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# EU<sup>4</sup>Environment

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

## Towards a green economy in the Eastern Partner countries

Progress at Mid-term (2021)



Action implemented by:





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## Foreword

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Following commitments taken globally and within the Eastern Partnership (EaP) framework, the European Union (EU) initiated in 2019 a regional programme “European Union for the Environment” (EU4Environment) to support greener economic growth, strengthening the management of natural resources and the improvement of people’s environmental well-being in six EU Partner countries: Armenia, Azerbaijan, Belarus, Georgia, the Republic of Moldova (hereinafter “Moldova”) and Ukraine.

The 2021 is the third year of the EU4Environment implementation. With the EU’s support, important progress was made in modernising environmental policies and legislation, aligning them with the EU framework, promoting resource efficient and cleaner production in enterprises and mobilising financial resources for reducing environmental risks and impacts. Several activities carried under the programme demonstrated and unlocked opportunities for greener economic growth in the EaP countries.

The governance, planning and management elements of EU4Environment, that were set up in 2019, as well as “the will to take action and co-operate” demonstrated by the EaP countries, provided a solid basis for the Programme implementation. However, the work in 2020 and 2021 was considerably affected by an unprecedented global challenge of the COVID-19 pandemic. The pandemic-related containment measures and restrictions initially slowed down the planned activities. Despite these unforeseen challenges a speedy adjustment of the working methods was made to ensure keeping close contacts with the EaP country officials and experts and enable the Programme implementation. The major shift in the mode of operation was from in-person to on-line meetings.

Despite the impacts of the pandemic, the EU4Environment pursues its activities and provides very much needed support, including in the context of the COVID-19 related economic recovery measures. This brochure takes stock of the first two and a half years of the EU4Environment implementation and highlights progress in building better and greener Eastern Partner economies.



## Acronyms and abbreviations

<b>BAT</b>	Best Available Techniques	<b>GDP</b>	Gross domestic product
<b>DRS</b>	Deposit and Refund System	<b>GGIs</b>	Green Growth Indicators
<b>EaP</b>	Eastern Partner (countries)	<b>IED</b>	The EU Industrial Emissions Directive
<b>EaP GREEN</b>	The “Greening Economies in the EU’s Eastern Neighbourhood” Project	<b>IMPEL</b>	The EU Network for the Implementation and Enforcement of Environmental Law
<b>EBRD</b>	European Bank for Reconstruction and Development	<b>ODIMM</b>	Organization for Small and Medium Enterprises Sector Development
<b>EIA</b>	Environmental Impact Assessment	<b>OECD</b>	Organisation for Economic Co-operation and Development
<b>EIP</b>	Eco-industrial park	<b>PPP</b>	Public-private partnerships
<b>ELD</b>	The EU Environmental Liability Directive	<b>RECP</b>	Resource Efficient and Cleaner Production
<b>EMS</b>	Environmental Management Systems	<b>SDG</b>	Sustainable Development Goal
<b>EPR</b>	Extended Producer Responsibility	<b>SEA</b>	Strategic Environmental Assessment
<b>EU</b>	European Union	<b>SMEs</b>	Small and medium-sized enterprises
<b>EU BREF</b>	Best Available Techniques Reference Documents	<b>SMGP</b>	Single Market for Green Products
<b>EUR</b>	Euro	<b>SPP</b>	Sustainable Public Procurement
<b>EU4 Environment</b>	The European Union for Environment (EU4Environment) Action	<b>UNECE</b>	United Nations Economic Commission for Europe
<b>FEZ</b>	Free Economic Zone	<b>UNEP</b>	United Nations Environment Programme
<b>FLEG</b>	Forest Law Enforcement and Governance	<b>UNIDO</b>	United Nations Industrial Development Organization
<b>GBRs</b>	General Binding Rules		



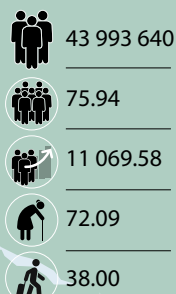
## Eastern Partner countries – Basic facts

### Belarus



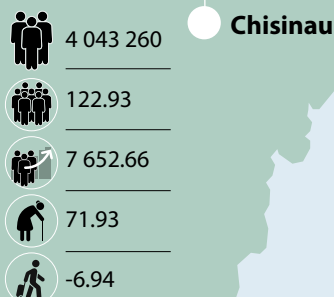
Minsk

### Ukraine

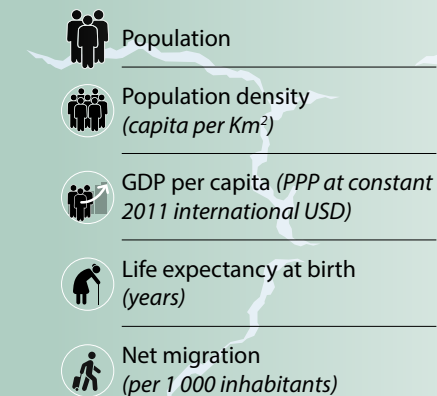


Kyiv

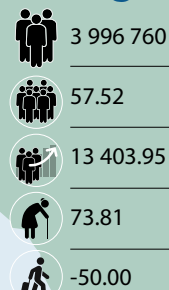
### Republic of Moldova



Chisinau

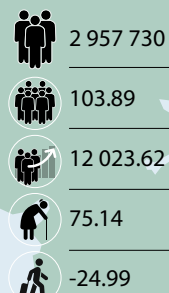


### Georgia



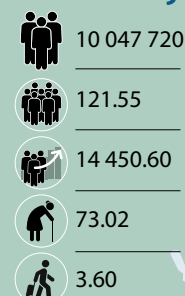
Tbilisi

### Armenia



Yerevan

### Azerbaijan



Baku

Black Sea

Caspian Sea

Mediterranean Sea

# EU4Environment Programme – objectives and architecture

## OBJECTIVES

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Since 2019, EU4Environment helps the Eastern Partner countries preserve their natural capital and increase people's environmental well-being by supporting environment-related action, demonstrating and unlocking opportunities for greener growth, and setting mechanisms to better manage environmental risks and impacts. More specifically, EU4Environment aims to:

- Further align knowledge, decision-making, and stakeholder interaction mechanisms with environmental imperatives and make political leaders, civil servants and the general public aware and supportive of green growth;
- Scale-up public and private action on circular economy and sustainable production and lifestyles;
- Improve incentives and governance mechanisms that aim at correcting market failures related to the environment thus ensuring a level playing field in the context of intensified economic exchange with the EU;
- Improve resilience through the preservation of ecosystem services, with a focus on forests and protected areas;
- Facilitate regional knowledge sharing and coordination.



## PROGRAMME STRUCTURE

EU4Environment is structured around five thematic areas, called “Results”.

