained in practical application of SEA</p> <p>Belarus and Ukraine: a pilot project on PPA of environmental impact in transboundary context in Belarus and Ukraine is completed, including a report by the bilateral working group for the environmental Monitoring of Khotislavskoye quarry and an expert assessment of the pilot project and recommendations for improving transboundary EIA procedure and post-project analysis.</p>

<p>planning, waste management, and energy sector organized (1-5 December, 2014).</p>	<p>process initiated (July 2014 – March 2015) Belarus and Ukraine: a pilot project on the post-project analysis (PPA) of environmental impact in transboundary context in Belarus and Ukraine, completed, including a meeting of the Task Force for project evaluation (17 December 2013), one virtual (for Ukraine, May 2014) and one physical public participation events (21 February, 2014), and a Subregional conference for disseminating results held (15 April 2014, Minsk).</p>	<p>Regional-level: awareness about European best practices in application of SEA is raised for 32 participants from EaP GREEN countries.</p>
<p>PLANS FOR 2015</p>		
<ul style="list-style-type: none"> • EaP GREEN coordination meeting at the Working Group Meeting of the Espoo Convention and the Protocol on SEA (May, Geneva 2015). • Sub-regional train-the-trainers workshop on practical application of SEA (October 2015 (Georgia). • Preparation of the brochure on SEA benefits (June – October 2015) • Preparation of a video on SEA procedure and benefits (June – October 2015) 	<ul style="list-style-type: none"> • Armenia: Awareness raising seminar for practical application of SEA (23-24 March, 2015). • Moldova: Final conference on SEA pilot at the local level (17 June 2015) • Moldova: Initiation of a national level SEA pilot project • Moldova: National and local training workshops on SEA to support implementation of the national level pilot project (October 2015 – December 2015). • Moldova: Developing Guidelines on application of EIA. • Ukraine: Training workshop on the role of environmental authorities in SEA (11 June 2015) • Ukraine: Awareness raising event to promote benefits of SEA among sectoral ministries (10 June 2015) • Azerbaijan: Implementing a pilot project (March – November 2015). • Armenia): Planning and implementing an SEA pilot project 	<p>At least 50 participants completed the training courses on application of SEA.</p> <p>Training methodology updated and used at the training events.</p> <p>Moldova and Azerbaijan: Pilot SEAs completed. Their results are shared at the national training and regional conferences.</p> <p>Armenia and Moldova: One pilot SEA at the national level initiated in each country.</p> <p>Moldova: Guidance on application of SEA prepared.</p> <p>Ukraine: 20 participants from the sectoral ministries are aware of the SEA draft law, SEA procedure and benefits; 20 representatives of the environmental authorities are aware of their role in SEA procedure</p> <p>Regional level: Up to 5 national experts from each country is trainer as trainers on practical application of SEA</p>

(2015).			
2.3: Strengthening the administrative capacities of the authorities in charge of the environmental assessment		Lead partner: UNECE	Progress made: ON TRACK
Context: <ul style="list-style-type: none">A clear definition of both the competent authorities in decision-making and the responsibilities for arranging public participation are needed for efficient EIA and SEA. In particular, in the case of SEA commitment and clear division of roles among other relevant authorities (planning, health, etc.) is required to achieve its targets of impacting strategic decision-making. For sectorial plans and programmes, joint capacity-development activities can help to strengthen coordination between government departments. This activity will provide for involvement of various authorities and include clarification of responsibilities for SEA and EIA procedures. It will be implemented through the activities 2.1 and 2.2.		Objectives: <ul style="list-style-type: none">To define and clarify responsibilities and roles of competent authorities for SEA and EIA procedures,To improve inter-institutional cooperation and involve all the relevant actors in the legislative reviews, technical assistance, training on and pilot implementation of SEA/EIA.	Outcomes: <ul style="list-style-type: none">Enhanced capacities of the administrative authorities in charge of the environmental assessment for conducting SEA and EIA.
PROGRESS IN 2014			
Regional-level activities	National-level activities	Results achieved	
<ul style="list-style-type: none">Subregional conference, presenting results on pilot project on post-project analysis with Belarus and Ukraine and capacity building on SEA organized (15-16 April 2014, Minsk).Study tour in the Czech Republic 'Application of Strategic Environmental Assessment at the national level in the field of urban planning, waste management, agriculture and energy sector' organized (1-5 December, 2014).	<ul style="list-style-type: none">A review of roles and responsibilities of various stakeholders in the SEA process conducted in conjunction with the activity 2.1: Revision of the existing national regulatory and legislative framework (Georgia/ EIA, 9 September – 15 October 2013; Armenia/SEA, 16 June – October 2014; Azerbaijan/EIA, 05 June – 31 September 2014) and mapping exercise in Georgia/SEA (1 July – 31 September 2014);Relevant stakeholders were identified and took part in the national and regional training workshops initiated in connection with the activity 2.2: Capacity building on SEA/EIA procedures, following good practices including those in use in the EU (See the right side of the table).	Numerous recommendations on institutional improvements prepared and discussed at the round table events dedicated to the results of the legislative and institutional reviews on SEA in Azerbaijan, Georgia and the Republic of Moldova . Sections on roles and responsibilities of national authorities in SEA incorporated at the agenda of the national training events on SEA in Armenia, Moldova, Ukraine and three local training events in Belarus supported institutional building. As a result of a pilot project on PPA of environmental impact in transboundary context in Belarus and Ukraine recommendation for roles of the national authorities in the PPA developed. Regional-level: awareness about European best practices in application of SEA is raised for 32 participants from EaP GREEN countries.	
PLANS FOR 2015			
<ul style="list-style-type: none">See planned activities under the	<ul style="list-style-type: none">See planned activities under the	Regional level: Relevant authorities were represented at the round-	

