



EUROPEAN UNION

European Neighbourhood
and Partnership
Instrument

Belarus

**NATIONAL INDICATIVE PROGRAMME
2012-2013**

Abbreviations

AAP	Annual Action Programme
CIB	Comprehensive Institution Building
CSP	Country Strategy Paper
CSOs	Civil Society Organisations
EaP	Eastern Partnership
EBRD	European Bank for Reconstruction and Development
EC	European Commission
EEAS	European External Action Service
EIB	European Investment Bank
ENP	European Neighbourhood Policy
ENPI	European Neighbourhood and Partnership Instrument
EU	European Union
FAC	Foreign Affairs Council
FA	Financing Agreement
FDI	Foreign Direct Investment
GDP	Gross Domestic Product
IFIs	International Financial Institutions
IMF	International Monetary Fund
MDGs	Millennium Development Goals
MTR	Mid Term Review
ND	Northern Dimension
NGOs	Non Governmental Organisations
NSA/LA	Non State Actors / Local Authorities
NIP	National Indicative Programme
PCA	Partnership and Cooperation Agreement
SME	Small and Medium Enterprise
SPS	Sanitary and phyto-sanitary
TA	Technical Assistance
TACIS	Technical Assistance to the CIS
TAIEX	Technical Assistance and Information Exchange instrument
WB	World Bank
WTO	World Trade Organisation

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EXECUTIVE SUMMARY

The Mid-Term Review (MTR) of Belarus' Country Strategy Paper (CSP) was postponed to take into account Council Conclusions on Belarus issued in 2010, as well as recent developments in the country such as the Presidential elections of 19 December 2010 and their aftermath. The MTR has also been closely aligned with the review of EU assistance to Belarus subsequent to the Presidential elections.

The review concluded that the EU's objectives in providing assistance to the country have not changed: they aim at democratic development and good governance, and socio-economic reform. Therefore, the main objectives set out in the CSP are still relevant and valid. However, significant developments in EU-Belarus relations since 2006 need to be taken into account to describe the current state of play in the relationship.

EU-Belarus relations were curtailed for many years in the light of international concerns regarding Belarus' record on human rights. The EU decided in October 2008 to resume ministerial contacts and to temporarily suspend the travel ban as a response to slight progress in the country. Further elements of the EU's policy of gradual engagement entailed inclusion of Belarus in the multilateral track of the Eastern Partnership, extended technical cooperation and increased financial assistance, preparation of a Joint Interim Plan for reforms, preparation of negotiating mandates on visa facilitation and readmission agreements, inclusion of Belarus in the Northern Dimension, and opening of the European Commission Delegation.

At the same time, the EU has repeatedly expressed its disappointment at the deterioration in the human rights situation in Belarus during 2010. The death penalty, freedom of expression and of the media, freedom of assembly and association, and conditions for the work of NGOs are of particular concern. The EU has consistently expressed concerns over increased harassment of the opposition, media, political activists and national minorities.

Against this background, the events after the Presidential elections of 19 December 2010 were in contradiction with the EU's vision of respect for human rights, fundamental freedoms and democracy.

The EU therefore decided on 31 January 2011 to reinstate and extend sanctions against persons responsible for the electoral fraud that occurred and for the violent crackdown that followed. The EU reiterated its commitment to a policy of critical engagement and pointed out that it had consistently offered to deepen its relationship with Belarus. Equally importantly, the EU is strongly committed to strengthening its engagement with the Belarus people and supporting civil society and has accordingly reviewed its assistance to Belarus.

The current CSP identifies the objectives for Belarus for the period 2007-2013 as strengthening democracy, respect for human rights and the development of civil society. An additional objective is to support social and economic development, sectoral development and people-to-people contacts.

The limited democratic progress in Belarus, against the EU's expectations, is a major stumbling block to achieving these objectives. The aftermath of the Presidential elections is a case in point. The Commission will seek, through its assistance, to have more impact on administrative and political reform. There are still significant challenges in terms of strengthening the rule of law, developing civil society and participation, ensuring respect for human rights (including abolition of the death penalty), standards for democratic elections, freedom of expression and of the media, freedom of assembly and political association. In particular, people-to-people contacts between the EU and Belarus need to be further strengthened.

Another problem is that Belarus' economy is still predominantly a planned economy that needs structural reform and modernisation. Moreover, Belarus is facing a serious balance of payments situation.

As the country embarks on widespread economic reforms, the capacity to coordinate them (in particular sectoral reforms), at both central and local/regional level, is a challenge. Regional and local development therefore constitutes one of the key priorities for the country's socio-economic development.

To address these challenges, it is proposed that the focus of EU assistance for the period 2012-2013 should be on the following critical issues: support for democratic governance and economic reforms. Belarus will continue to receive support through other EU assistance instruments.

The NIP 2012-2013 and its implementation will take into account the Eastern Partnership (EaP) priorities for reform and further developments in EU-Belarus relations.

The following priorities and sub-priorities of the NIP 2012-2013 are proposed:

Priority area 1:	Good governance and people-to-people contacts
Sub-priority 1:	Good governance standards
Sub-priority 2:	People-to-people contacts
Priority area 2:	Economic modernisation
Sub-priority 1:	Market economy development
Sub-priority 2:	Local and regional development

Under the NIP 2012-2013, Belarus could benefit from €56.69 million from the European Neighbourhood and Partnership Instrument (ENPI). This includes €4.81 million earmarked for the Comprehensive Institution Building Programme (CIB), and €10.38 million earmarked for the Pilot Regional Development Programmes.

Below are indicative allocations for the National Indicative Programme for Belarus¹ for each priority from 2012 to 2013:

Priority Areas	M €	%
Priority area 1: Good governance and people-to-people contacts	€20.75	50 %
Priority area 2: Economic modernisation	€20.75	50 %
Total Indicative ENPI allocations 2012-2013	€41.50	100 %

EaP top-up ²	M €
Comprehensive Institution Building	€4.81
Pilot Regional Development Programmes	€10.38
Total EaP top-up	€15.19

Total ENPI , including EaP top-up	€56.69
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The programming of the Annual Action Programme to be derived from the NIP should be taken forward, in conformity with the usual procedures. However, a decision to discontinue effective implementation could be taken at any stage, on a case by case basis, depending on developments in the EU-Belarus relationship.

¹ These are planning figures, in the absence of adopted programming documents, and are subject to change in the context of EU-Belarus dialogue.

² Access to the EaP top-up is subject to a further decision to be taken by the EU as regards Belarus' participation in the EaP bilateral track.

1. Introduction

The **Country Strategy Paper (CSP)**³ drafted under the European Neighbourhood and Partnership Instrument (ENPI) sets up a strategic framework for the European Union's (EU) financial and technical cooperation with Belarus for 2007-2013. This document presents the EU's cooperation objectives and strategic response, together with a **National Indicative Programme (NIP)** for 2007-2010, detailing specific operations.