RESULT 1	RESULT 2	RESULT 3	RESULT 4	RESULT 5
<b>Greener decision-making (UNEP and UNECE)</b>	<b>Circular economy and new growth opportunities (UNIDO and UNEP)</b>	<b>An environmental level playing field (OECD)</b>	<b>Ecosystem services and livelihoods (the World Bank)</b>	<b>Knowledge sharing and coordination (OECD)</b>
Green economy ownership, policy coherence and cross-sectorial coordination	Resource Efficient and Cleaner Production among SMEs	“Smart” regulation of environmental impacts for large enterprises and SMEs	Shared network of protected areas involving EU and neighbouring countries	Action visibility and strategic communication
Sectoral investment planning	Concepts and tools of the EU Single Market for Green Products initiative	Environmental compliance assurance and environmental liability regimes	Community action on ecosystem services	Regional coordination and oversight
Strategic Environmental Assessment and Environmental Impact Assessment	Green Public Procurement and tools	Domestic public finance, subsidy reforms and private finance for green investment	Illegal logging prevention, related cross-border trade limited and legal trade promoted	Monitoring of progress at the economy-environment nexus
Awareness, education and public acceptance of the Green Economy transition	Use of strategic approaches on waste management	Strengthening administrative capacity for environmental management	Effective strategies for funding natural capital conservation	
	Reforms in priority green economy sectors			
	Ecological value-chain and product innovation			

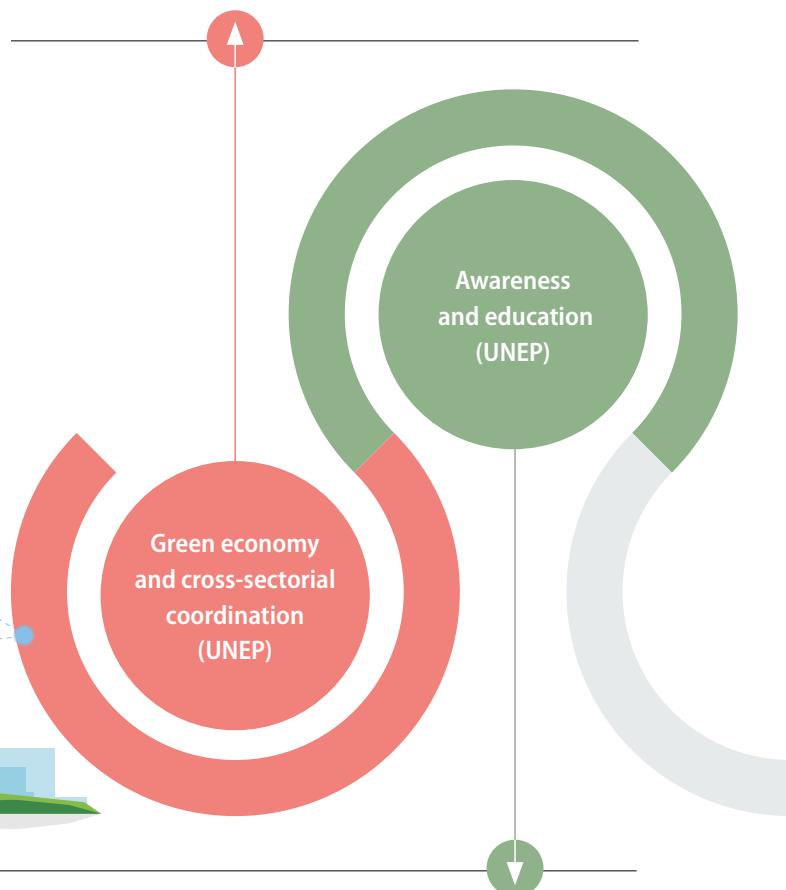
# Key achievements at mid-term

## Result 1 GREENER DECISION-MAKING

**OBJECTIVE:** Make political leaders, civil servants and the general public aware and supportive of green growth and promote economic and environmental policy integration. This work is implemented by UNEP and UNECE.

- In **Moldova**, the Inter-Ministerial Working Group on Promotion of Sustainable Development and Green Economy continues reinforcing green economy actions in the country.

*This work helps coordinate across sectors for green economy.*



- The online introductory green economy training course shows how an inclusive green economy can be achieved at the international, national and sectoral levels. It is now available for civil servants and the broader public in five national languages: **Armenian, Azerbaijani, Georgian, Romanian, and Ukrainian**.
- In **Moldova**, the Romanian version of the course was launched under the “Green Economy – Made in Moldova” event. In **Ukraine**, the course and its Ukrainian version were launched at the EU Green Week in Ukraine: 55 people enrolled in a week. National institutions are prepared to host, promote, and run the course.
- Nine civil servants from **Armenia**, seven from **Azerbaijan**, five from **Belarus**, twelve from **Georgia**, nine from **Moldova**, and seven from **Ukraine** took part in a moderated in-depth online course on green economy, following individual needs assessment. They learned how to review, analyse and integrate green economy, sustainable consumption and production approaches into policies and strategies at national and sectoral levels. 76% of participants met the criteria for a course certificate. 35 green economy analysis and policy plans were developed by the participants.

*This work helps to raise awareness and develop education programmes in support of sustainable lifestyles.*



- **Armenia** developed draft guidelines on the application of EIA, including in a transboundary context, to assist national stakeholders in preparing and reviewing the quality of the EIA documentation and applying the Espoo Convention and the respective national legislation. It was presented and discussed at two national expert meetings in 2020. Once Armenia will have adopted its amended law on EIA, the draft guidelines will be reviewed in light of the final text of the law.



- In **Armenia**, an economic analysis of the deposit refund system (DRS) models was developed and consulted with stakeholders to identify the best options for the country. The report provided estimates of costs and benefits for the decision makers to establish the scheme for packaging waste and a fully functional DRS in Armenia that will contribute to the future establishment of Extended Producer Responsibility (EPR).

***This work supports the development of green economy policy and investment plans.***

- **Azerbaijan** progresses on its commitment to apply EIA, including in a transboundary context. The roundtable was held in 2020 to support the development of secondary legislation on EIA and SEA. Additionally, over 30 officials and practitioners have been trained in 2021 on the practical application of SEA in regional and spatial planning.
- **Belarus** has reviewed its primary and secondary legislation on EIA and SEA according to the international standards and recommendations for full alignment of the legislation have been developed.
- **Georgia** is developing guidelines on EIA for the hydropower sector, with a special focus on transboundary aspects. The country initiated the comprehensive revision of the existing national guidelines on SEA and on EIA to complement them with good practice examples and more guidance on selected issues. Over 100 participants built their capacities for the SEA practical application to municipal spatial plans in 2019.
- **Moldova** is improving its national primary and secondary EIA and SEA legislation to fully align with the international standards. Based on the results of the compliance gap analyses, drafts of the amended law on SEA and of the amended law on EIA were prepared in 2021. Two awareness raising workshops in 2019 and 2021, with over 120 participants from various institutions, promoted the application of SEA in Moldova in line with the provisions of the EU Directive on SEA, and the UNECE Protocol on SEA.
- **Ukraine** is developing a bilateral agreement on transboundary EIA procedures with Romania. The way forward was discussed and agreed during a workshop in 2021. An initial draft text of the agreement was developed and submitted to the countries' review. Additionally, draft Guidelines on SEA for Urban Planning Documents were developed.

- More than 40 representatives of environmental authorities from **all six EaP countries** exchanged experiences in the development of national environmental assessment systems at the sub-regional workshop on the practical application of SEA and transboundary EIA in 2020. They received guidance and targeted training on applying environmental assessment tools and good international practice.
- In **all six EaP countries** awareness on EIA procedures and related benefits was raised through a promotional video on transboundary EIA procedures/Espoo Convention. In 2021, the video was translated into Romanian, Russian and Ukrainian.