<p>Activity 2.1 Revision of the existing national regulatory and legislative framework and 2.2. Capacity building.</p>	<p>Activity 2.1 Revision of the existing national regulatory and legislative framework and 2.2. Capacity building.</p>	<p>tables, training events and regional conferences.</p> <p>Armenia, Azerbaijan, Belarus, Georgia, and Moldova:</p> <ul style="list-style-type: none"> • Numerous recommendations on institutional improvements prepared and discussed at round table events dedicated to draft law on EIA (where relevant) and SEA. • Sections on roles and responsibilities of national authorities in SEA are incorporated at the agenda of the planned national and local training events on SEA. <p>Moldova: Sections on roles and responsibilities of national authorities in EIA are incorporated to the national Guidelines on application of EIA.</p>
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Component 3 “Demonstration projects”

Workstream 3.1: Demonstration projects in support to Resource Efficient and Cleaner Production (RECP) in manufacturing

The RECP demonstration component aims to support improving the productive use of natural resources (materials, water and energy) and reducing the pollution intensity (air emissions, effluents and waste) of industries in particular from the food processing, chemical and construction materials’ sectors. The RECP demonstration component is aligned with the global UNIDO-UNEP RECP programme which currently supports over 55 developing and emerging economies, including EECCA countries, with building human and institutional capacity for adapting, adopting, mainstreaming and scaling up RECP methods, practices and technologies in enterprises in manufacturing and related sectors (see www.unido.org/cp and www.recpnet.org).

Prior to the start of the EaP GREEN, UNIDO already actively supported the demonstration and promotion of RECP methods, techniques and policies in Ukraine, through the Ukraine Resource Efficient and Cleaner Production Centre, since 2007, and in Moldova, through the National Cleaner Production Programme, since 2009. In 2013, UNIDO inventoried past experience with RECP and related approaches in each EaP country and assessed the service delivery capacity, as the start for identifying potential national implementing partners. A competitive call for proposals for cooperating institutions and experts was undertaken during the final quarter of 2013, and during January 2014, UNIDO confirmed as its national implementing partners:

- Regional Environment Centre – Caucasus – Yerevan Branch (RECC Armenia);
- Regional Environment Centre – Caucasus - Baku Branch (RECC Azerbaijan);
- Energy Efficiency Centre (EEC, Georgia);
- National Cleaner Production Programme (NCPP) at the Technical University of Moldova (Moldova); and
- Ukraine Resource Efficient and Cleaner Production Centre (URECPC).
- Belarus Association for Environmental Management.

In parallel, national coordinators were appointed.

Activity 3.1.1: RECP human and institutional capacity development

The activity is aimed at establishing (in Armenia, Azerbaijan, Belarus and Georgia) and strengthening (in case of Moldova and Ukraine) the national capacity for RECP service delivery, including for assessment, training, implementation support and monitoring, to SMEs and government, both at professional (RECP experts) as well as institutional levels (organization of the service delivery, knowledge management, promotion and advocacy).

Key achievements towards objectively verifiable indicators:

- Combined training and coaching programme rolled out for national experts in **all EaP countries** to equip them with the necessary knowledge and skills for conducting basic RECP

assessments in SMEs. This contributes to an increasing a number of experts trained and coached in application of basic RECP methods and techniques (see table below).