The CSP was reviewed during 2010, as stipulated in the ENPI Regulation⁴, to assess its relevance. The **mid-term review (MTR)** for the Belarus CSP was postponed to take into account the 2009 and 2010 Council Conclusions on Belarus⁵, as well as recent developments such as the Presidential elections of 19 December 2010 and their aftermath. **The current NIP 2007-2010 was therefore extended by one year, to 2011**, with updates but without changes to its priorities. Financing Agreements for the Annual Action Programmes (AAPs) years 2007 (energy), 2008 (environment) and 2009 (food safety) had been signed with the Belarus government. The Financing Agreement for the AAP 2010 (energy efficiency) should be signed before December 2011. The AAP 2011, focused on local and regional development, is currently in preparation.

The review **concluded** that:

- (1) **The EU's objectives** in providing assistance for the country have not changed: **democratic development and good governance, and socio-economic reform. Therefore, the main objectives set out in the CSP were still relevant and valid.**
- (2) However, **significant developments in EU-Belarus relations** since 2006 need to be taken into account to describe the current state of play in the relationship. The update will also frame the context in which the NIP for 2012-2013 is developed.

2. Developments in the EU-Belarus relationship since 2006

EU-Belarus relations were curtailed for many years in the light of international concerns regarding Belarus' record on human rights. In **1997**, the process of ratifying a Partnership and Cooperation Agreement (PCA) was suspended and a ban on high-level contacts was imposed. The **ENP**, launched in **2004**, covers Belarus, but no Action Plan was envisaged at that time. In **2006**, after Presidential elections in the country, the EU imposed sanctions in the form of a visa ban and asset freeze. The EU's approach towards Belarus at the time of launching the CSP 2007-10 consisted of restrictions on political contacts and limited technical assistance.

The EU decided in October **2008** to resume ministerial contacts and to suspend for six months the travel ban as a response to slight progress during the summer of 2008, thus renewing its policy of progressive engagement. The Council Conclusions at that time confirmed the importance of furthering technical cooperation between the Commission and Belarus. The Council Conclusions of 16 March **2009** welcomed Belarus' positive steps, but

³ http://ec.europa.eu/world/enp/pdf/country/enpi_csp_nip_belarus_en.pdf.

⁴ http://ec.europa.eu/world/enp/pdf/oj_1310_en.pdf.

⁵ March 2009: http://www.consilium.europa.eu/uedocs/cms_Data/docs/pressdata/en/gena/106680.pdf.

November 2009: http://www.consilium.europa.eu/ueDocs/cms_Data/docs/pressData/en/gena/111243.pdf.

October 2010: http://www.consilium.europa.eu/uedocs/cms_Data/docs/pressdata/EN/foraff/117326.pdf.

stressed the need for it to continue making progress on democratisation, respect for human rights and the rule of law.

In May **2009**, Belarus was invited to join the multilateral track of the Eastern Partnership (EaP), and it has participated actively since then.

On the basis of the Council Conclusions of 17 November **2009**⁶, the Commission worked together with the Member States on a draft '**Joint Interim Plan** for reforms' to be implemented by Belarus. On the same basis, Commission services on 12 November 2010 adopted **draft negotiating mandates on visa facilitation and readmission agreements** which the Council adopted on 28 February 2011.

Further elements of the EU's policy of gradual engagement included the launching of a **Human Rights Dialogue** in Prague (June 2009). Due to disagreement on the principle of alternating venues, a second meeting has not taken place so far.

A proposal from the Commission regarding extension of the European Investment Bank (EIB) external lending mandate, including for is currently being examined under the ordinary legislative procedure by the Council, the European Parliament and the Commission.

During 2008-2010, the Commission extended **technical cooperation** with Belarus in energy, the environment, customs, food safety and standardisation. An experts' dialogue on economic and financial matters is to be launched in 2011.

Reflecting these intensified technical dialogues, the Commission **increased its assistance** to Belarus. The 2011 bilateral envelope has been raised to €16.07m [from €5 million in 2007 and €10 million in 2010.]

The **Northern Dimension** (ND) Partners in November 2010 reached consensus on welcoming Belarus as an observer of ND Policy. Belarus participation has already advanced with regard to the Partnership on Environment and the Partnership on Transport and Logistics.

The **Market Economy Status** assessment process was launched in July 2010. The Commission underlined at that time the technical and lengthy nature of the process.

The **Delegation** of the European Commission to Belarus, opened in Minsk on 7 March 2008, is to be upgraded to a fully-fledged EU delegation in the course of 2011.

However, in the context of its policy of critical engagement, the EU has repeatedly expressed its **disappointment with the deterioration in the human rights situation** in Belarus during 2010 (HR/VP Ashton statements⁷ as well as statements by local EU presidency in Minsk⁸, and other statements⁹). Freedom of expression and of the media, freedom of assembly and association, conditions for the work of NGOs, and politically-motivated criminal prosecution are of particular concern. The EU has consistently expressed concerns over increased harassment of the opposition, media, political activists and national minorities.

⁶ The Council invited the Commission (1) to prepare recommendations in view of obtaining negotiating directives on visa facilitation and readmission agreements with Belarus and (2) to make a proposal for a joint interim plan to set priorities for reforms, inspired by the Action Plans developed in the framework of the ENP, to be implemented by Belarus.

⁷ http://ec.europa.eu/delegations/belarus/statements_belarus/hr_ashton_statements_on_belarus/index_en.htm.

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http://ec.europa.eu/delegations/belarus/statements_belarus/by_local_eu_presidency_in_minsk_/index_en.htm.

⁹ http://ec.europa.eu/delegations/belarus/statements_belarus/spanish_statement_on_belarus_/index_en.htm.

Due to the lack of **significant and irreversible progress** in key areas of democratisation¹⁰, the Council Conclusions of 17 November **2009** decided to extend existing restrictive measures but at the same time, in order to encourage progress in the areas identified by the EU, to extend the suspension of the application of the travel restrictions imposed on certain officials of Belarus. The 25 October **2010** Foreign Affairs Council (FAC) decided to renew the sanctions (travel ban and asset freeze) and the suspension of the travel ban for a further 12 months. These conclusions also stated that the EU remained committed to deepening its relations with Belarus on the basis of democratic progress.

The **death penalty** is one of the principal concerns for the EU. The fact that executions still take place in Belarus means that one of the EU's core values is being disregarded. The EU called on the authorities to declare an immediate moratorium on the use of the death penalty, with a view to its abolition.

The **Commissioner for Enlargement and European Neighbourhood**, Štefan Füle, visited Minsk in July and November 2010. In line with the FAC of 25 October 2010, Commissioner Füle reiterated the EU's readiness to deepen its relations with Belarus, providing there were developments towards democracy, human rights and the rule of law. The EU stood ready to assist the country to this end. His November visit was primarily intended to express the EU's support for Belarus' civil society and people ahead of the Presidential elections in December 2010.

Against this background, the events after the elections were in contradiction with the EU's vision of respect for human rights, fundamental freedoms and democracy. In addition to the unwarranted use of force, the electoral process as a whole was undermined by the detention of civil society activists and members of the opposition.