***This work helps to enhance SEA and transboundary EIA systems to prevent and mitigate damage to the environment and health from the economic growth.***

# Key achievements at mid-term

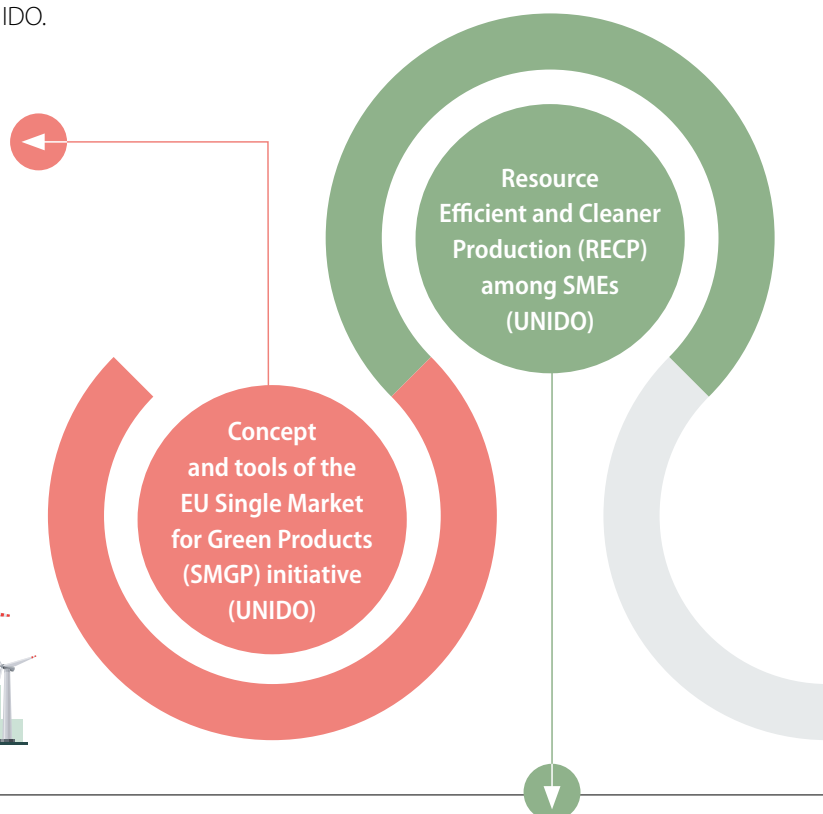
## Result 2

### CIRCULAR ECONOMY AND NEW GROWTH OPPORTUNITIES

**OBJECTIVE:** Scale-up public and private action on circular economy and sustainable production and lifestyles. This work is implemented by UNIDO.

- **Belarus** and **Ukraine** are the pilot countries for introducing the EU's SMGP concept. Applicability of the SMGP concept and its main tool, the Product Environmental Footprint methodology, is also planned to be evaluated in **Azerbaijan, Georgia** and **Moldova**.

*This work introduces tools of the EU SMGP initiative in the region.*



- Six RECP e-cards were published to help SMEs in **all six EaP countries** to learn how to become greener (in English and national languages).
- Six new RECP Clubs were established in **Belarus** (Borisov and Orsha), **Georgia** (Kakheti and Mtskheta) and **Ukraine** (Khmelnitskyi and Poltava). They bring together about 60 enterprises that benefit from peer coaching sessions organised in 12 training modules. These support SMEs in developing individual RECP strategies and action plans. Four new regions are also being identified in **Azerbaijan** and **Moldova** to form new RECP Clubs.
- RECP Assessments: The monitoring for implementing RECP measures for the EaP GREEN alumni enterprises was completed in **Ukraine**, resulting in the publication of eight business cases. Similar reports are underway for about 30 additional SMEs in **Armenia, Belarus, and Georgia**. More than 45 new demonstration enterprises from the food, construction, plastics, and fisheries sectors are undergoing RECP assessments in **Armenia, Belarus, Georgia** and **Ukraine**. New focus sectors were also identified in **Azerbaijan** and **Moldova**, where over 40 SMEs applied to join the programme.
- Training and awareness raising activities are underway in **Armenia, Belarus, Georgia, and Ukraine**. Examples include a regional Environment Management Systems webinar, the training on Energy Management System (conducted for over 30 RECP experts in Armenia and Georgia), four online sessions on RECP in **Belarus** on the application of cleaner production as a profit-oriented strategy for SMEs.
- About 30 new experts are undergoing the full-scale training program on RECP in **Belarus** and **Georgia**. Coaching of about 30 RECP experts and representatives of enterprises in **Armenia** and **Ukraine** was completed.
- Information meetings on RECP activities were completed in **all six countries** interspersed with events which took stock of the achieved results (8 years of implementing RECP in **Ukraine**) and presented plans for linking RECP to academia (an RECP university course in **Belarus**). Examples also include a launch event on eco-innovation and RECP, co-organised in **Georgia** by UNIDO and UNEP. It gathered representatives of six municipalities who discussed ways to improve resource use and reduce the industrial waste generated by SMEs.





- The International Eco-Industrial Parks (EIP) framework is promoted in **Belarus** (with the launch of assessments in the Free Economic Zones (FEZs) in Minsk and Mogilev), and **Moldova** (where Industrial Park Tracom and FEZ Valkanes received their approval for EIP feasibility).
- At the regional level, more than 140 participants from **all six EaP countries** (and from Central Asia) reviewed the EIP operations at the regional workshop on the implementation of the International EIP Framework. Key topics included international best practices focused on improving the socio-economic and environmental performance of park residents, promotion of resource efficiency and circular economy, and means to create innovative avenues for responsible business practices.
- Industrial Waste Mapping exercises were launched in four pilot municipalities in **Georgia** (Rustavi and Zestaponi) and **Ukraine** (Davydiv and Slavutych communities) involving over thirty manufacturing enterprises in the evaluation of their waste management practices.

- Training workshops on Gender Sensitization in Greening the National Industry have been completed in **Armenia, Belarus, Georgia, and Ukraine** reviewing the role of women in the management of SMEs, gender stereotypes and their influence on decision-making as well as how those impact the greening of national economies, introducing RECP and circular economy practices.

***This work helps to further scale up the implementation of RECP among SMEs.***



## Result 2

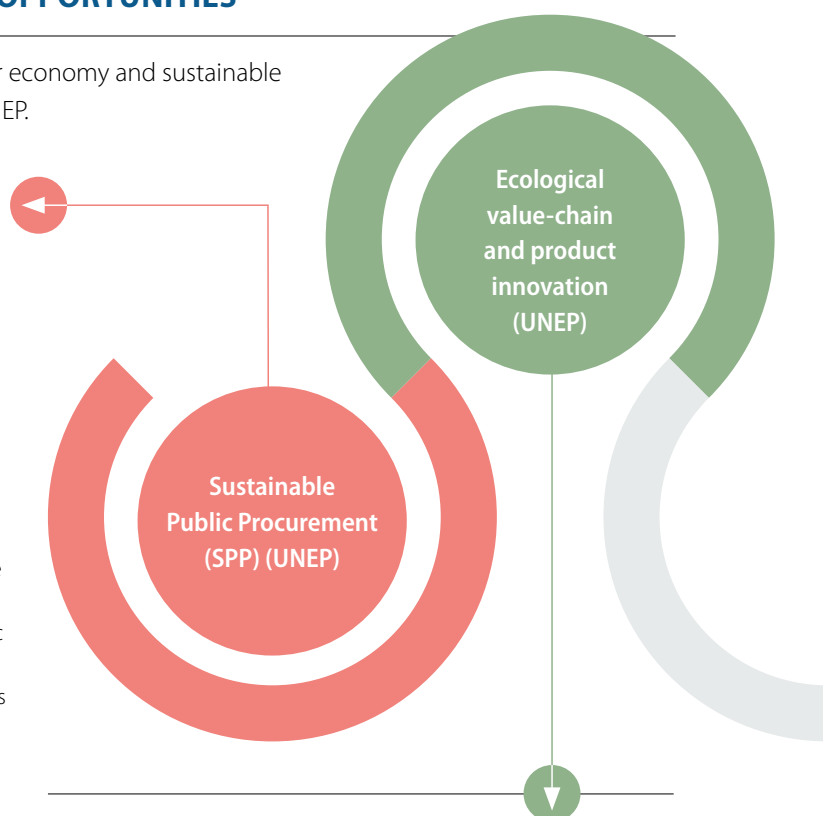
### CIRCULAR ECONOMY AND NEW GROWTH OPPORTUNITIES

**OBJECTIVE:** Scale-up public and private action on circular economy and sustainable production and lifestyles. This work is implemented by UNEP.