Country	Sectors	First Module		Second Module		Final Presentation		
		Date	Trainees	Date	Trainees	Date	Trainees	Expert awards
Armenia	Food processing, construction materials and chemicals & related	14-16/4/2014	26	7-9/9/2014	12	27/1/2015	12	TBC
Azerbaijan		21-23/4/2014	14	1-3/9/2014	11	20/2/2015	11	TBC
Belarus		5-8/5/2014	16	14-15/7/2014	12	TBC	TBC	TBC
Georgia		14-16/4/2014	13	11-12/8/2014	10	26/2/2015	10	10
Moldova	Chemicals and related	8/11/2014	(*) 5	3-4/3/2015	5	TBC	TBC	TBC
Ukraine	Construction materials	14-16/7 2014	11	22-23/12/2014	8	13/2/2015	8	TBC
Total			85		58		>41	>10

(*) refresher provided only as initial training had already been delivered in 2013

- Awareness, outreach and communication activities launched in **each EaP GREEN country**, particularly targeting the manufacturing sector and business and government at large. This will contribute to the increased number of programmes delivered and shared among SMEs that have started implementing RECP opportunities.

Activity 3.1.2: RECP Implementation, Dissemination and Replication

The activity covers the practical support to enterprises, in particular SMEs from the prioritized food processing, chemicals and construction materials sectors, to enable them to adopt RECP methods and techniques and thereby improve their business, reduce environmental impact and contribute to green economy. A three pronged approach is followed. Firstly, to *demonstrate* with the support of detailed RECP assessments conducted by national and international expert team the potential and benefits of RECP (foreseen for some 90 SMEs within the EaP region). Secondly, to widely *disseminate* the results and experiences from RECP application, including through publication of business cases (or success stories), conferences and alike. Thirdly to *replicate* and scale-up the application of RECP at the local level through clubs of SMEs working together to implement RECP in their own operations (targeting up to some 200 SMEs within the EaP Region). In doing so, international best practice assessment methods and RECP techniques are being transferred into each of the EaP countries.

- Completion of detailed RECP assessments in **all EaP countries** by national experts in cooperation with enterprise representatives and under guidance of international experts (see table below).

Country	Number of Demonstration Enterprises			
	Food Processing Sector	Chemical and Allied Sector	Construction Materials' Sector	Total
Armenia	7	2	2	11
Azerbaijan	5	1	2	8
Belarus	4	2	0	6
Georgia	4	3	3	10
Moldova	0	5	0	5
Ukraine	0	0	5	5
EaP Total	20	13	12	45

Activity 3.1.3: RECP Technology Support

The activity aims at fostering implementation of advance technology and higher investment RECP opportunities in SMEs in the region in particular in the prioritised food processing, construction

materials and chemical sectors. The activity follows on from the demonstration activities (under 3.1.2) and was therefore only being started up towards the end of the reporting period in parallel with the completion of RECP assessments in the first batch of demonstration enterprises.

Work stream 3.2: Demonstration projects in support to sustainable public procurement:

Demonstration projects in the field of SPP are expected to be implemented after 2015 as defined in the Description of Action. However, upon the request from the EC, UNEP will carry out national/local level pilot demonstration and awareness raising activities for SPP and Organic Agriculture in 2-3 countries in cooperation with national counterparts in September 2015.

Works stream 3.3: Promoting organic agriculture

Key achievements towards objectively verifiable indicators:

- Workshops were organised to prepare five selected exhibitors from **Armenia, Moldova and Ukraine** for their participation in Biofach organic trade fairs (one of world's largest) in February 2015. This contributes to the increase in the number of producers that expand their production lines to organic agriculture products and strengthens their export opportunities to the EU market;
- A local fair for organic products was organised in **Moldova** with the participation of 9 organic producers from different regions exhibiting and offering a large range of local organic products to the public. This contributes to raising awareness among consumers about the benefits of organic products and stimulates the domestic organic market. It also incentivizes farmers to convert or further expand their production lines to organic agriculture products;
- A pilot study was conducted on mapping producers of organic agriculture products and the perspective of partnerships between organic producers and educational institutions in **Moldova**
- Regional report with analysis of the feasibility of a regional organic standard for **Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine**.
- A draft market assessment study was completed on the main export products from **Armenia, Moldova and Ukraine** to the EU market (cereals, protein crops, fruits and berries in raw and processed forms, herbs, honey, mushrooms, viticulture and animal products).

Challenges

- The unstable political situation in **Ukraine** has led to the postponement of the regional conference that was scheduled to take place in May 2014. The discussions with the new Ukrainian government established after the November elections aim to set a new date for the meeting.
- Recent cases of fraud with organic certificates in **Ukraine** (and earlier in **Moldova**) had negative repercussions on the reputation of Eastern European countries as stable and trustworthy suppliers of organic agricultural products. As a result focal points in the Ministry of Agriculture in **Ukraine** were changed.