The EU clearly condemned the repressive measures that the authorities in Minsk took, and called for the immediate release of all those detained on political grounds, as well as for an end to the persecution of civil society.^{11 12 13 14 15}

The FAC of 31 January 2011¹⁶ decided to reinstate and extend sanctions against persons responsible for the electoral fraud and for the violent crackdown that followed. Travel restrictions and an asset freeze were put in place against nearly 160 representatives of the Belarus leadership. The European Council on 4 February endorsed the FAC conclusions on Belarus. The Council extended the above list on 21 March, adding a further 19 Belarus officials¹⁷.

In its Conclusions of 31 January 2011, the FAC stressed its intention to keep these restrictive measures and the list of persons targeted under review. The Council also made clear that it would re-examine the situation in Belarus regularly and stood ready to consider further targeted measures in all areas of cooperation, as appropriate. The FAC Conclusions reiterated the EU's commitment to its policy of critical engagement that included dialogue and the Eastern Partnership, and pointed out that the EU had consistently offered to deepen its relationship with Belarus. The Council reiterated that such deepening was conditional on progress towards respect by the Belarusian authorities for the principles of democracy, the

¹⁰ The GAERC conclusions of October 2008 put forward a set of so-called democratisation criteria as a reference for the assessment of progress made, by Belarus, on the path towards criteria: These criteria were: no more political prisoners, progress on electoral legislation, respect for human rights notably freedom of expression and of the media, freedom of assembly and political association.

¹¹ http://www.consilium.europa.eu/uedocs/cms_Data/docs/pressdata/EN/foraff/118638.pdf.

¹² http://www.consilium.europa.eu/uedocs/cms_Data/docs/pressdata/EN/foraff/118650.pdf.

¹³ http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/EN/foraff/118697.pdf.

¹⁴ http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/EN/foraff/118708.pdf.

¹⁵ http://www.consilium.europa.eu/uedocs/cms_Data/docs/pressdata/EN/foraff/119382.pdf.

¹⁶ http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/EN/foraff/119038.pdf.

¹⁷ http://www.consilium.europa.eu/uedocs/cms_Data/docs/pressdata/EN/foraff/120054.pdf.

rule of law and human rights. The Union remained open to developing bilateral relations with Belarus, provided the authorities there proved their willingness to respect these principles.

Equally important, the FAC Conclusions reiterated the EU's strong commitment to strengthening its engagement with the Belarus people and civil society. The EU has therefore reviewed its assistance to Belarus, so as to further strengthen support to civil society, partly through a special assistance package Commissioner Füle announced at the Warsaw International Donors' Conference of 2 February 2011. At the same time, the Council emphasised the importance of facilitating people-to-people contacts with Belarus for the benefit of the Belarus population at large.

On 20 June 2011, the EU expressed its deep concern at the deteriorating human rights, democracy and rule of law situation in Belarus and decided to impose further targeted sanctions, while reiterating at the same time its policy of critical engagement and of support to Belarusian people and civil society.

In a wider context, the Council adopted on 20 June 2011 an enhanced approach to the ENP, looking forward to establish a new European Neighbourhood Instrument which is increasingly policy driven and provides for increased differentiation on the basis of a "more for more" approach, including the flexibility to allow for greater targeting of resources in line with reform performance and needs.

3. Strategic objectives for EU-Belarus cooperation during 2012-2013

The CSP for Belarus, approved by the European Commission on **7 March 2007**, was designed in the absence of a **valid PCA**, and with EU restrictions in place on political contacts with the country. Although the **EU-Belarus relationship has developed** since then, it is still guided, in the absence of a contractual basis, by successive FAC conclusions, the latest of which was dated 31 January 2011. These have repeatedly demanded further progress from Belarus in key areas of democratisation, and have encouraged intensified EU assistance to support the needs of the population and the process of democratisation.

The current CSP identifies the **objectives for Belarus for 2007-2013 as strengthening democracy, respect for human rights and the development of civil society**. An additional objective is to support **social and economic development, sectoral development and people-to-people contacts**.

As concluded by CSP MTR and in light of the conduct of the Presidential elections in December, as well as the events in their aftermath, **the main objectives of EC assistance for 2012-2013 set out by the CSP remained relevant and valid**.

A major **positive change** in Belarus' response may allow the EU to review its assistance strategy to include full-scope assistance programmes and increased funds, in line with the other ENP East countries.

4. What are the main challenges to achieving these objectives?

The challenges result firstly from the **limited democratic progress in Belarus against the EU's expectations. The aftermath of the December Presidential elections is a case in point**. The Commission will seek to have more impact on **administrative and political reform** in its assistance. There are still significant challenges in terms of **strengthening the rule of law, developing civil society and participation, respect for human rights (including abolition of the death penalty), standards for democratic elections, freedom of expression and of the media, freedom of assembly and political association**. In

particular, **people-to-people** contacts between the EU and Belarus need to be further strengthened.

Secondly, **Belarus' economy** is facing serious challenges despite having avoided the worst consequences of the global economic crises. It remains predominantly a planned economy that needs structural reforms and modernisation, while at the same time ensuring the mitigation of the negative impact of transition and addressing economic and social disparities appropriately. Moreover, Belarus faces a serious balance of payments situation which cannot be addressed without external assistance. As borrowing needs grow, external loans are much needed. Key priorities are **modernisation of the energy sector** and enhancing energy efficiency.

Compared to its neighbours, Belarus was affected by the global crisis much less, with GDP still growing in 2009, albeit very little, and activity rebounding in 2010 by 7.6%. While the general economic situation in Belarus improved in 2010, the balance of payments situation remained highly fragile. In early 2011, with FDI continuing to be low and the current account deficit remaining high, balance of payments situation has deteriorated further and Belarus has been losing reserves at a high rate. In May 2011, the Belarussian rouble lost de-facto around 25% of its value against the USD. Furthermore, inflation remains high. Belarus continues to face significant external financing needs.

The Belarus government is intensely debating the extent of economic reform. It has started liberalising prices and it is pursuing privatisation. The legal basis for liberalisation is Presidential Directive No 4 signed on 31 December 2010. The Directive concerns the development of business initiative and the stimulation of business activity in Belarus. The economy needs to be liberalised further to increase its competitiveness and to establish favourable conditions for sustainable development. Central, regional and local authorities are working out measures and activities to implement the provisions of the Directive.

As the country embarks on economic reforms on multiple fronts, the capacity to **coordinate reforms (in particular sectoral reforms)**, both at central and local/regional level, is a challenge. Regional and local development are therefore one of the key priorities in the country's socio-economic development.

Meaningful political dialogue on reform issues is made difficult because of the mass arrests on the night of the December 2010 Presidential elections and the days that followed, as well as because of continuing harassment of the opposition, independent media and civil society on political grounds.