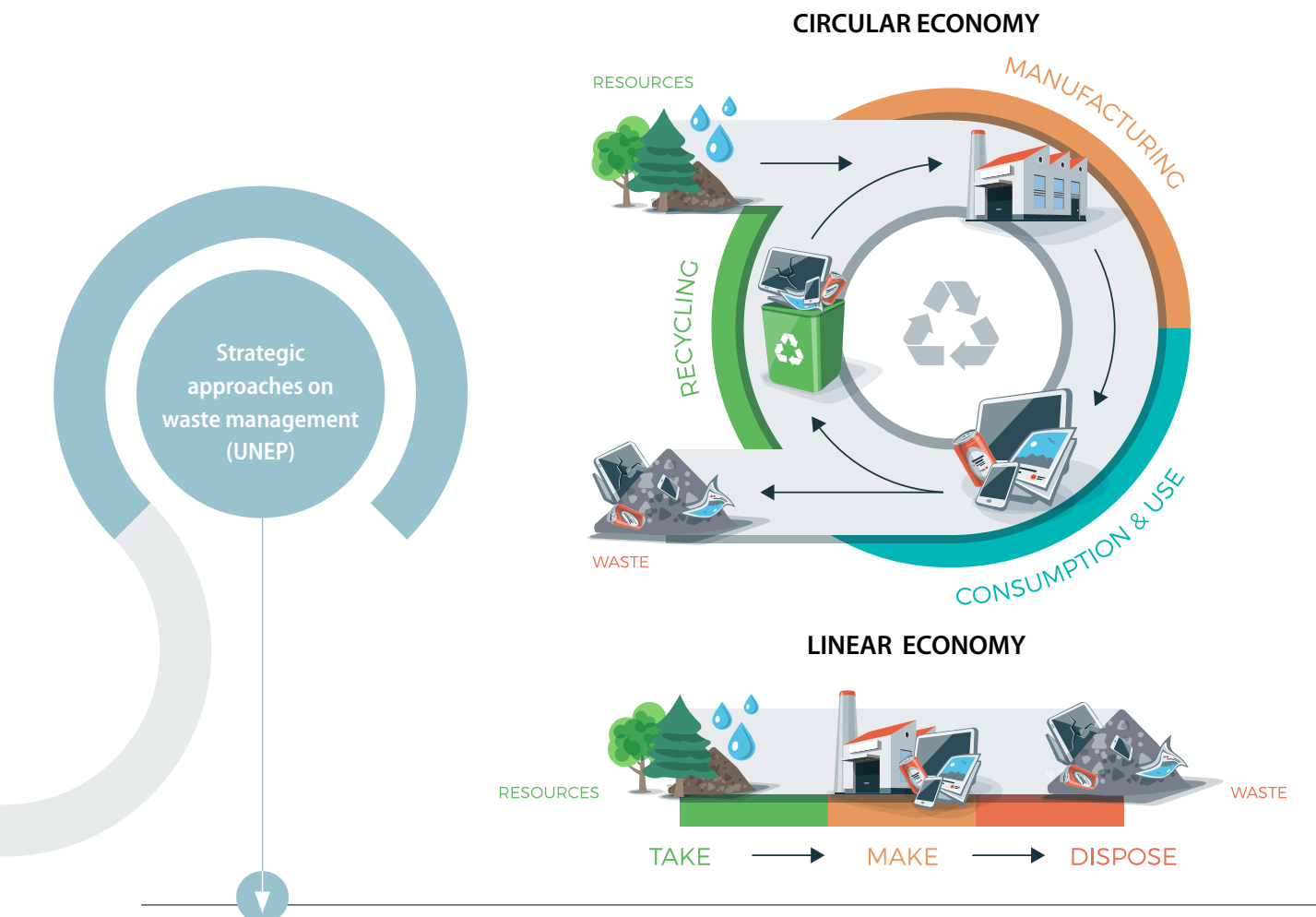
- **Georgia** drafted sustainability provisions and relevant articles to the draft Law on Public Procurement. SPP-related by-laws and guidelines were developed. Capacity was enhanced by training workshops for procurers, business and civil society.
- **Moldova** reviewed progress on introducing the SPP provisions into the public procurement practices to identify specific steps for mainstreaming SPP in procurement operations. Technical assistance was provided to develop SPP Governmental Decree.
- **Ukraine** integrated SPP provisions into new Public Procurement Law and analysed SPP progress. The results were presented to 56 stakeholders at the national SPP and eco-labelling workshop. Ukraine set up a new inter-ministerial coordination body for SPP and Green Public Procurement to coordinate SPP activities, and the Green Public Procurement Consultancy group to support the coordination body. Sustainability criteria were developed for a newly set priority products group – a construction of roads and food service – and presented to stakeholders at the workshop in 2021.
- Promotional videos on SPP (with **English, Georgian, Romanian, Russian, Ukrainian** subtitles) were prepared and disseminated.
- **Georgia** prepared the assessment on eco-labelling schemes and guides on eco-labels, which were presented to stakeholders during the training on eco-labelling in 2021.
- **Moldova** assessed the eco-labelling system and supported development of a roadmap on eco-labelling aligned with the relevant EU Directive. The results were presented at a workshop to about 50 stakeholders. Development of the Regulation on ecolabelling, aligning the national regulation on eco-labelling with the EU directive was initiated.
- **Ukraine** drafted amendments to the laws of Ukraine to introduce eco-labelling. Development of criteria for ecological certification and labeling for products using polymer materials and furniture and wood products was initiated.
- **Georgia** helped SMEs integrate a new business approach to reduce inputs, minimise waste and extend product life. Two trainings for SMEs were held to introduce eco-innovative business methods. An assessment of the sectors best positioned to implement the eco-innovation approach was completed, with a view to begin providing technical advisory services to selected SMEs. Invitation to SMEs in agriculture and tourism for EU4Environment's advisory service was issued.
- **Moldova's** Organization for the Small and Medium Enterprise Sector Development (ODIMM) and UNEP conducted the eco-innovation promotion and training. Eco-innovation and market assessment are under preparation.
- **All six EaP countries** took part in the regional capacity building workshops on eco-innovation approach organized jointly with OECD and UNIDO.

*This work helps governments green their procurement and stimulate markets of sustainable goods and services.*

*This work promotes eco-innovation, as one of the key enabling instruments for the transition to a more resource-efficient economy.*







- In **Belarus**, preliminary draft technical review report on Extended Producer Responsibility (EPR) was developed.
- In **Azerbaijan**, Gap Analysis Report on the draft packaging waste law was prepared and discussed at a stakeholder meeting.
- In **Georgia**, two technical studies were completed comprising a review and recommendations for the existing National Waste Action Plan 2016-2020 and a technical assessment report on the current and planned waste management and current infrastructure. The update of National Waste Strategy and the new National Waste Action Plan Development 2022-2026 is underway.
- In **Moldova**, analytical report on waste management was drafted and presented to the stakeholders. The draft Waste Management Programme was prepared. During national campaign under EU Green Week 2020, Moldova launched a new activity on waste recycling in a number of ministerial buildings.
- In **Ukraine**, a draft gap analysis and recommendations for the draft packaging waste law was prepared and discussed at the consultative working group meeting.