Table 4. Progress on the activities under Component 3 “Demonstration projects”

3.1.1. RECP Human and Institutional Capacity Development		Lead partner: UNIDO	Progress made: ON TRACK
Context: <ul style="list-style-type: none">SMEs in EaP countries, in particular from the targeted food processing, construction materials' and chemicals sectors, lack access to quality, appropriate and affordable RECP advisory services, causing them to miss out on potentially costs saving opportunities for conservation of materials, water and energy and for reduction of emissions, effluents and wastes.		Objectives: <ul style="list-style-type: none">To establish or strengthen a nationally appropriate mechanism for delivering value adding RECP services to enterprises and other organizations in each EaP country.	Outcomes: <ul style="list-style-type: none">Total of 60 national experts trained and coached in application of basic RECP methods and techniquesA total of 15 short term trainings organized on advanced RECP topics.Three regional meetings of key national RECP experts.
PROGRESS IN 2014			
Regional level activities	National level activities	Results achieved	
<ul style="list-style-type: none">Kick-off meeting of the national teams took place in Vienna on 10-11 February 2014 and further coordination and planning meeting in Portoroz, Slovenia on 15th October 2014.National Coordinators from Armenia, Azerbaijan and Georgia presented RECP approach and achievements at the REC Caucasus Regional Cleaner Production meeting on 26 June 2014 in Tbilisi.National Coordinators from all 6 countries took part in the regional chapter meeting of RECP network and the 17th European Roundtable on Sustainable Consumption and Production (in Portoroz, Slovenia 13-16 Oct)	<ul style="list-style-type: none">National RECP coordinators operational in all countries and supported by relevant institution.Efforts initiated towards institutionalization under guidance of nationally appropriate steering/ governance committee.First round of integrated training and coaching programme on RECP methods and techniques delivered in all countries with initial participation of 85 national experts.10 EaP GREEN hosted awareness raising seminars took place covering 5 countries.RECP websites operational in all countries.	<ul style="list-style-type: none">Core project teams in all countries operational and supported to foster adaption and adoption of RECP in their home country.58 experts trained in first round are on track to complete qualification for RECP expert award.Web pages and information leaflets developed in all countries.First steering committees' meetings took place in Azerbaijan and Georgia, and steering function for Moldova and Ukraine absorbed by other existing RECP governance mechanisms.	
PLANS FOR 2015			
Regional level activities	National level activities	Expected results	
<ul style="list-style-type: none">Regional coordination and planning meeting (Georgia in March 2015).	<ul style="list-style-type: none">First round training and expert coaching completed for national	<ul style="list-style-type: none">Minimum of 40 national experts trained in 2014 will have qualified for UNIDO RECP expert award and are contributing to adaptation and	

<ul style="list-style-type: none">• Presentation of EAP GREEN at global RECP networking conference and World Resources Forum (in Switzerland in October 2015), to further training and networking of key experts.	<ul style="list-style-type: none">• experts in each EaP country.• Second round of training and coaching programme underway in all six countries.• Meetings of RECP steering committees in each EaP country.• Consultative dialogues on RECP domestication and institutionalization in all countries.• Awareness and promotion activities for RECP in each EaP Country.	<ul style="list-style-type: none">• adoption of RECP in their home country.• Some further 40+ national experts are undergoing training and working towards qualification as RECP expert in 2016.• RECP results and experiences presented at national scale to key government decision makers and business representatives in each country.• Nationally appropriate taxonomies and primers for RECP in SMEs developed and released in each country.• Completed stakeholders mapping for RECP mainstreaming and scaling up in each country• RECP steering function strengthened in each country with engagement of government, business and civil society.	
3.1.2. RECP implementation, dissemination and replication		Lead partner: UNIDO	Progress made: ON TRACK
Context: <ul style="list-style-type: none">• SMEs remain sceptical towards adopting RECP methods and techniques, due to lack of properly documented company examples with proven resource conservation, environment and economic benefits. Moreover, practical mechanisms for enterprise cooperation and joint learning at sector or regional level are lacking		Objectives: <ul style="list-style-type: none">• To allow enterprises and other organizations in the EaP countries to implement RECP concepts, methods, practices and techniques and to monitor and verify their environment, resource use and economic benefits	Outcomes: <ul style="list-style-type: none">• Detailed RECP assessments completed for at least 90 demonstration companies• Minimum of 50 enterprise success stories compiled• Some 25 replication programmes planned and delivered• Some 200 SMEs have completed a replication activity and 75% thereof have started implementation of RECP opportunities
PROGRESS IN 2014			
Regional level activities	National level activities	Results achieved	
<ul style="list-style-type: none">• Covered under 3.1.1	<ul style="list-style-type: none">• In depth RECP assessments under implementation to identify and evaluate RECP opportunities for 45 SMEs covering all three target sectors and all six EaP countries, for completion in Q1, 2015.• Preparations underway to prepare communication materials and plan dissemination conferences to	<ul style="list-style-type: none">• 45 SMEs participating in RECP demonstrations have started to improve their resource efficiency and environmental performance.	