Lessons learned

- The government has launched national strategic plans over recent years, but in the absence of reviews, it is **difficult to assess their impact**.
- On the EC side, **projects under the NIP 2007-2011 are in the early stages of implementation, both for sector programmes and Technical Assistance**. With the Annual Action Programmes 2007-2010, EC aid directly supports the following technical areas: design and implementation of a comprehensive energy strategy (2007), development of a comprehensive framework for institutional environmental cooperation (2008), quality infrastructure — food safety (2009); norms and standards related to energy efficiency of consumer goods and industrial products (2010). The priority area for the 2011 Action Programme is local and regional development.
- **Implementation of a number of technical assistance projects under the ENPI** has been delayed for reasons including the lengthy process Belarus has to undergo to sign Financing Agreements. In fact, with the exception of the food safety programme, Belarus

has repeatedly delayed signing such agreements. This has contributed to delays in starting implementation of Action Programmes. The ongoing reform of coordination of technical assistance should lead to more efficient procedures, thus speeding up the signing of Financing Agreements and registering projects.

- TACIS projects were in general **well implemented**, despite a **high rate of decommitments**. There is good interaction with national authorities at technical level with regard to ENPI activities.
- Cooperation could be stepped up in the areas of **democratic governance, rule of law, economic and financial reform, people-to-people contacts, and local and regional development**.

Effective national coordination is crucial for proper monitoring of assistance and with a view to improving a spirit of ownership. Dialogue between donors and authorities in the spirit of the Paris Declaration, signed by Belarus in March 2010, is limited. Donors organise regular donors' coordination meetings to make clearer the division of labour and improve donors' effectiveness. The Belarus authorities should be encouraged to take a more active role in key sectors to avoid possible overlaps and to promote greater efficiency.

How can the Commission help to address these challenges?

In light of the crackdown on the opposition, independent media and the civil society in the wake of the December Presidential elections, there are no immediate prospects of agreeing on a **join interim plan** to set priorities for reforms, neither on Belarus' full participation in the **EaP**. However, the EU remains committed to its policy of critical engagement, including through dialogue and the Eastern Partnership.

Given the limited amount of funds provided and the fact that the NIP will run for only two years, 2012-2013, the EU's focus from now on should be on the most critical issues: **support for democratic governance and economic reforms** through two priority areas, as outlined in the NIP 2012-2013.

Belarus will continue to receive support through **Tempus, Erasmus Mundus** and the **Non-State Actors/Local Authorities programmes**, as well as the **European Instrument for Democracy and Human Rights**, a major instrument promoting fundamental freedoms and democratisation. The TAIEX instrument should be promoted further, particularly in institutions of strategic relevance for EU-Belarus cooperation.

PART TWO: The Indicative Programme 2012-2013

5. Main priorities and goals

The NIP and its implementation will take into account **the Eastern Partnership (EaP) priorities for reform, and further developments in EU-Belarus relations.**

The new NIP 2012-13 will consist of:

Priority area 1:	Good governance and people-to-people contacts
Sub-priority 1:	Good governance standards
Sub-priority 2:	People-to-people contacts
Priority area 2:	Economic modernisation
Sub-priority 1:	Market economy development
Sub-priority 2:	Local and regional development

The identification process for Annual Action Programmes provides an opportunity to assess the suitability and timeliness of addressing a sub-priority and **to adapt the proposed measures to the evolution of EU policies and sector developments.**

6. Indicative Budget

The budget contains indicative allocations. In line with the Council Conclusions of 20 June 2011 on Belarus and on the ENP, final allocations will depend on the progress towards respect by Belarus for the principles of democracy, the rule of law and human rights.

Under the NIP 2012-2013, Belarus could benefit from **€56.69 million** from the European Neighbourhood and Partnership Instrument (ENPI). This includes **€4.81 million** earmarked for the Comprehensive Institution Building Programme (CIB), and **€10.38 million** earmarked for the Pilot Regional Development Programmes¹⁸.

Below are indicative allocations for the National Indicative Programme for Belarus¹⁹ for each priority from 2012 to 2013:

Priority Areas	M €	%
Priority area 1: Good governance and people-to-people contacts	€20.75	50 %
Priority area 2: Economic modernisation	€20.75	50 %
Total Indicative ENPI allocations 2012-2013	€41.50	100 %

EaP top ups	M €
Comprehensive Institutional Building	€4.81
Pilot Regional Development Programmes	€10.38
Total EaP top-up	€15.19

Total ENPI , including EaP top-up	€56.69
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¹⁸ Although the extent of Belarus's participation in the bilateral track of the Eastern Partnership continues to depend on internal developments in Belarus, the EU has earmarked additional Eastern Partnership funding for Belarus for 2012-2013, amounting to an additional €15.19 million (on top of the already programmed €41.50 million), for Comprehensive Institutional Building and Pilot Regional Development Programmes. However, if at the time of implementing the NIP there is not a political decision to include Belarus in the bilateral track of the EaP, the earmarked funds will be fully or partially reallocated.

¹⁹ These are planning figures, in the absence of adopted programming documents, and are subject to change in the context of EU-Belarus dialogue.

The programming of the Annual Action Programme to derive from the NIP should be taken forward, in conformity with the usual procedures. However, a decision to discontinue effective implementation could be taken at any stage, on a case by case basis, depending on the developments in the EU-Belarus relationship.

7.1 Priority area 1: Good governance and people-to-people contacts

The promotion of good governance and respect for the rule of law are fundamental principles in the relationship between the EU and Belarus, particularly in the aftermath of the December 2010 Presidential elections. Reforms in these sectors are critical not only for the protection of human rights, but also for efforts to modernise all sectors of society and to enhance the business and investment environment. In this regard, **civil society** has a vital role in ensuring greater public accountability and should be fully associated in the implementation of these priorities.

The EU will maintain its support for democratic reforms to promote the opening and modernisation of Belarus society. The design of the EU's contribution will focus on **supporting both public authorities and Civil Society Organisations** to improve good governance standards through a participatory approach and an enhanced culture of dialogue. The Commission will continue to address human rights issues (including the adoption of a moratorium on death penalty) in its contacts with the authorities and in the context of EU-Belarus human rights consultations. The ENPI would complement, to the extent that this is possible, the EIDHR and NSA/LA programmes for an increased CSO role in driving Belarus society towards more openness and democracy.

The EU will extend its intervention, particularly as regards **people-to-people contact**, through intensified university cooperation, youth exchanges and cultural cooperation. Stepping up such contacts will help strengthen Belarusian citizens' awareness of European societies and values.

The EU will also continue engagement in a **constructive dialogue on visa facilitation and readmission**, and can help Belarus implement relevant agreements once they are in place.

To this end, EU assistance will focus on strengthening the **Belarus authorities' capacity to develop and to implement national and sector strategies, which may include taking the Millennium Development Goals into account.**

7.1.1 Sub-priority 1.1: Good governance standards

Specific objective: To strengthen the capacity and effectiveness of public authorities and civil society organisations to improve governance standards at all levels, including the local and regional. State administration and the policy-making process could be made more efficient by promoting organisational development in public institutions, including public enterprises, by building capacity and by developing a culture of transparency, inclusiveness and public accountability, and promoting environmental principles.