- A regional analytical study on the current status of the EPR schemes for the packaging waste in the **EaP countries** with 2-3 best practice case studies from the EU Member States was prepared, following the questionnaire survey with six EaP countries, and was consulted upon with relevant stakeholders. In addition, **all six EaP countries** exchanged experiences and learned from the EU countries examples during the two capacity building regional webinars on EPR.

***This work addresses countries' overarching waste management challenges by developing comprehensive sustainable waste management policies and policy instruments.***



# Key achievements at mid-term

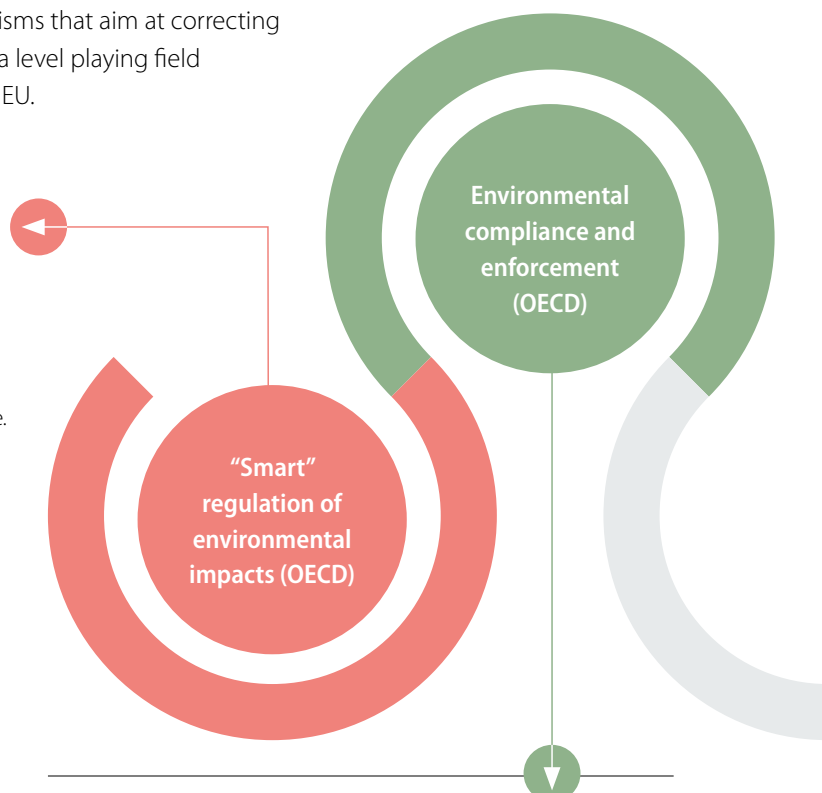
## Result 3

### ENVIRONMENTAL LEVEL PLAYING FIELD

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

- In **Armenia**, the work was launched to assess how the EU BREF implementation on extractive waste can improve the environmental management in the mining sector, specifically in the province of Syunik.
- **Azerbaijan** developed a new online self-assessment tool for greening SMEs to help them assess their environmental performance.
- **Moldova** also launched a self-assessment tool for entrepreneurs, a platform that shows SMEs how to improve resource efficiency and environmental performance, increasing their competitiveness by reducing their costs. By completing the online questionnaire, businesses receive customised recommendations based on the characteristics of their enterprise.
- **Georgia** developed a set of General Binding Rules (GBRs) for the poultry sector that help reduce the environmental impact of SMEs without putting undue burden on their operations.
- **Moldova** launched a new programme on greening SMEs, which aims to support companies in planning and implementing environmentally friendly practices and expanding to other markets. Through this programme, implemented by the ODIMM, several SMEs have already started greening their operations.
- **All six EaP countries** assessed progress on greening SMEs as part of the SME Policy Index.
- More than 50 participants from **all six EaP countries** took part in the regional seminar on Best Available Techniques (BAT) that reviewed progress in applying the BAT approaches. They discussed challenges and accomplishments, while learning from the experiences of peer countries and EU members on approaches to support implementation.

***“Smart” regulation focuses on reforming environmental permits for large emission sources in compliance with EU Industrial Emissions Directive, greening SMEs and translating recommendations into regulatory changes.***



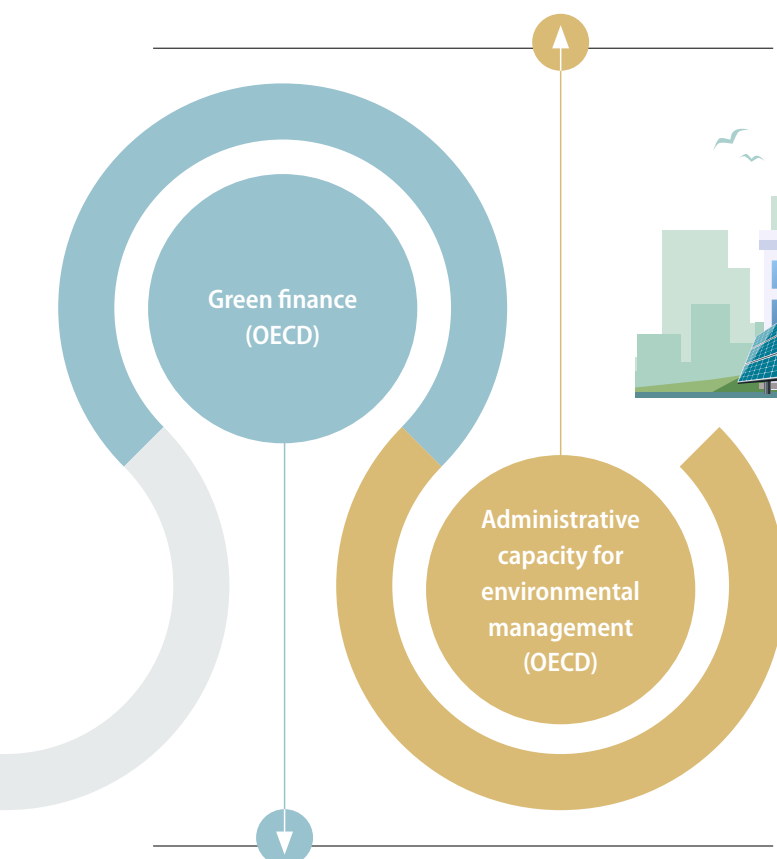
- Draft reviews of environmental compliance assurance systems in **Armenia** and **Moldova** identify gaps and provide recommendations for improvement in the legislative and institutional set-up, monitoring of compliance, as tools for enforcement and compliance promotion. The Moldova review included a survey of the private sector and NGOs on the compliance system effectiveness. A review of the compliance assurance system in **Georgia** has been launched.
- About 50 officials and experts from the **six EaP** and OECD countries, as well as the EU Network for the Implementation and Enforcement of Environmental Law (IMPEL), participated in the regional seminar on risk-based approaches to environmental compliance assurance to share experiences and learn best practices.
- Over 50 officials and experts from the **six EaP countries** and OECD economies took part in a technical capacity-building seminar on information systems used by environmental permitting and inspection authorities, to discuss a range of software and tools for managing information on permitting, risk assessment of polluters, and inspections.