	promote RECP demonstration results in Spring 2015.	
PLANS FOR 2015		
Regional level activities	National level activities	Expected results
<ul style="list-style-type: none"> Covered under 3.1.1 	<ul style="list-style-type: none"> Continuation of advice and monitoring of enterprise benefits in first batch of 45 demonstration enterprises. Second round of RECP assessments in some 50-60 SMEs covering all sectors and countries. Publication of minimum of five business cases per country and organization of national dissemination conference. Launch of RECP Clubs in two municipalities/regions in each country, including publication of resource package 	<ul style="list-style-type: none"> RECP assessments completed for first batch of 45 SMEs (started in 2014) and advice and monitoring support provided for implementation of resulting RECP options. Additional 50+ SMEs involved as demonstration enterprises for which RECP assessments are being completed. Increased awareness and understanding among government and business community of the benefits of RECP achieved by national enterprises. Some 12 municipalities around EaP region actively engaged in fostering RECP in local SMEs, with engagement of some 100 SMEs across the region.
3.1.3. RECP Technology Support		Lead partner: UNIDO
Context: <ul style="list-style-type: none"> RECP implementation in industries is contingent on having appropriate RECP enabling technologies and equipment available to SMEs in local markets 		Progress made: STARTING UP
		Objectives: <ul style="list-style-type: none"> To identify and promote the transfer and widespread deployment of appropriate and affordable RECP techniques and technologies for the target industry sectors
		Outcomes: <ul style="list-style-type: none"> Three sector based RECP technology needs and opportunity assessment reports published Minimum of five RECP technology pilots prepared and promoted for implementation for each target sector
PROGRESS IN 2014		
Regional level activities	National level activities	Results achieved
<ul style="list-style-type: none"> Input to financing workstream, led by OECD, including participation in expert group meeting. 	<ul style="list-style-type: none"> Cooperation agreed with Development Bank of Austria to fast track RECP options for green lending schemes in Georgia. No specific activities had been planned for other countries. 	<ul style="list-style-type: none"> UNIDO insights on RECP financing challenges incorporated in regional work on scaling up financing for Green Economy.

PLANS FOR 2015		
Regional level activities	National level activities	Expected results
<ul style="list-style-type: none"> Advanced RECP technical and project financing training for key experts from each country (combined with regional coordination and planning meeting in Georgia (see 3.1.1)) 	<ul style="list-style-type: none"> Provide training in Georgia on options for green lending (1Q) with support from DBA. Follow up support to most promising demonstration companies for techno economic evaluation and project planning for higher technology and investment options. 	<ul style="list-style-type: none"> Specific investment proposals developed and promoted for some 2-4 demonstration enterprises in each country.
3.2. Stimulating innovation and more sustainable goods and services through sustainable public procurement		Lead partner: UNEP
Progress made: ON TRACK		
Context: <ul style="list-style-type: none"> In order to move towards more sustainable consumption and production patterns, emphasis needs to be placed on the change of consumption behaviours both from institutional and individual consumers. Product information tools, such as eco-labelling, provide consumers with information about the product's impacts and give market incentives to producers to produce environmentally and socially beneficial products. There is considerable lack of operational policies, even where GPP relevant provisions have been. Following the development of SPP National Action plans in the target countries under Component 1 the demonstration component will focus on supporting the implementation of SPP. 	Objectives: <ul style="list-style-type: none"> To effectively implement sustainable public procurement in targeted countries; To raise awareness of public authorities, producers and consumers about the potential of eco-labels, including through the dissemination of best practices for practical implementation of eco-label related EU directives to the industry and public; To increase understanding and skills of policy-makers in applying eco-labelling. 	Outcomes: <ul style="list-style-type: none"> Increased public procurement of sustainable goods and services Awareness and capacity of policy makers and private sector strengthened to enhance synergies between eco-labelling and SPP
PROGRESS IN 2014		
Regional-level activities	National-level activities	Results achieved
No activities implemented in 2014 since the activity will start in 2015.		N/A
PLANS FOR 2015		
Regional level activities	National level activities	Expected results
	<u>In Moldova and Ukraine:</u> <ul style="list-style-type: none"> Develop sustainable public procurement tools: incorporate sustainability criteria in public procurement tools that are in line 	<u>In Moldova and Ukraine:</u> <ul style="list-style-type: none"> List of existing ecolabels for the three products prioritized for SPP and corresponding sustainability criteria to be inserted in SPP tools Updated guidelines for three products inclusive of links to the relevant suppliers