Key priorities:

- (i) capacity building, promoting good governance standards (**including rule of law**),
- (ii) boosting administrative capacity for the design and implementation of policy reforms (particularly in the energy sector, transport, environment, information society, migration, social sector, agriculture), including implementation of multilateral agreements to which the EU and Belarus are parties
- (iii) encouraging a participatory approach, with dialogue between the authorities and civil society actors.

Expected results:

- More effective institutions guaranteeing democracy, respect for human rights and the rule of law;
- Better judicial system in line with international standards; efficient implementation of the Code of courts' administration and status of judges, development of the alternative dispute settlement practice;
- Efficient implementation of May 2010 UN Human Rights Council Universal Peer Review recommendations for Belarus;
- Improved capacity of public institutions as regards development of sustainable sector/national strategies (transport, climate change, information society, energy, environment, migration, social sector, agriculture), policy-making and policy implementation through internal coordination, as well as consultation and partnership with all relevant stakeholders;
- Improved capacity of the public administration to draft and coordinate state policies and to translate them into budgetary decisions;
- Effective national strategies for public administration and civil service reform;
- Following approval, efficient implementation of the EU-Belarus readmission agreement.

General indicators of achievement²⁰:

- Assessments/progress reports by the EU, NGOs, the United Nations, Organisation for Security and Cooperation in Europe and the Council of Europe about significant improvements as regards good governance, rule of law, human rights and fundamental freedoms;
- Increased application of international human rights principles by the judiciary, the prosecuting authorities and law enforcement agencies;
- Better access to justice, in part via cooperation with civil society; legal professionals' ratings of judicial independence in the country;
- Number of credible, comprehensive and transparent annual and multi-year strategies for sector reform;
- % of citizens expressing confidence in the performance and independence of the judiciary;
- Availability and enforcement of norms and regulations (manuals, methodologies, procedures) regarding policy-making and policy implementation, including monitoring and evaluation, aligned to strategies for sector reform;
- More participation on the part of civil society organisations in public consultation processes, including environmental impact assessments.

7.1.2 Sub-priority 1.2: People-to-people contacts

Specific objective: Expand people-to-people contacts through increased university and research centres cooperation, youth exchanges and cultural cooperation.

Expected results:

²⁰ All general indicators set out in this NIP will need to be further aligned (and specified) in the Annual Action Programmes.

- More cooperation in research and development;
- Better convergence in higher education, deriving from the EU Modernisation Agenda for Higher Education and the Bologna process;
- Reinforced international academic cooperation, participation in EU cooperation and mobility programmes, increasing student, teacher and researcher mobility;
- Further modernisation of vocational education and training to meet labour market needs;
- Increased cultural cooperation and cultural exchanges through intercultural dialogue, mobility of art and artists and a cultural sector whose capacity is strengthened.

General indicators of achievement:

- Progress in education and training systems towards meeting labour market needs. Convergence with EU standards and practices, as assessed by periodic evaluations;
- Enhanced understanding of EU values on the part of Belarus civil society;
- More exchanges, greater mobility;
- More active participation in public life on the part of society, particularly young people.

7.2 Priority area 2: Economic modernisation

Support for the **sustainable modernisation of the country's economy** is needed in order to make it compatible with European market economies and to help the country face global competition. Structural reforms, including privatisation and promotion of foreign investments should be implemented in support of economic liberalisation and increased competitiveness. This would include **regulatory convergence and legislative approximation**, as appropriate.

These interventions would be complemented by Belarus's performance under the **Eastern Partnership's SME flagship initiative**.

Additionally, the EU can address the needs of local communities, **regional disparities and local/regional development**, through targeted and integrated interventions, with the active involvement of local authorities, local government associations and local civil society organisations.

7.2.1 Sub-priority 2.1: Market economy development

The EU supports the sustainable modernisation of the Belarus economy so that it is able to face European and global competition and with the aim to boost inclusive growth and job creation in the country.

Specific objective: Support the sustainable development of a functioning market economy, through (i) facilitating effective privatisation and reform of the financial and banking sector, complementing IFI interventions, and (ii) regulatory convergence and legislative approximation.

Expected results:

- Concrete economic reforms that contribute to establishing and developing a functioning market economy and inclusive growth;

- Increased institutional and administrative capacity in managing the privatisation and investment processes and the reform of public financial management, through technical assistance;
- Increased capacity to develop and implement indicative methods of socio-economic analysis and forecasting, and classification of economic activities;
- Improved investment climate through strengthening the role of the private sector and SMEs and with a view to attracting foreign investment;
- Efficient competition policy to underpin the reform of the economy, including the operations of state trading enterprises and state aid, bearing in mind WTO accession;

General indicators of achievement:

- Development of the privatisation and liberalisation processes;
- Improved economic and social development indicators, including Public Expenditures and Financial Accountability (PEFA) scores;
- Increased number of registered SMEs; level of FDI;
- More transparent and predictable public finance management;
- Improved institutional and administrative capacity at the competition authority;
- Reduced economic disparities and enhanced economic productivity.

7.2.2 Sub-priority 2.2: Local and regional development

In the context of the Eastern Partnership, **Belarus may benefit from assistance to address economic and social disparities** between regions within the country, to improve internal cohesion through support for economic and social development. This **assistance could take the form of pilot regional development programmes modelled on EU Cohesion Policy**. To help Belarus set up such a programme, there could be technical assistance for the design of programmes and to prepare structures for implementation. Such assistance should be based on the real needs of Belarus and take into account its territorial organisation as well as the Pilot Regional Development Programmes under the EaP Regional Development component.

The assistance would support the strengthening of local self-government, with a view to promoting local/regional development, including the development of the rural areas.

Specific objective: Support local and regional development strategies in addressing the needs of local communities, by sharing EU expertise in regional development policy reform and planning. Regional centres of growth would be strengthened so as to promote job creation and take-up of jobs, boost incomes and improve access to social benefits and public services.

Expected results:

- Improvements in human capital at regional level through labour market development, inclusive labour policies and enhancing employability;
- Strengthened territorial cohesion through the development of linkages between centres of growth and small communities, including cross-border and inter-regional cooperation;

- Improved regional development structures capable of implementing and managing regional development policy, taking into account environmental protection;
- Increased capacity of regions to develop and implement sustainable economic programmes;
- Enhanced capacity of national authorities for effective regional development planning;
- More involvement of local authorities in the design of regional development strategies;
- More developed rural areas.

General indicators of achievement:

- Local and regional macro-economic indicators demonstrate positive dynamics;
- Tax revenues at local and regional level;
- Regional labour market demonstrates positive trends;
- Better access to social and public services for local and regional communities;
- More state budget resources allocated to local and regional development;
- More planning and administrative implementation capacity at local and regional levels, with improved provision of, and access to, quality services;
- Increased diversification of non-agriculture related activities in the rural areas.

8. Implementation

EU aid as a **policy-driven instrument** is meant to support the outcome of the ongoing policy dialogue between the EU and Belarus, as appropriate. Therefore, the aid instrument will be **flexible** to accommodate unforeseen needs that may arise from policy dialogue.