***This work helps strengthen environmental compliance assurance, enforce systems and instruments in line with the EU Directives.***



- **All six EaP countries** launched the review analysis of gaps and needs of administrative capacity for green transition. The reports are being finalised.

***This work strengthens administrative capacity for environmental management.***



campaign around World Environment Day to raise awareness of the benefit of green investments for SMEs.

- **Moldova** and **Ukraine** are reviewing the national finance entities: **Moldova** aims to strengthen the operations of the National Ecological Fund by developing a new operational manual. Further steps in the process were discussed at the workshop on National Environmental Funds for Promoting Green Investments. **Ukraine** launched discussions on creation of the Climate Fund in the country. EU4Environment shared its expertise with the Ukrainian partners related to its creation and helps to identify best options for reform of the system of environmental taxes and charges.
  - **Ukraine** is finalising a detailed Review of Energy Subsidies in the Context of Energy Sector Reforms in the country as a basis for further reform.
  - A report on Fossil-fuel subsidies in the EU's Eastern Partner Countries, covering 2016-19 data, was prepared and published in both English and Russian. Data on fossil-fuel subsidies for **all six EaP countries** was included in the OECD database on fossil-fuel subsidies. It is an important milestone in achieving transparency in this area. It also recognises the efforts of EaP governments to disclose information on the size of government support provided to the energy sector in these countries.
  - Work on unlocking the potential of the green bond market has been launched in **all six EaP countries** to analyse the possibility of using green bonds to raise additional resources for the transition to a low-carbon and resilient economy. In-depth interviews with key stakeholders and market actors are ongoing and the preparation of country-level assessments is underway.
- This work supports private and public finance mobilisation for green investment.***
- Green public investment programmes are being developed in **Georgia, Moldova** and **Azerbaijan**. This work equips the government officials and experts with know-how and practical skills to obtain adequate resources from the public budgets and leverage international financing for its implementation. Moldova's programme focuses on clean urban public transport programme, Georgia is developing a programme for biowaste management and Azerbaijan on water.
  - **Armenia** conducted assessment of investment needs for climate action up to 2030. The findings helped discussions with the Ministry of Finance on planning investments and developing capital mobilisation plans for meeting climate objectives.
  - **Georgia** is improving access to finance greening its SMEs. The discussions focus on addressing the challenges of green investments in SMEs and the role of commercial banks in financing these projects. Its main findings were discussed at the national policy dialogue to showcase how different partners could co-operate to mobilise private finance more effectively for green, low-carbon and energy-efficient investments in the SME sector. The E-cards (in English and Georgian) were prepared within the

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## Key work directions

### Result 4

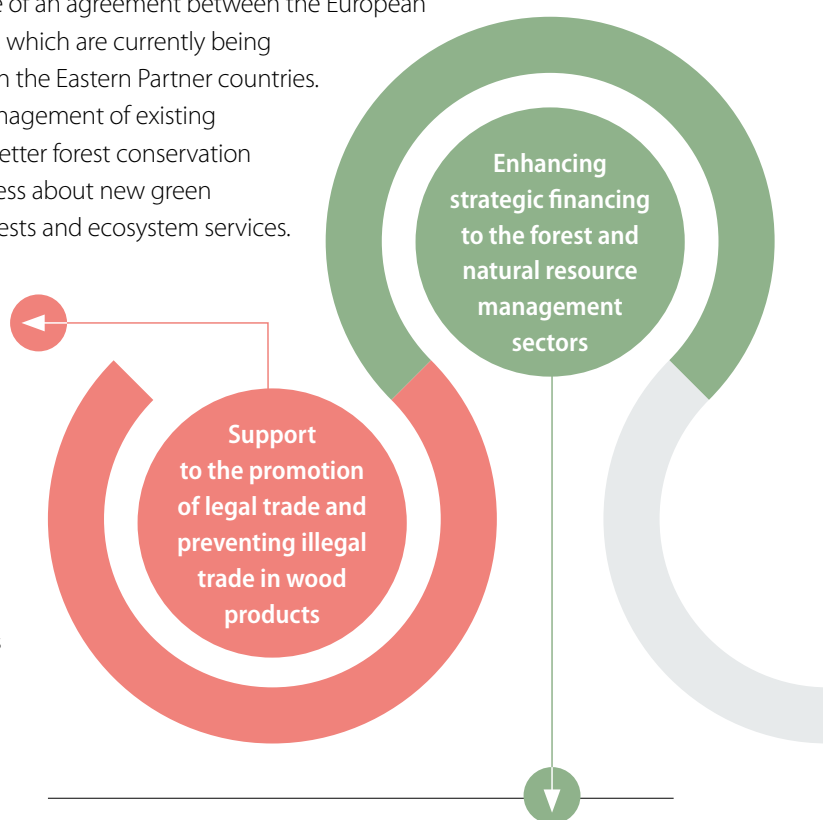
### ECOSYSTEM SERVICES AND LIVELIHOODS

**OBJECTIVE:** Improve resilience through the preservation of ecosystem services, with a focus on forests and protected areas. This work is implemented by the World Bank.

The work on this result started in 2021 following a signature of an agreement between the European Union and the World Bank at the end of 2020. The activities, which are currently being identified, will support ecosystem services and livelihoods in the Eastern Partner countries. They will also strengthen the Emerald Network and the management of existing protected areas and sites. The work will also contribute to better forest conservation and sustainable use, prevention of illegal trade and awareness about new green finance instruments for the sustainable management of forests and ecosystem services.

- In **Armenia**, assessment of timber export control system will be conducted and recommendations for improvement developed.
- In **Azerbaijan**, analytical study of mechanisms for introducing mandatory certification of wood products to the legislation will be undertaken.
- In **Moldova**, analysis of domestic consumption of wood products will be undertaken. The Programme will also support developing a Web platform to promote market placement and sustainable trade of forest products and comprehensive monitoring of forest dynamics using innovative techniques.
- In **Ukraine**, audit of the electronic timber tracking system in terms of its efficiency and counteraction to illegal trade is planned to be carried out. The Programme will also conduct analysis and develop recommendations for enhancing the state statistical system on wood production and consumption in Ukraine; develop Terms of Reference for establishing a web-based information platform for the forest sector 'Forestry Portal'; and organize awareness raising events for wood processing industry on advantages of timber tracking and legal origin of timber.

***This work supports the EaP countries with: (i) strengthening their timber/wood trade control systems; (ii) promoting innovation and technology to strengthen export and trade controls over wood/timber; and (iii) raising awareness and communication related to the timber trade.***



- At the first stage of the implementation of this activity the Programme will develop guidelines for assessing ecosystem services provided by forests and introducing payment mechanisms for ecosystem services in **Armenia** and **Azerbaijan**.
- In **Georgia**, analysis will identify the role of forests in meeting climate mitigation and adaptation targets, assess investment needs and identify sources of funding.
- In **Ukraine**, the Programme will develop recommendations to the legislation that would allow introducing voluntary carbon offset schemes for afforestation.