	<p>with existing ecolabels, or by explicitly referring to these ecolabels</p> <ul style="list-style-type: none"> • Prepare, launch and award pilot tenders covering the prioritized sustainable products • Organise and deliver capacity building activities for public procurers on SPP and eco-labels through training of trainers • Update UNEP training materials and adapt them to address both countries' specific needs and possible barriers to SPP implementation • Organise and deliver information and capacity building sessions for suppliers on the compliance with SPP criteria and product sustainability certification, also aiming to disseminate best practices for the implementation of ecolabel-related EU directives • Develop a monitoring and reporting system • Develop a communication strategy and an information campaign on SPP, including dissemination of materials targeting relevant stakeholders and organization of a final conference for a large public (including the press) to present project achievements 	<ul style="list-style-type: none"> • Updated tender documents for three prioritized products/services • Pilot tenders covering the prioritized sustainable products are launched and awarded • Roadmaps are drafted for each pilot tender • UNEP training materials adapted to the national needs and incorporating the procurement guidelines and tender documents for the products prioritized for SPP • Number of public procurers trained on the insertion of sustainability criteria with direct reference to ecolabels (where applicable) throughout the procurement cycle • Number of representatives from the private sector, chambers of commerce, and industries trained on SPP criteria and product sustainability certification, • Monitoring and reporting system is operational • Communication strategy drafted • Communication materials are disseminated • Awareness on SPP and ecolabels of a number of procurers and suppliers is increased • Final conference report drafted and provided with the list of participants and media representatives
	<p><u>In Belarus</u></p> <ul style="list-style-type: none"> • Develop sustainable public procurement tools: incorporate sustainability criteria in public procurement tools that are in line with existing ecolabels, or by explicitly referring to these 	<p><u>In Belarus:</u></p> <ul style="list-style-type: none"> • List of existing ecolabels for the three products prioritized for SPP and corresponding sustainability criteria to be inserted in SPP tools • Updated guidelines for three products inclusive of links to the relevant suppliers • Updated tender documents for three prioritized products/services • Pilot tenders covering the prioritized sustainable products launched

	<ul style="list-style-type: none">ecolabels.Prepare, launch and award pilot tenders covering the prioritized sustainable products	<ul style="list-style-type: none">and awardedRoadmaps drafted for each pilot tender	
Activity 3.3: Promoting Organic Agriculture		Lead partner: UNEP	Progress made: ON TRACK
Context: <ul style="list-style-type: none">Application of green agricultural practices and technologies helps to simultaneously address issues of environmental degradation and social poverty. Organic agriculture (OA) offers opportunities to countries in the EaP region to access international and especially, European markets, create new and more rewarding jobs, develop new businesses, address climate change and build natural capital on which prospects for sustainable economic growth and wealth creation depend. According to the UNEP study (2011) significant opportunities exist for further promoting organic farming in Armenia, Moldova and Ukraine. Following up on this study, this project component focuses on enhancing country capacities to expand the organic agriculture sector.		Objectives: <ul style="list-style-type: none">Increase production and trade of OA products by building the capacity of the private sector to access growing international and European markets for organic products;To demonstrate the value and feasibility of a sub-regional organic standard.	Outcomes: <p>This project aims to provide support to countries to enhance their knowledge of market opportunities and barriers and build capacities for production and trade of organic products. The ultimate aim of the project is to increase the number of companies and farmers that harness the trade opportunities of organic agriculture.</p>
PROGRESS IN 2014			
Regional level activities	National level activities	Results achieved	
<ul style="list-style-type: none">A concise paper, discussing the value and feasibility of a sub-regional organic standard, has been preparedGuidance documents on marketing, packaging, and branding of organic products are preparedA market assessment report, analysing the organic sector in Armenia, Moldova and Ukraine, and identifying priority export products, has been finalized. Country fact sheets, summarizing the main findings of the report, are being finalized.	<ul style="list-style-type: none">Two rounds of national workshops successfully took place in Moldova, Armenia, and Ukraine. They brought together main stakeholders, presented the project, discussed capacity building needs of the organic sector, presented the findings of the market assessment study and prepared selected companies for their participation in the organic trade fair Biofach;A market assessment report, analysing the organic sector in Armenia, Moldova and Ukraine, and identifying priority export products, has been finalized.A local market for organic products was organised and held on 11 October in Chisinau, Moldova	<ul style="list-style-type: none">6 national workshops were organized and held in Moldova, Armenia, and Ukraine, reaching on average 30 key private and public sector actors or NGO stakeholders;A concise paper on the value and feasibility of a sub-regional organic standard has been finalized;Market assessments for the main export products have been and will be disseminated;9 local organic producers were supported in exhibiting and offering a large range of organic products at a local market in Chisinau. The fair raised public awareness on the benefits of local and organic agriculture products and was broadly publicized in the local news and newspapers.A pilot scoping study in Moldova mapping producers of organic agriculture products and partnerships between organic producers and educational institutions was carried outOrganic producers/farmers were matched with public and private educational institutions and discussed the feasibility and next steps for the procurement of organic products for school lunches	
	<ul style="list-style-type: none">A pilot scoping study was conducted	<ul style="list-style-type: none">The regional conference in Ukraine, aimed at presenting first results	

	on mapping producers of organic agriculture products and partnerships between organic producers and educational institutions; the study was presented at a national workshop in Chisinau on 18 November 2014.	of the project and creating a momentum in the region, had to be postponed and will take place in April 2015.
PLANS FOR 2015		
Regional level activities	National level activities	Expected results
<ul style="list-style-type: none"> A regional conference on organic agriculture will take place on April 16 and 17, 2015 in Ukraine. The EAP-Green project will co-finance the conference, organized by the Organic Federation of Ukraine, and has provided technical support in developing the agenda and identifying speakers. The main focus of the conference will be the link of green economy and organic agriculture. A Special Session on Organic Agriculture under the lead of UNEP will be held prior to the Steering Committee Meeting in Moldova on 18 June 2015. 	<ul style="list-style-type: none"> Selected companies will exhibit their products and make new contacts with buyers at the organic trade fair Biofach. The success of their participation will be tracked during the course of the year. A second round of participation in Biofach is planned for 2016, the respective preparations will start in the second half of 2015. A tailored awareness raising campaign will be organised in 2015 to increase awareness of organic agriculture products in Moldova. 	<ul style="list-style-type: none"> A regional conference and a regional workshop organised, focusing on different aspects of organic agriculture and green economy, and awareness raised among relevant policy makers, farms and companies. The first Biofach participation of selected companies carried out and new contacts with buyers established in view of enhancing the export volume of participating producers. Dissemination of project publications, such as country studies, the market assessment report, and country fact sheets raised awareness and increased knowledge on export and market opportunities among policy makers, certification bodies and organic producers. Awareness will be raised among the Moldovan population on the benefits of organic agriculture products.
<ul style="list-style-type: none"> A regional workshop is planned to be held in Moldova in the second half of 2015. The possible focus of this workshop that is currently being discussed concentrates on the role of institutions for advancing the development of the organic agriculture sector, including the role of organic regulations, private standards, and certification bodies. 		

PART 3: MANAGEMENT AND COMMUNICATION

The EaP GREEN Steering Committee

The third meeting of the EaP GREEN Steering Committee, that was held on 8 October 2014 in Minsk, Belarus, was the key event that reviewed progress in the implementation of activities carried out under the EaP GREEN regionally and nationally in the period September 2013 - September 2014 and discussed the work plan for the remainder of 2014 and for 2015². Participants included the National Focal Points from all six EaP countries (Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine), representatives of the European Commission, and the four implementing organisations: OECD, UNECE, UNEP and UNIDO.

The meeting endorsed the draft Report on Progress in the Implementation of the EaP GREEN Programme [ENV/EPOC/EAP(2014)2] and adopted the Plan of Work for 2014-2015 [ENV/EPOC/EAP(2014)3]. The participants agreed that the meeting was an important mid-term milestone in implementing the 4-year EaP GREEN Programme of Work [ENV/EPOC/EAP(2013)1]. It showed that all elements of the Project were up and running with some of them already showing early results. The participants called for further efforts to develop synergies between related activities carried out by the implementing organisations, for example for closer co-operation between projects that support greening SMEs (implemented by OECD) and projects that promote resource efficient and cleaner production (implemented by UNIDO).

All documents presented at the meeting are available from the EaP GREEN web site: <http://www.green-economies-eap.org/about/stakeholdersandgovernance/>.

Internal coordination

Coordination between Implementing Partners resulted in the establishment of project routines and tools such as the list of events, lists of contacts, or country-level project matrix. Following the decisions of the Partners a password protected EaP GREEN management site was established and has been maintained by the OECD secretariat (<https://community.oecd.org/community/eapgreen>). The site contains general and technical information about the project, an updated list of missions and meetings to ensure better co-ordination in activity planning, lists of contacts and communication tools.

One meeting of the Management Group was held on 8 September 2014. The meeting, which brought together Implementing Partners via video links, discussed the preparations for the EaP GREEN Steering Committee meeting in Minsk and the new arrangements following the change of the Project Manager at the OECD as of 1 September 2014. The latter change did not affect the implementation of the project but required fast-track learning among the Implementing Partners on how to maintain effective communication channels and decision-making.

² According to a decision of the Committee that each meeting features a thematic discussion, the first part of the meeting was devoted to the topics of Strategic Environmental Assessment and Environmental Impact Assessment as tools for mainstreaming environment into economic development at a national and local level.

One meeting of the Action Implementation and Coordination Committee was held on 14 November 2014 in Brussels. The meeting, which involved the EC and the Implementing Partners, discussed: i) the follow up to the project Steering Committee meeting held in Minsk; ii) the main implementation risks for 2015 and possible mitigation measures; and iii) future cooperation between the EU and the EaP-GREEN beneficiary countries, especially in light of the political developments in the region. A summary of the main issues that were discussed was disseminated to all participants.

In terms of financial management, the following actions were carried out by the OECD secretariat in co-operation with Implementing Partners:

- Processing payments to the UN Partners;
- Preparation of financial reporting format and questionnaire;
- Provision of answers to the Partners' questions on financial and contractual issues;
- Coordination of the reporting process;
- Consolidation /review of inputs (including interim ones) for the financial reporting.

Implementation of the Communication Strategy

Following the adoption of the Project's [Communication Strategy](#) in September 2013 a number of steps were taken to implement it. These included:

- Dissemination of information about the project activities, its outputs and impacts through dedicated web sites established by the Implementing Partners in 2013 in English and Russian;
- Creation of the first version of a dedicated EaP GREEN project web site in English and Russian (<http://www.green-economies-eap.org/>);
- Preparation and dissemination of the project brochure (<http://www.oecd.org/environment/outreach/EaPGREEN-Brochure-English-2014.pdf>);
- Development of a distinct logo of the EaP GREEN project;
- Preparation of the leaflets presenting work in individual EaP countries (available from <http://www.green-economies-eap.org/>);
- Conducting a survey of major stakeholders in order to understand better their information needs, preferred products, channels of information and languages to be used;
- On-going communication with target groups, including timely response to *ad hoc* questions sent to the generic account eap.contact@oecd.org.

The Communication Strategy, and its implementation, was presented and discussed at the third EaP GREEN Steering Committee meeting in October 2014. In the discussion the delegates agreed that further efforts were needed to provide regular and detailed information on country specific activities to National Focal Points and the EU Delegations and requested wider dissemination of communication material and information about the results to broader in-country audiences, including to the local level, by working with journalists and the media. The delegates also requested support to the development and regular updating of dedicated EaP GREEN pages on the web sites of the EaP Ministries of Economy and the Environment.

Table 5. Progress on implementing the EaP GREEN communication strategy

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

PLANS FOR 2015		
Regional level activities	National level activities	Expected results
<ul style="list-style-type: none"> • To maintain and develop content for the EaP GREEN web pages, primarily the newly created one (and relevant updates on the OECD / partners' corporate pages as applicable). • To produce, communicate and disseminate publications released as per the work programme. • To maintain an editorial calendar fed by all partners. • To maintain and feed social media platforms (Facebook in the first instance). • To develop story-lines for communication and related interactive content e.g. videos, infographics, data visualisation. • To identify, attend and make a presentation on EaP GREEN at relevant events (primarily in the region or with a clearly regional focus) incl. a generic PPT. 	<ul style="list-style-type: none"> • To liaise with NFPs and roll-out information pages about EaP GREEN under the corporate website of each participating countries' Min of Economy and/or Environment (similar to action taken by Moldova recently). • To work with the local media (as applicable) and develop relevant story-lines for the national context. • To update country notes as required. • Produce quarterly update for NFPs. 	<ul style="list-style-type: none"> • Increased brand recognition and visibility for EaP GREEN. • Availability of a range of professionally developed, up-to-date set of communications and advocacy materials. • Clear view on possible storylines and communications messages. • Editorial overview and communications plan around upcoming activities.

ANNEX 1. LIST OF NATIONAL FOCAL POINTS

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