The indicative budget can also be subject to reallocation of funds between 2012 and 2013 and/or possible reallocation of funds between priorities/sub-priorities depending on the developments of the EU/Belarus relation and the absorption capacity of the beneficiaries.

Development of the NIP has incorporated joint ownership and consultation with Belarus stakeholders as a guiding principle. The Annual Action Programmes which will operationalise the NIP should build on reviews of progress and build in other needs for support as necessary. Successful implementation requires collaboration with Belarus partners in the design of programmes.

Where relevant, **stakeholders (including civil society organisations) will be consulted** on the design of the measures to be implemented under this programme and will be involved in the monitoring process, as far as possible. CSOs should be supported in their role of promoting reform and increasing public accountability in the sectors the NIP supports. There should be consistency between this consultation process and the consultation of civil society through the Eastern Partnership.

The NIP will complement support to civil society provided through **Tempus, Erasmus Mundus and Non-State Actors/Local Authorities programmes**, as well as through the **European Instrument for Democracy and Human Rights**, a major instrument promoting fundamental freedoms and democratisation. Ongoing cooperation with civil society is also envisaged through the multilateral track of the EaP.

Support for each NIP priority/sub priority will be channelled through the most appropriate financial instrument, for instance, via specific mechanisms such as **TAIEX**. To respond to Belarus' interest in European experiences in a timely manner, the TAIEX instrument will be promoted further.

A sum of **€4.81 million** from the indicative allocation is earmarked for preparatory Comprehensive Institution Building activities, and **€10.38 million** from the indicative allocation for the Pilot Regional Development Programmes²¹.

Interventions may also include **capacity-building training for Belarus authorities and civil society organisations**, to develop their knowledge about EU assistance programmes, their skills in terms of writing proposals, and management of assistance programmes.

A number of **key cross-cutting issues, and horizontal issues** with specific relevance for Belarus should be reflected in the choice of target groups, in implementing NIP projects and in formulating expected results and indicators. These include promoting gender equality and respect for human rights, governance and the rule of law, respect for the environment, the wider impact of the economic and financial crisis, and the fight against HIV and AIDS. These should be taken into account as programmes are identified and formulated. Gender balance will be mainstreamed in all assistance measures.

²¹ Although the extent of Belarus's participation in the bilateral track of the Eastern Partnership continues to depend on internal developments in Belarus, the EU has earmarked additional Eastern Partnership funding for Belarus for 2012-2013, amounting to an additional €15.19 million (on top of the already programmed €41.50 million), for Comprehensive Institutional Building and Pilot Regional Development Programmes. However, if at the time of implementing the NIP there is not a political decision to include Belarus in the bilateral track of the EaP, the earmarked funds will be fully or partially reallocated.

The European Commission will continue **promoting donor coordination with Member States and international donors** active in Belarus to enhance the effectiveness of interventions. For example, possibilities for joint programming with Member States in local and regional development should be explored.

9. Risks and assumptions

This NIP is based on the **assumption that Belarus will wish to be politically engaged** in deepening the relationship between the EU and Belarus.

Further backtracking on democratisation in Belarus, as seen during and after December's Presidential elections, could impede the Government's ability to carry out required reforms. This could create significant risks for the implementation of this NIP. Furthermore, the **impact of the economic and financial crisis** has inhibited Belarus' ability to stimulate growth domestically or to take significant measures to counter the negative impact of the crisis domestically.

These risks **can be mitigated** by ensuring that the EU's political dialogue with Belarus, as well as that carried out through the EaP, helps with difficulties encountered while implementing the NIP.

If the political and economic stability of the country weakens and in the absence of strong sector strategies, **programmes would need to be adapted** and other forms of assistance would have to be designed.

10. Alignment, harmonisation and consultation

The principles of the Paris Declaration on Aid Effectiveness and the Accra Agenda for Action are still not fully adhered to in Belarus. There **needs to be better coordination** of government/donor efforts, once Belarus has launched the reform of its system of international technical assistance coordination. Ongoing plans to establish a **new specialised governmental body for Technical Assistance**, replacing the former TACIS National Coordinating Unit, should equip the new entity with the competences needed to attract and coordinate international technical assistance from the EU and other donors.

The **European External Action Service and the European Commission, with the EU Delegation in Minsk, are actively promoting enhanced donor coordination in Belarus**. The EU will remain an active partner for the government to ensure steps towards effective coordination are sustained and relevant reforms are consolidated.

Ensuring an appropriate **division of labour among donors**, based on comparative advantage, remains a priority. The EU, for its part, sees its role as being in legislative and normative reform and approximation, through instruments such as TAIEX. Since EU technical and financial cooperation is difficult to deploy rapidly and flexibly, **joint programmes** with EU Member States and other donors, particularly UN bodies, can strengthen the effectiveness of EU-funded operations.

In the spirit of the EU Code of Conduct on Complementarity and Division of Labour, the **European Commission regularly brings Member States together at coordination meetings** to discuss assistance priorities and joint work. EU Member States are invited to harmonise their programming cycles and to take opportunities to carry out joint missions, evaluation and analysis.

During the NIP programming process, extensive work was carried out to compile **matrices** on donor support.

Two programming missions took place during 2010 involving extensive consultations with Belarus authorities, representatives of civil society, bilateral and multilateral donors and International Financial Institutions, as well as EU Member States, on the basis of a Concept Note and then a draft NIP. This facilitated the development of the sector focus proposed in the NIP 2012-2013 and provided indications on areas with scope for joint work.

Further possibilities for cooperation with other donors under the NIP include:

- the justice/police sector with the Council of Europe and OSCE;
- public administration reform and public financial management with the World Bank, UNDP and EU Member States;
- energy with the WB and EBRD;
- in regional development, with UNDP and EU Member States.