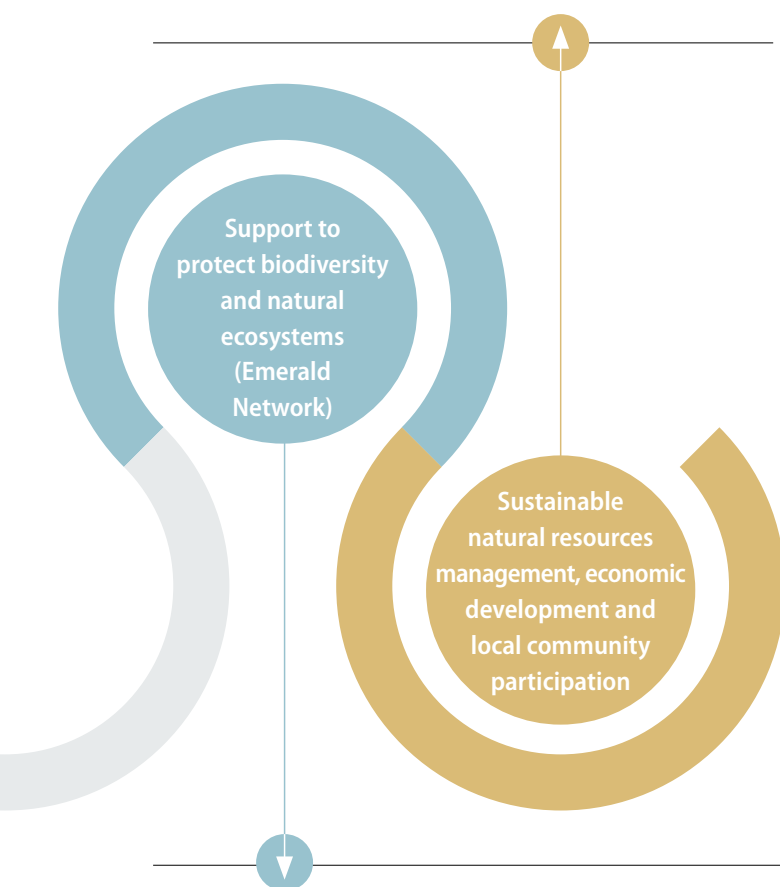
***This work develops innovative financing schemes for sustainable management of ecosystem service.***

- In **Armenia, Azerbaijan, Georgia, and Ukraine** the activity will start with a baseline assessment of community engagement on forests and natural resources management. Based on these assessments subsequent activities will be developed to take into account the countries' specific context and needs.
- In **Georgia**, the Programme will conduct a feasibility study and develop recommendations for using forest biomass and timber processing waste in the production of fuel briquets for firewood-

dependent communities. Guidelines will be developed for managing forest stands in peri-urban areas for the enhancement of ecosystem service delivery to urban communities.

- In **Moldova** the activity will include: community participatory forest management planning, analysis of high conservation value forests, Analysis of the optimal ratio between forest and pasture area for local sustainable development and conservation of natural resources, and Forest and Pasture Management Plans.
- In **Ukraine** the Programme will support five-six targeted communities with developing business plans for economic activities to engage in better natural resource management.

***This work supports community-led actions to increase non-timber goods production and energy efficiency related to biomass and other similar action.***



- In **Armenia, Azerbaijan and Moldova** National Action Plans to advance the establishment of the Emerald Network will be developed.
- In **Armenia, Azerbaijan and Ukraine** methodological guidelines on preparing management plans for the Emerald sites will be developed and preparation of Management Plans for two-three selected sites will be supported.
- In **Georgia**, the Programme will prepare Guidelines for Sustainable Management of Forest Areas within Emerald sites in line with the Bern Convention requirements.
- In **Moldova**, the Programme will provide support to develop Secondary legal framework for Emerald species and habitat conservation, Emerald Network Management Plans for two-three selected sites and Capacity building for sustainable management of the Emerald network.

- In **Ukraine**, methodological guidelines on impact assessment and mitigation measures for the Emerald Sites biodiversity aspects will be developed and followed up by Capacity building for implementing the Guidelines.

***This work preserves biodiversity by increasing protected areas under the Emerald Network and improving management of existing ones.***



# Key achievements at mid-term

## Result 5

### MONITORING PROGRESS AT ENVIRONMENT-ECONOMY NEXUS

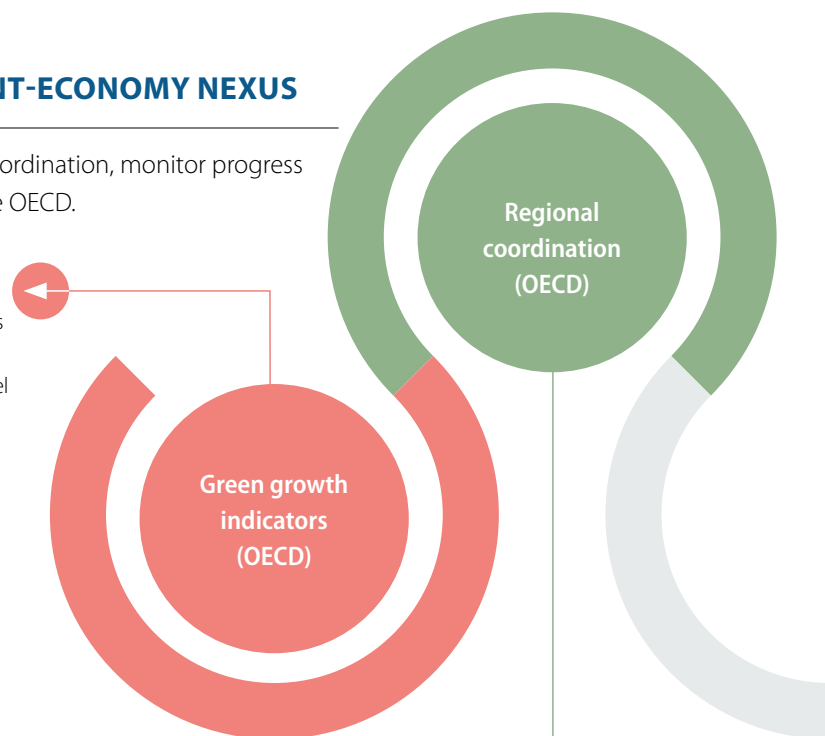
**OBJECTIVE:** Facilitate regional knowledge sharing and coordination, monitor progress towards green economy. This work is implemented by the OECD.

- **Moldova** and **Ukraine** launched the update of the OECD-based national sets of green growth indicators to better measure progress on greening the national economies, with kick-off event in Ukraine and a special session at the Working Group meeting, with high-level participants in Moldova in 2021. The national reports are under development.
- 18 country profiles (12 in English and 6 in national languages) for **all six EaP countries** were prepared to establish the baseline, review the progress on EU4Environment implementation and highlight achievements.
- Video on green growth indicators raises awareness on monitoring green transition.

*Green growth indicators enable monitoring progress towards green economy by decoupling economic progress from environmental degradation.*

- The kick-off events were organised in **all six countries** to launch the Programme and its activities in 2019 and virtual country consultations with government officials in 2020 to review the country's situation in light of COVID-19. The discussions aimed to identify how to tailor EU4Environment activities to support green recovery from the crisis more effectively.
- **All six EaP countries** participated in two EU4Environment Regional Assembly meetings to review progress with EU4Environment implementation and agree on plans. The meetings also provided a platform for regional knowledge sharing and dissemination of best practices.
- EU4Environment event "Towards zero pollution in the EaP countries" at the EU Green Week 2021 reached out **7 000 people** in the **six EaP countries** and beyond.

*EU4Environment developed several vectors of coordination between different elements of the Programme, to ensure planning, oversight and exchange of good practices.*





- The new EU4Environment **website** ([www.eu4environment.org](http://www.eu4environment.org)) provides an extensive overview of its work on the implementation of green policies in the EaP countries, with an outreach of **130 000 users** since the start of 2021.
- As of August 2021, **EU4Environment Newsletter** had **550 subscribers** and reached out to **250 000 people** on the social media.