11.1. Annex 1: Country at a glance

General		
Area (square km)	207 600 km ²	
Population (March 2011)	9 476 600	
Population growth rate (2010)	0.3 %	
Urban population (2010)	74.5 %	
Life expectancy (2009)	69.6 years (women 76.5; men 64.7)	
Human Development Index (rank) in 2010:	61st	
Social		
Adult literacy rate % (2009)	99.8	
Primary enrolment rate % (2009)	94	
Secondary enrolment rate male %	94	
Secondary enrolment rate female %	96	
Infant mortality: (2009) (under 1 per 1000 live births)	11	
Under-5 mortality (2009) (per 1000 live births)	12	
Access to essential drugs %	50-79	
Access to safe water %	100	
Tuberculosis cases (2008):	43.22 cases per 100 000 people	
HIV/AIDS (Jan. 2011)	100.4 cases per 100 000 people	
Population per doctor (2010)	192	
Rate of unemployment (2010)	0.7 %	
% of population living on less than 1 USD day	< 2	
Internet users (per 100 people, 2011)	37.3	
Economy		
Nominal GDP 2010 (USD)	54.7 billion	
PPP GDP per capita (USD) 2010	13 400	
GDP breakdown by sector value-added (2010)	Agriculture	7.5 %
	Industry	26.8 %
	Services	65.7 %
Real GDP growth rate (2010)	7.6 %	
Estimated real level of 2010 GDP as % of 1990 GDP	315 %	
Gen. government expenditure/GDP (2010)	32.5 %	
Gen. government surplus or deficit (2010)	-2.6 %	
Gen. government expenditure on social objectives/GDP	10.3 %	
Inflation	2005	8 %
	2010	9.9 %
External debt stock (USD million)(2010):	28 684	
External debt (2010)	52.4 % of GDP	
Current account balance (2010)	-16 %	
FDI inflows (2010) USD bn	1.3 (2.3 % of GDP)	
Exports of goods and services (2010) USD bn	29.8	
Imports of goods and services (2010) USD bn	37.2	
Main trade partner (2010)	Russia: 51.8 % of total imports and 38.9 % of total exports	
Exports to EU (2010) USD m	7 604 (or 30.1 % of total exports)	
Imports from EU (2010) USD m	7 547 (or 21.6 % of total imports)	
Trade balance with EU (2010) USD m	56.7	
EU trade partner ranking (2009)	43 rd , 0.3 % of total EU trade volume	

Sources: UNDP Human Development Report (2010); IMF Country Report No 11/66, (2011), Eurostat; National Statistics Committee of Belarus, World Bank World Development Indicators 2010, UNICEF, United Nations Population Division and United Nations Statistics Division, Gemius.

11.2. Annex 2: Summary table of focal/non-focal areas of the financial breakdown

The NIP and its implementation will take into account **the Eastern Partnership priorities for reform , and further developments in EU-Belarus relations.**

Taking into account the above, the new NIP 2011-13 will consist of two priority and two sub-priority areas:

Priority area 1:	Good governance and people-to-people contacts
Sub-priority 1:	Good governance standards
Sub-priority 2:	People-to-people contacts
Priority area 2:	Economic modernisation
Sub-priority 1:	Market economy development
Sub-priority 2:	Local and regional development

Under the NIP 2012-2013, Belarus could benefit from **€56.69 million** from the European Neighbourhood and Partnership Instrument (ENPI). This includes the **€4.46 million** earmarked for the Comprehensive Institution Building Programme (CIB), and **€10.73 million** earmarked for the Pilot Regional Development Programmes²².

The National Indicative Programme for Belarus provides for the following **indicative allocations**²³ for each priority from 2012 to 2013:

Priority Areas	M €	%
Priority area 1: Good governance and people-to-people contacts	€20.75	50 %
Priority area 2: Economic modernisation	€20.75	50 %
Total Indicative ENPI allocations 2012-2013	€41.50	100 %

EaP top up	M €
Comprehensive Institutional Building	€4.81
Pilot Regional Development Programmes	€10.38
Total EaP top-up	€15.19

Total ENPI , including EaP top-up	€56.69
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²² Although the extent of Belarus's participation in the bilateral track of the Eastern Partnership continues to depend on internal developments in Belarus, the EU has earmarked additional Eastern Partnership funding for Belarus for 2012-2013, amounting to an additional €15.19 million (on top of the already programmed €41.50 million), for Comprehensive Institutional Building and Pilot Regional Development Programmes. However, if at the time of implementing the NIP there is not a political decision to include Belarus in the bilateral track of the EaP, the earmarked funds will be fully or partially reallocated.

²³ These are planning figures, in the absence of adopted programming documents, and are subject to change in the context of EU-Belarus dialogue.

11.3. Annex 3 — EC Assistance to Belarus — overview table

EC Assistance to Belarus		2007	2008	2009	2010	2011	2012	2013
ENPI Annual Action Programmes		€5 mn (energy)	€5 m (environment)	€10 m (food safety)	€10 m (energy efficiency)	€15 m (regional dev)	€20.75 m*	€20.75 m*
Eastern Partnership top-up	Comprehensive Institutional Building	-	-	-	-	€1.07 m	€2.46 m*	€2.35 m*
	Pilot Regional Development Programmes	-	-	-	-	-	€2 m*	€8.38 m*
ENPI Regional	Landmines project	€4 m	-	-	-	-	-	-
	Waste Governance	-	-	€5.9 m (total budget for all ENPI East + Russia)				
	Air Quality Governance	-	-	€7 m (total budget for all ENPI East + Russia)				
ENPI CBCs	Latvia, Lithuania, Belarus: €41.7 m (total budget) / Poland, Ukraine, Belarus: €186.2 m (total budget) / Baltic Sea (for Belarus): €10 m							
Non-state actors and local authorities thematic programme		€1 m	€1 m	€1 m	€1 m	€2.25 m*	€2 m*	€2.25 m*
European Instrument for Democratisation and Human Rights	Global	€1.44 m	€0.74 m					
	CBSS	-	€0.26 m	€0.3 m	€0.45 m	€0.5 m*	€1.1 m*	€1.0 m*
	EHU	-	€1 m	€1 m	€1 m	€1 m*	€1 m*	€1 m*
Special measures	Students' mobility					€4 m*		
	Youth language courses					€2 m*		
Erasmus Mundus External Cooperation Window		€1.5 m	€1.5 m	€1.6 m	€1.6 m			
Tempus		-	€1.4 m	€1.3 m	€0.8 m	-	-	-
TAIEX		€28 523	€62 609	€188 344	€299 729	-	-	-
Instrument for Nuclear Safety Cooperation		€0.644 m	€2.2 m	€2.2 m	0	-	-	-
Instrument for Stability					€0.5 m	€1.7 m		

* indicative allocations

11.5. Annex 5: CSP MTR consultations and NIP 2012-2013 drafting process

A **Mid-Term Review** of the Belarus Country Strategy Paper 2007-2013 was conducted by Commission services during 2010. The services concluded that overall, the **CSP objectives for Belarus remained valid until the end of the period** (democratic development and good governance, and socio-economic reform). However, **significant developments in EU-Belarus relations** since 2006 need to be taken into consideration to describe the current state of play in relations. The update will also frame the context in which the new NIP 2012-2013 is developed, and the link with the EaP.

Consultations with the authorities in Belarus and with relevant stakeholders on the National Indicative Programme for the period 2012-2013 were conducted as follows:

1. During a first **consultation mission, April 26-30, 2010**, in Minsk, meetings were conducted with various stakeholders and discussions were held on the basis of a concept paper distributed in advance (including translation in Belarusian). Interlocutors from all sides welcomed the concept note as being balanced and matching the Belarus reform agenda. Meetings with representatives of the Ministry of Economy (including its Economic Research Institute), the Ministry of Finance, the Central Bank, the National Coordinating Unit (NCU), the Ministry of Environment and the Ministry of Foreign Affairs confirmed that the priority areas proposed in the concept note supported the reform priorities of the Belarus authorities. CSOs, IFIs (WB, EBRD, UNDP) and EU Member States (DE, IT, PL, RO, SE) also favourably received and commented on the note.
2. The **note** was also published on line on 26 April and comments were invited until 15 June²⁴. Formal written responses were received from: Association of Local Democracy Agencies, IOM, EUROBELARUS, European Cultural Foundation, European Council on Foreign Relations, Stefan Batory Foundation, Ecoproject.
3. **Informal inter-service consultations** continued to take place within the Commission, leading to further extensive discussion of the note.
4. **A second mission to Belarus took place from 26 to 29 October 2010**. Consultations were held, on the basis of the draft NIP, with the Belarus authorities (Ministries of Economy, Ministry of Finance, the NCU and the MFA), IFIs, donors and development agencies, civil society and with representatives of EU Member States locally. The draft NIP had previously been shared with interlocutors.
5. The draft NIP was revised in February-March following the decision to review the EU's assistance to Belarus in the aftermath of the Presidential elections in December 2010.

²⁴ http://ec.europa.eu/world/enp/mid_term_review/index_en.htm.

11.6. Annex 6: Country Environmental Profile for Belarus

State of the environment

Water quality, waste management, nature protection, soil degradation, industrial pollution and radioactive contamination from the Chernobyl accident in 1986 are the key environment issues in Belarus.

The country is characterised by a low population density and wide areas of natural landscapes, forests and wetlands. Regarding air quality, emissions of conventional air pollutants have decreased since 1995. The transport sector accounts for the bulk of total air emissions. Emissions from stationary sources come mainly from power plants, the petrochemical and chemical industry and manufacturing enterprises. With regard to water quality, Belarus is relatively rich in water resources, but has problems with the pollution of ground and surface water. The water distribution system is subject to service interruptions and water losses. Existing capacity for waste water treatment needs upgrading. Waste management, including prevention, collection, treatment, recovery and final disposal of waste, is a difficult challenge. A significant number of hazardous pesticides have accumulated in the country.

As regards nature protection, the country has a high number of lakes and bogs, which play a crucial role as a reserve for rare and endangered species of animals and plants. More than 36% of the land area is covered by forest. Belarus is rich in bio-diversity and successfully implemented the bison re-introduction programme. With regard to industrial pollution, Belarus has a large industrial sector, including chemical and petrochemical industries, construction materials, wood and paper enterprises. This sector is of key importance for the national economy, but also contributes to pollution. The fallout from the 1986 accident at the Chernobyl nuclear power plant in Ukraine still affects the population, the environment and the economy of Belarus significantly. In 2009, about 20% of the country was still contaminated with long-life isotopes of caesium above acceptable levels.

Current trans-boundary environment issues include the management and protection of shared rivers, such as the Nemunas, Daugava, Vistula and Dniepr.

As regards global environment issues and climate change in particular, Belarus acceded to the Kyoto Protocol in 2005, and therefore needs to implement the relevant provisions and, where appropriate, implement concrete policies and measures to reduce greenhouse gas emissions, particularly in the energy and heavy industry sectors.

Environment policy

Current environment policy is developed through five-year national action plans for the rational use of natural resources and environment protection (NEAPs). The current NEAP covers the period 2006-2010. The National Strategy for Sustainable Development for the period to 2020 was approved in 2004.

Several sector-specific plans and strategies have also been developed, e.g. on forest management and municipal waste management.

Belarus has taken steps to strengthen the institutional and legal framework for environment policy.

Environment legislation and implementation

Belarus adopted a framework law on environmental protection in 1992. This was last amended in 2002.

With regard to horizontal issues, the laws on environmental protection and state ecological expertise contain provisions for environmental impact assessment. However, mechanisms for access to information and public participation need strengthening, including support for civil society.

Sector-specific legislation has also been adopted, covering air quality, waste management and nature protection, among others.

Overall, environment legislation is in place in many areas, but needs to be developed further, for instance, as regards implementation. Belarus has made particular efforts to introduce the norms and principles of international environmental legal acts and commitments, striving to make its legislation EU-compatible.

Administrative capacity

The Ministry of Natural Resources and Environment Protection was established in 1993. Under the Ministry, there are two agencies, eight specialised inspectorates and a number of scientific and research organisations. The specialised inspectorates are involved in controlling and monitoring activities, as well as in the preparation of environment legislation. Other ministries, such as the Ministry for Agriculture and Food and the Ministry of Forestry, are also involved in environment-related matters.

In 2003, a State Inspectorate on Fauna and Flora Protection was set up under the President of the Republic.

At regional level, there are committees on natural resources and environment protection, which coordinate the activities of the local inspectorates on environment protection.

Environmental permits, inspections and enforcement are managed at national, regional and local levels. Environmental data collection and reporting require attention.

A system of environment protection funds was established in the early 1990s. However, the management of the funds needs strengthening, and there is a need for clearer prioritisation.

To enhance strategic planning, implementation and enforcement of environment legislation, the major challenge facing Belarus is to strengthen administrative capacity at national, regional and local levels, including coordination among the relevant authorities.

Participation in regional and international processes

Belarus has ratified the relevant international and regional conventions to which it is signatory. The “Espoo” UN-ECE Convention on Environment Impact Assessment in a Trans-boundary Context was “accepted” in 2005. However, many protocols to the Conventions (such as Espoo or CLARTP) have not been ratified.

Belarus is invited to participate in environmental aspects of the Eastern Partnership. Under Platform 2 of the Partnership, a Panel on Environment and Climate Change was created in 2010.

Belarus is participating in the Eastern Europe, Caucasus and Central Asia regional component of the EU Water Initiative, a regional component of the EU Water Initiative as announced at the 2002 World Summit on Sustainable Development. The initiative aims to promote better water governance and coordination between stakeholders.

Belarus’ participation in the Northern Dimension Environment Partnership (NDEP) has advanced, and NDEP grants for three Belarus projects have been approved: waste water treatment in Grodno, Brest (both Nordic Investment Bank) and Vitebsk (EBRD), for a total of €6 million.

Key areas where action is required

Belarus faces many challenges as regards environmental protection. Key areas include water quality, waste management, nature protection, soil degradation, industrial pollution, radiation contamination.

As regards climate change, Belarus needs to implement the relevant provisions of the Kyoto Protocol to the UN Framework Convention on Climate Change.

The Nairobi Climate Change COP (November 2006) amended the Kyoto Protocol to give Belarus an 8% greenhouse gas reduction target (it was already an Annex I country, but without a quantified target). Once ratified by other Kyoto parties, this would enable Belarus to benefit from investments under Joint Implementation. At present, Belarus cannot use any of the Kyoto flexible mechanisms (as CDM is not available for Annex I countries). This is a consequence of the fact that when the KP was agreed, Belarus did not take up a target.

EU Member States in the Council working group have discussed ratification several times since Nairobi, and no agreement has been reached. If Member States cannot agree a common approach, the EU will not be in a position to ratify the amendment.

Institutional and administrative capacity needs strengthening, particularly as regards strategic planning, implementation and enforcement. Mechanisms for access to information and public participation, including support for civil society, need attention.