**Strategic communication is an essential element supporting reforms. EU4Environment ensures transparency, visibility, impact of the Programme and facilitates exchange of good practices.**

## Programme milestones at the regional level

### 2019

- Mobilisation and Inception phase;
- Nominations of the National Focal Points;
- Development of the Work Plans;
- Creation of Programme visual identity;
- Six country kick-off events;
- 1<sup>st</sup> Regional Assembly meeting;
- Two Coordination Board meetings.

### 2020

- Six virtual country consultations;
- 2<sup>nd</sup> Regional Assembly meeting;
- Three Coordination Board meetings;
- Workshop on Best Available Techniques;
- Seminar on compliance assurance;
- Launch of Web site and Newsletters;
- Sub-regional conference on EIA and SEA;
- Workshop on implementation of Eco-Industrial Parks.

### 2021

- EU Green Week side event;
- Seminar on compliance assurance;
- Meeting on BAT;
- Meeting on Greening SMEs;
- Two webinars on public environmental finance;
- Two meetings on EPR;
- 3<sup>rd</sup> Regional Assembly;
- Coordination Board meetings.



## Selected reports and materials



### Greener decision-making

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- Video on transboundary Environmental Impact Assessment (UNECE Espoo Convention) available in English, Russian, Romanian, and Ukrainian (Armenian, Azerbaijani and Georgian are forthcoming)
- Leaflets on Green Economy course in the EaP countries (in Armenian, Azeri, Georgian, English, Romanian and Ukrainian)



### Circular economy and new growth opportunities

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- E-cards on RECP benefits and green financing for SMEs in the EaP countries to become greener
- Fliers and national web pages on Resource Efficient and Cleaner Production (in all EaP national languages)
- Leaflets on RECP success stories in Ukraine
- Promotional video on Sustainable Public Procurement in English, Russian, Georgian, Romanian and Ukrainian
- Factsheet on eco-labelling and Sustainable Public Procurement in Moldova (in English and Romanian)
- SPP progress report in Ukraine
- Eco-labelling progress report in Ukraine
- Eco-labelling roadmap in Moldova
- Eco-labelling assessments in Georgia and Moldova
- Eco-labelling guidelines in Georgia
- Brochure: The EU supports Ukraine in adopting resource efficient and cleaner production (forthcoming)
- Video on Circular Economy in Ukraine (forthcoming, in Ukrainian language)
- Reports on gender sensitisation in greening national industries (Armenia, Belarus, Georgia, Ukraine)
- Report on the situation analysis of waste management in Moldova (in English and Romanian)
- Report on the current status of the EPR schemes for the packaging waste in the EaP countries with 2-3 best practice case studies from the EU Member States
- Situation analysis report on DRS in Armenia (in English and Armenian)
- Cost-Benefit analysis report on DRS in Armenia (in English and Armenian)
- National Waste Management Program in Moldova (forthcoming)
- National Waste Action Plan 2021-2025 in Moldova (forthcoming)
- Review of the existing National Waste Management Strategy 2016-2030 and the National Waste Action Plan 2016-2020 in Georgia
- Technical assessment report on the current and planned waste management and infrastructure in place in Georgia
- Gap Analysis Report on the draft packaging waste law in Azerbaijan (forthcoming)
- Recommendations Report to develop an EPR scheme for the packaging waste in Azerbaijan (forthcoming)
- Detailed Technical Report on the existing EPR mechanisms for packaging waste in Belarus (forthcoming)



- Recommendations Report to develop an EPR scheme for the packaging waste in Ukraine (Forthcoming)
- A Roadmap report for engaging with the private sector in establishing the EPR systems for packaging in Ukraine (forthcoming)



### An environmental level playing field

- Publication on SME Policy Index
- Report on greening the mining sectors in Armenia and Georgia (forthcoming)
- General Binding Rules for the poultry sector in Georgia (forthcoming)
- Two reviews of environmental compliance assurance systems (Armenia, Moldova (forthcoming)
- Report on assessment of investment needs for climate action in Armenia up to 2030
- Overview paper on the Role of National Environmental Funds in Promoting Green Investments
- Operational Manual for the National Ecological Fund in the Republic of Moldova (forthcoming)
- Publication on Improving access to green finance for SMEs (English, Georgian)
- E-cards on green investments for small business in Georgia (English, Georgian)
- Fossil-fuel subsidies in the EU's Eastern Partner Countries: Estimates and Recent Policy Developments (English, Russian)
- Review of energy subsidies in the context of energy sector reforms in Ukraine (forthcoming)
- Draft country-level assessments on green bonds for the six EaP countries (forthcoming)
- Six country reports on strengthening the administrative capacity for environmental management (forthcoming)



### Regional knowledge sharing and coordination

- EU4Environment Brochure: Progress at mid-term and Programme leaflets
- 18 Country profiles (12 in English and 6 in national languages)
- Video on Green Growth Indicators in English (also forthcoming in national languages)
- Report on green growth indicators in Moldova (forthcoming)
- Report on green growth indicators in Ukraine (forthcoming)



## Governance and regional cooperation

EU4Environment works at both the EaP region and national levels. It is primarily targeted at government authorities in the EaP countries, but also works closely with civil society, academia and private sector.

The key national partners and beneficiaries of the Programme are Ministries of Environment and of Economy of the six EaP countries. Various branches of the government are involved in its activities, including Ministries of Finance and Energy, procurement agencies, national statistics offices and other line Ministries.

	Advisory structure	Management structure
Regional	<b>Regional Assembly</b> (EC, EaP country National Focal Points, Implementation Partners, representatives of NGOs and invited organisations)	<b>Partners Coordination Board</b> (EC, OECD, UNIDO, UNEP, UNECE, World Bank)
		<b>Partners Implementation Team</b>
National	<b>National Implementation Committee</b> (set up by the EaP countries)	<b>National Action Coordinators</b> (contracted by Implementing Partners)
	<b>National Focal Points</b> (nominated by the EaP Ministries of Environment and of Economy)	<b>Technical Topic Managers</b> (contracted by Implementing Partners)

### REGIONAL COOPERATION

EU4Environment ensures coordination and synergies with other relevant ongoing initiatives and builds upon the tangible results of the previous projects. This includes EU4Business, EU4Climate, EU4Energy, PFAN, Cleantech, FINTECC, SME Development and Access to Finance facilities projects (EBRD), Air Quality Governance Project, Twinning and TAIEX projects, IMPEL and former REPIN, European Fund for Sustainable Development under EU External Investment Plan, Green for Growth Fund and Green Climate Fund under UNFCCC, E5P Fund, EU work on taxonomy, SIGMA, System of Environmental and Economic Accounts (SEEA), SEIS and ENI SEIS II projects, OECD work on green growth indicators, SDGs monitoring and Eurostat work.

EU4Environment works closely with the EaP Civil Society Forum and national NGOs.





**EU4Environment** helps the Eastern Partner countries preserve their natural capital and increase people's environmental well-being by supporting environment-related action, demonstrating and unlocking opportunities for greener growth, and setting mechanisms to better manage environmental risks and impacts.





Funded by  
the European Union

# EU4Environment

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

## EU4Environment at a glance in 2021

**130 000 people**

reached by our website



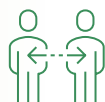
**150 participants**

trained on Extended Producer Responsibility  
for packaging waste



**250 000 people**

reached on social media



**Over 180 participants**

trained on SEA



**550 subscribers**

to newsletter



**Over 250 experts**

trained on RECP. Over 90 SMEs consider RECP  
as part of COVID-19 recovery



**Over 150 meetings**

held since programme launch



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Action implemented by:

