EXECUTIVE SUMMARY

This Regional Strategy Paper (RSP) for the ENPI Eastern Region covers the period 2007-2013. It is intended to complement the Country Strategy Papers (CSPs) produced for each country in the region (Armenia, Azerbaijan, Belarus, Georgia, Moldova, the Russian Federation and Ukraine). These CSPs are the primary strategy documents for the EC’s engagement with ENPI Eastern Countries, and so this RSP is primarily concerned with assistance at regional level, under the European Neighbourhood and Partnership Instrument (ENPI)\(^1\). The ENPI has been established to support the development of an area of prosperity and good neighbourliness encompassing the European Union and the partner countries covered by the European Neighbourhood Policy (ENP), and the Four Common Spaces agreed with Russia.

The principal objective of EU Cooperation in this region is to develop an increasingly close relationship, going beyond past levels of cooperation to gradual economic integration and deepening political cooperation.

EC Assistance over the period of this strategy will aim to increase cooperation in key areas within the region, and between the countries of the region and the EU, and provide assistance where assistance at regional level is more appropriate or complements national-level assistance.

Under the ENPI Eastern Regional Indicative Programme (IP) 2007-2010 this translates into priority support for five strategic categories:

i) Networks, in particular transport and energy networks
ii) Environment and forestry
iii) Border and migration management, the fight against international crime, and customs
iv) People-to-people activities, information and support
v) Anti-personnel landmines, explosive remnants of war, small arms and light weapons

In addition to assistance through this ENPI Eastern Regional programme, Strategy Papers and Indicative programmes will also be produced for the ENPI Southern Region, along with ENPI-wide programme, covering wider cross-cutting areas.

This ENPI Eastern Regional Strategy Paper has been developed in consultation with the authorities of the partner countries of the region, and the Member States and other donors have been consulted during the drafting process.

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\(^1\) Regulation (EC) No 1638/2006 Of The European Parliament And Of The Council Of 24 October 2006
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<tr>
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<td>AP</td>
<td>Action Plan</td>
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<td>Development Cooperation and Economic Cooperation Instrument</td>
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1. EU/EC COOPERATION OBJECTIVES

1.1 The Rationale for a Regional Approach

The European Neighbourhood Policy (ENP) and the Four Common Spaces agreed with Russia provide a framework for closer relationships between the EU and its neighbouring countries. This framework, in the case of the ENP countries, operates at a bilateral level, through Action Plans agreed with partner countries, and is supported by country-level EU assistance. However, several objectives require regional-level cooperation and assistance. The regional strategy should therefore complement these national-level programmes in their pursuit of ENP objectives.

The Regional Strategies/Programmes financed under Tacis during the past decade have proved to be a valuable tool in tackling challenges with a regional dimension and for promoting inter-state cooperation on regional issues. In addition, regional platforms can be effective multipliers for the external aspects of EU policies. There are therefore good reasons for the continuation in 2007-13 of a Regional Programme in the ENPI Eastern region in parallel with national assistance under the ENPI. Some aspects will also be covered by the new ENPI-wide programme to ensure coherence, visibility, and efficiency.

Several challenges faced by the countries of the region, such as developing trans-national corridors, the management of cross-border rivers and basins, and the fight against terrorism and transnational organised crime, have an inherent cross-border character and can sometimes only be tackled through a cooperative effort at regional level. These trans-boundary challenges have also been brought closer to the borders of the EU after the 2004 enlargement of the Union. The long-term nature of these regional challenges calls for continuity and consistency with past EC regional strategies and assistance. Some of the strengths in the region can only be developed through regional cooperation, notably in the energy and transport fields. Furthermore, a number of regional and sub-regional organisations and forums have emerged since the ‘90s in this region. Some of these are now mature enough to provide a good basis for strengthened inter-state cooperation.

1.2 The ENPI Eastern Region

This Regional Strategy Paper (RSP) covers the seven Eastern European and Southern Caucasus countries covered by the ENPI: Ukraine, Belarus, Moldova, Armenia, Azerbaijan, Georgia and Russia. Each of these countries has its own Country Strategy Paper (CSP) and National Indicative Programme (NIP). The Regional Strategy Paper (RSP) should therefore be seen in the context of, and be read in conjunction with, these country-specific documents. To avoid unnecessary duplication, this Regional Strategy covers only specifically cross-cutting, regional issues, challenges and responses. The respective Country Strategy Papers set out the comprehensive EC strategy for each of these countries.

The five Central Asian Republics which were covered under the previous Tacis 2000-06 RSP and IP will, from 2007, be covered in the first instance by the Regional Strategy Paper for Central Asia and the associated Indicative Programme, and through EU assistance to Central Asia under the Development Cooperation Instrument (DCI). To ensure continuity with the Regional Cooperation Programme 2000-2006, and the associated assistance under the Tacis Regional Programme, the five Central Asian Republics of Kazakhstan, the Kyrgyz Republic, Tajikistan, Turkmenistan, and Uzbekistan may also benefit from funding through the ENPI Eastern Regional Programme on the basis of Art. 27 of the
ENPI Regulation\(^2\). The principles for the division of funding between the ENPI and DCI instruments are set out in the Indicative Programme.

1.3 Overall external policy goals of the EU

The EU promotes its values and interests by operating simultaneously as a continental power and as a global economic and political player, using various instruments ranging from the Common Foreign and Security Policy (CFSP), assistance and trade on the one hand to the external dimensions of the EU’s internal policies on the other.

The EU strives in particular to promote democracy and human rights, in addition to prosperity, solidarity, security and sustainable development worldwide.

In providing financial assistance, the definition of the right ‘policy mix’ is of the utmost importance for the EU. That means that, in order to achieve the objectives of the EU’s strategic external relations objectives, policy coherence needs to be ensured between all available instruments dealing with this region.

*Development policy objectives*

The EU’s development policy is driven by the overriding objective of poverty reduction with the complementary aims of promoting good governance and respect for human rights.\(^3\) At the same time it emphasises the need for a differentiated approach depending on contexts and needs.

1.4 Strategic objectives of EU/EC cooperation with the ENPI Eastern Region

National, sub-regional, regional and global strategic objectives together shape the EU/EC’s approach to cooperation with the ENPI Eastern Region. The primary regional strategic objectives for the EU are to implement the European Neighbourhood Policy (ENP) and the agreement on the Four Common Spaces with Russia, and to promote cooperation within the region. In addition to these overarching strategic objectives for the region, the EU also has specific sector objectives in which the regional aspect is particularly important. The first of these is sustainable development and environmental protection, which underpins all EU legislation and policies. The second is the need to ensure the diversification and security of energy supplies to the EU, and the ENPI Eastern region represents a key region in this respect. Finally, the further development of transport links between the enlarged European Union and its neighbouring countries is important as trade relations increase.

\(^2\) "To ensure the coherence and effectiveness of Community assistance, the Commission may decide when adopting action programmes of the type referred to in Article 12 or the special measures referred to in Article 13, that countries, territories and regions eligible for Community assistance under the Pre-Accession Instrument or the financing instrument for development and economic cooperation and the overseas countries and territories associated with the Community are eligible for measures under this Regulation where the project or programme implemented is of a global, regional or cross-border nature."

\(^3\) The key principles of the EU’s development policy are set out in The Joint Statement By The Council And The Representatives Of The Member States Meeting Within The Council, ‘The European Consensus On Development’ (see: [http://europa.eu.int/comm/development/body/development_policy_statement/index_en.htm](http://europa.eu.int/comm/development/body/development_policy_statement/index_en.htm))
The EU also considers security and good governance to be key objectives. In the European Security Strategy of 12 December 2003 the EU acknowledged that as a union of 25 states with over 450 million people producing a quarter of the world’s Gross Domestic Product (GDP), it is inevitably a global player. One of the key policy elements in the European Security Strategy is the need for the EU to “promote a ring of well-governed countries to the East of the European Union and on the borders of the Mediterranean with whom we can enjoy close and cooperative relations”. In addition, this Strategy clearly acknowledges the importance of promoting an international order based on effective multilateralism.

2. Analysis of the region, and the shared challenges faced by partner states

This section will focus only upon the key factors and issues in the region as a whole as in-depth country-specific analyses are provided in the individual CSPs for each country.

2.1 Description of the Region

The ENPI Eastern Region is a region of diverse countries with, as former states of the Soviet Union, a shared history. Over the years since the end of the Soviet Union, the diversity in terms of the process of transition has become more marked. While the Russian Federation has made remarkable progress in terms of economic growth, this has not been equally matched by progress in democratic consolidation, the rule of law, and civil society development. In Belarus, democracy has not been allowed to take root, with power centred personally upon the president, and human rights such as freedom of speech ever more circumscribed. The ODIHR report on the presidential elections of March 2006 found that they were “flawed”. The Belarus economy also remains still largely under state control. Ukraine and Georgia have meanwhile undergone the largely peaceful “Orange” and “Rose” revolutions, and have orientated themselves towards the European Union. Moldova has also moved towards greater cooperation with the European Union under the ENP. The country does however continue to have the lowest GDP in Europe. Ukraine and Moldova have pledged to make progress on Transnistria and have asked for the EU’s assistance to monitor their common border. Armenia has made progress economically, and with constitutional reforms, but is still locked in conflict with Azerbaijan over Nagorno Karabakh. In addition to unresolved issues with Armenia and Azerbaijan, Georgia also faces the challenge of separatist control of Abkhazia and South Ossetia.

While the Georgian-Russian agreement signed in May 2005 on the withdrawal by 2008 of Russian military bases from Georgia shows some progress in Georgia’s relations with its northern neighbour, support from Russia to the two separatist controlled regions of Abkhazia and South Ossetia make the normalisation of relations extremely difficult.

2.2 Common and shared challenges: Political, Economic, Social and Environmental Issues

Implementing the European Neighbourhood Policy (ENP) and the agreement on the 'Four Common Spaces' with Russia

The objective of the ENP, launched in the context of the 2004 enlargement round is to share the EU’s stability, security and prosperity with neighbouring countries in a way that is distinct from EU membership. Action Plans (APs) have been or will be established with all the ENP countries covered by the present RSP. Russia has preferred to establish a separate process of rapprochement with the EU
through joint work to establish 'Four Common Spaces'. Although the various Action Plans are country-specific, there is scope for the RSP to support those aspects of the APs which are convergent and which could be better developed through a mix of bilateral and multilateral measures.

**Regional Cooperation**

In addition greater EU bilateral cooperation, the EU considers cooperation between ENP partners themselves to be an important political objective. By assisting beneficiary countries in focusing on common challenges, a regional approach to the region by the EU has the potential to increase confidence among partner countries, thus promoting increased security, stability, and prosperity in the region.

Increasing people-to-people contacts between partner countries and the EU, and between partner countries themselves, is another essential objective of the European Neighbourhood policy. One point which came out very strongly during consultations on this Regional Strategy is that while political-level contacts and relationships may be difficult to build between some countries in the region, due to prevailing political conditions, it is often possible to build relationships between state institutions represented at expert level, civil society organisations and individuals across borders. This in turn promotes a long-term, bottom-up improvement in regional cooperation.

**Conflict**

The region has a history of instability and conflict, with several ‘frozen conflicts’ still unresolved. A decade of conflict and instability in Chechnya has largely destroyed civilian infrastructure and damaged public governance and the rule of law. Mass unemployment and a general breakdown of social services have resulted in widespread poverty and dependency on social benefits and humanitarian aid. There is a risk that conflict and instability will continue to affect the North Caucasus region for some years to come. In the South Caucasus, Georgia and Russia have a difficult relationship as a result of the separatist regions of Abkhazia and South Ossetia, while Armenia and Azerbaijan are locked in conflict over Nagorno Karabakh. Moldova and Ukraine are however making good cooperative progress on Transnistria, while relations with Russia on the matter remain difficult.

As a result of past and present conflicts, almost all of the countries of the region have, to varying degrees, difficulties with the existence of anti-personnel landmines and explosive remnants of war. In some parts of the region, this represents a serious threat to civilians as well as to the environment. Action in this area requires increased cooperation and coordination between the countries of the region, and would benefit greatly from progress in frozen conflicts.

**Justice, Freedom and Security**

Serious challenges are faced with regard to organised crime. Large parts of the region constitute key smuggling and trafficking routes for illicit small arms and light weapons, people and illegal drugs, which adds to this problem. Trafficking in human beings is a major challenge affecting most countries in the region. Improving border management is essential to address this, and, at present, many borders are either insecure or poorly or corruptly managed. Corruption among law enforcement officials seriously affects the functioning of many institutions. Migration management, including asylum needs to be improved. Drugs also represent an important issue in many countries of the region are located on the heroine route between Afghanistan and the EU. National and international terrorism also affects the region.
Governance and Democracy

The Region is characterised by varying degrees of democratic consolidation and public governance. The region as a whole faces serious difficulties with corruption and poor governance. These issues are addressed by the EU primarily at a national level.

Economic and Business Environment

All the countries of the region are confronted with common challenges and opportunities in the context of globalisation and progressive trade liberalisation. They all face the need for economic revitalisation and diversification of their economy to create jobs in the manufacturing and services sectors able to cope with modern technologies and products. Almost all countries in the region are member of the WTO or are in the process of joining. They will therefore have to implement commitments relating to this membership and/or need to be empowered to fully participate in the ongoing negotiations. In the context of the ENP and the Common Spaces for Russia, better access to EU Markets can offer an opportunity for sustainable economic development. Many countries also face the task of adapting their regulatory environments, for example in order to improve corporate governance and the stability of financial systems and to ensure approximation with EU standards. At the same time, exporters face yet another common challenge in adapting their products to meet EU regulatory requirements, notably in the areas of health and environmental protection. All of these aspects will contribute to the gradual integration of these countries into the single market, which is a major objective of the European Neighbourhood Policy.

One key challenge that remains for many countries of the region is that of combining macroeconomic and fiscal stability with economic diversification and structural reform, fostering the wider integration of countries into the world economy.

Environment protection

The countries of the region face a range of global, regional and trans-boundary environmental challenges. Key issues include air and water quality, waste management (including radioactive waste), nature protection, industrial pollution, wasteful energy use, land use, and pollution of the Baltic, Barents, Caspian and Black Seas. As regards climate change, the countries need to implement the UN Framework Convention on Climate Change and the Kyoto Protocol. Major sinks of greenhouse gases exist due to the many forests in the region. Land degradation and desertification also constitute a challenge in particular in the Southern Caucasus region.

The countries of the region have ratified most of the relevant international and regional conventions, with however some exceptions. The countries participate in the “Environment for Europe” process as well as in the Eastern European, Caucasus and Central Asia component of the EU Water Initiative. Some of the partner countries also participate in the Danube-Black (DABLAS) Sea Task Force.

The goals of reducing environmental risks and pollution, and promoting more sustainable use of natural resources are explicit in the Partnership and Co-operation Agreements with the partner states in the region. Environment protection is also a key sector within the European Neighbourhood Policy. Therefore, all of the ENP Action Plans negotiated so far contain actions to enhance environmental governance, address issue-specific environment concerns as well as promote international, regional and cross-border co-operation on environment issues.

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4 Note that a full Regional Environmental Profile is included as Annex 1.
Over the past decade, steps have been undertaken in the region to reform environmental institutions, policies and legislation. Various strategies and action plans have been adopted. Implementation of environment legislation and multilateral environmental agreements, strategic planning and prioritization in light of scarce resources and competing needs continue to constitute challenges. There have been some largely successful projects such as Regional Environment Centres.

EU and the national research institutions of the region have co-operated on environment research for quite some time. The 7th European Research Framework Programme (2007-2013) should therefore consolidate the scientific cooperation in this field. Particular attention may be paid to increasing environment-related research capacity, stimulating technological innovation and promoting technology transfer.

**Forestry**

The region comprises an estimated 30% of global world forest and this represents a significant component of the global life support system. Timber of this region constitute about 20% of world trade in timber products, about $25 billion per annum, and there is a growing demand for forest products from the region resulting in increased pressure on the resource base. On the basis of a shared concern that crime in the forest sector, particularly illegal logging, associated trade and corruption is a significant problem which undermines efforts towards sustainable forest management, the need to develop strategies and regional cooperation to address related issues has been established.

Whereas the Johannesburg World Summit on Sustainable Development has set up targets and commitments in relation to biodiversity and forest management, the environmental conferences of the Environment for Europe Process have further elaborated action plans and measures which the Eastern Europe, Caucasus and Central Asian (EECCA) countries have decided to embark upon to reach these goals.

**Energy**

In the years ahead, the EU will this see its energy requirements further grow and with them, its need for imports. Due to their significant hydrocarbon resources, and geographical position, the countries of the Black Sea, the Caspian Littoral States and their neighbouring countries have a key role to play in this regard both as producers and as transit countries. This is outlined in the Commission’s Green Paper “Towards a European strategy for the security of energy supply” (2000) and further developed in the European Commission’s Communication “On the development of energy policy for the enlarged EU” (2003) and the Communication on “European Neighbourhood Policy”(2004) as well as in the energy policies of Black Sea and Caspian Sea region partner States. The Commission’s Green Paper on energy policy (Spring 2006) underlines the growing relevance of cooperation.

Further to these policy initiatives at a Ministerial Conference held in Baku in November 2004, the European Commission and the twelve countries of the Caspian and Black Sea regions agreed to open new cooperation aimed at progressive integration of their energy markets (“Baku initiative”). Following the agreement by participating countries, four working groups were established to address the following issues:

1. the creation of harmonized hydrocarbon and electricity markets;
2. the safety and security of energy production, transportation and supplies;
3. sustainable development, including energy efficiency, energy saving and renewable energy issues, as well as the environmental aspects of energy production, transportation and use;
4. the facilitation of investments in energy projects of common interest.
To ensure the coherence and effectiveness of Community assistance in the energy sector, participation of relevant countries and regions should be ensured when appropriate, namely as regards the activities of the “Baku Initiative” and the Energy Community.

**Transport**

Key Challenges in this sector include: linking partners countries with the Trans-European Network (TENs) axes and integrating the Pan-European Corridors; Progressive integration of the transport markets the Central Asian & ENPI Eastern countries; Gradual approximation with the EU’s legal framework and standards, promotion of sustainable transport modes and effective implementation of international agreements in the transport sector; the improvement of rail interoperability and road safety; the improvement of aviation safety and air traffic management as well as the bringing of maritime and aviation security up to international standards; the introduction of EU intermodal concepts such as the ‘Motorways of the Sea’ in the countries of the region with a coastline.

At the EU-Black Sea- Caspian Basin Ministerial Conference on Transport on 14 November 2004 in Baku it was decided to create the following four Expert Working Groups, each met by the end of 2005:

1. Infrastructure (NB: The discussions will be based on the recommendations of the “High Level Group on the extension of the large trans-European transport axes to the neighbouring countries and regions” and will include discussions on the application of the EU’s satellite-based navigation system Galileo, the impact of EU enlargement and the environmental impact of transport activities);
2. Road and rail transport (including road safety, rail interoperability, transport of dangerous goods);
3. Aviation (incl. bilateral relations, air safety, air traffic management, traffic rights);

A Ministerial Conference to wrap up the results and adopt the recommendations of the four Working Groups is planned for April 2006. It has also been agreed that the TRACECA Institution will continue to be used as a co-ordination mechanism to develop and strengthen transport cooperation in the region.

**2.3 Prospects for cooperation between partners**

The adoption of ENP Action Plans has set a strong political agenda in all the ENP countries (other than Belarus, with which a jointly agreed Action Plan is not considered possible or appropriate at the present time) based on the common wish to seek further economic and regulatory integration with the EU. A similar aim, albeit different in scope, is sought under the "Four Common Spaces" process with Russia. It is to be expected that the convergence of these bilateral processes will have positive effects on the willingness of the ENP countries and Russia to cooperate among themselves.

The RSP will rely on and further strengthen the regional mechanisms established under the implementation of the previous Regional Strategy. This is the case, for instance, with the Baku Ministerial Conferences on Transport and Energy in 2004, the TRACECA Intergovernmental conference, the Water Initiative Coordination, etc.

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5 Refers to Art 27 ENPI Regulation
6 TRACECA is an East-West transport Corridor from Central Asia to Europe via the Caspian and Black Seas. It covers road, rail and maritime connections. It comprises 8 NIS countries (the 5 Central Asian countries and the three southern
Some of the ENP countries covered by the ENPI are already engaged in regional groupings such as GUAM\(^7\) or BSEC\(^8\). However, these regional organisations have not yet proved their capacity to engage participating countries in sustained and focused regional initiatives. The RSP should encourage the development of regional cooperation initiatives by considering, wherever possible, providing financial assistance for specific projects in line with the RSP priorities.

Past Russian participation in the regional programme has been relatively limited, with some exceptions such as the Russian involvement in the Baltic Sea Task Force on Organised Crime, for example. However, recent signs have been more encouraging, and areas eligible for support for 2007-2010 are of clear relevance to the realisation of the Four Common Spaces agreed with Russia.

However, there are some areas in which there are good prospects for cooperation. For example in the South Caucasus, the Regional Environment Centre has resulted in good cooperation and high level political commitment to addressing shared challenges. Within the Söderköping Process Belarus, Moldova and Ukraine have co-operated well with EU MS and international organisations on asylum and migration issues, whereas relevant ministries from all CIS countries have actively participated in the Budapest Process preventing irregular migration and establishing sustainable systems for orderly migration in the wider European region. Science and technology (S&T) cooperation may be a means to foster better understanding between populations, policies and people.

3. An Overview Of Past And Ongoing EC Cooperation, Coordination and Coherence.

3.1 The Tacis Regional Programme

3.1.1 Sustainable Management of Natural Resources

Since 1992 Tacis has been working with countries of the region on the environment. At regional level, the main focus has been on water issues, in particular the regional seas, followed by support for environmental policy and plans, environmental education and awareness and environmental non-governmental organisations, through regional environmental centres. Over ten years, environmental cooperation accounted for a quarter of the €484 million from Tacis regional programmes up to 2002.

The Tacis Regional Indicative Programme for 2004-2006 allocated an indicative budget of €50m over the three-year period to the address the Sustainable Management of Natural resources as a priority area. EU cooperation during this period has been aimed at helping with progress towards the sustainable use of natural resources and increased resource efficiency, in particular regarding water, forests, and energy, and at improving environmental and health conditions. At the same time, it has aimed to fostering economic development, and contribute to stability and security in the region. The three sub-priorities for this period were Water, Biodiversity and Sustainable Management of Natural Resources, and Climate Change.

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\(^7\) Caucasus countries) plus Ukraine, Moldova, Bulgaria, Romania and Turkey. The programme was launched in 1993, and a Basic Multilateral Agreement (MLA) was signed in 1998 (though not by Turkmenistan). The MLA created new intergovernmental structures i.e. an Intergovernmental Commission and Permanent Secretariat in Baku and a technical support office in Odessa. The European Union has been granting financial assistance to TRACECA from the TACIS programme.

\(^8\) Georgia, Ukraine, Armenia, Azerbaijan and Moldova

Black Sea Economic Cooperation
The EU participates in the Environment for Europe Process, the framework created in 1989 for pan-European environmental cooperation with the aim of integrating environmental considerations into the political and economic restructuring of Eastern Europe, the South Caucasus and Central Asia. The European Commission also co-chairs the Environmental Action Programme Task Force, established to promote policy reform and institution building in the region. Only a robust political backing of regional initiatives, in particular those concerning regional seas can ensure sustainability and stakeholder involvement of projects to be implemented.

3.1.2 Promoting Trade and Investment flows

EU Regional Assistance under this priority has focused on three sub-priorities: Oil and Gas Networks; Transport Cooperation; and the Development of e-plans and Implementation of Information society.

Regional cooperation in oil and gas networks has been undertaken within the framework of the INOGATE Programme. Between 2002 and 2006, the EC committed a total of €26m to this sub-priority under the Tacis Regional programme. The assistance focused mainly on the following areas: leveraging grant funds to stimulate IFI investments in oil and gas projects; harmonising the gas and oil standards of participating countries with those of the EU; and providing support for priority interventions aimed at reducing critical gas losses.

As a result of the November 2004 Baku Ministerial Conference “Energy Cooperation between the EU, the Caspian Littoral States and their Neighbouring countries”, regional energy cooperation, which previously focused exclusively on the hydrocarbon sector, was expanded to include the electricity, energy efficiency and renewable energy sectors.

Under the Tacis Regional Indicative programme 2004-2006, an amount of €22 million was allocated to Transport, with an additional €7 million coming from the Central Asia Indicative Programme, thus bringing the total amount of funds committed and spent by the EC on transport projects since 1993 to €150 million. These funds were spent through the TRACECA framework. EC funding for Transport through the Tacis Regional Programme has centred on funding feasibility studies and other small, non-bankable components of road, maritime and rail infrastructure projects across the ENPI Eastern and Central Asian regions. In addition to this additional funding for IFI and national co-financed infrastructure projects, there have also been projects to develop coordinated transport policies and to provide training and increasing training capacities.

3.1.3 Justice, Freedom and Security

In the previous programming period (2000-2006), an amount of €85 million was allocated for activities in the area of Justice, Freedom and Security (JFS) under the Regional Tacis Programme, in addition to the substantial allocations under the national programmes and funds made available under the pilot budget line B7-667 (asylum and migration) and its successor thematic programme AENEAS (asylum and migration). These activities have focused on three main priority areas: combating transnational organised crime, border management and migration management including, asylum management.

In the priority area of transnational organised crime, the main focus for the region has been on the fight against drugs and trafficking in human beings. In the area of border management, activities have focused on supporting the efforts made by partner countries’ to reform their national border management systems and to turn them into modern organisations that are closer to EU standards and best practice through institution and capacity building projects and the supply of modern equipment.
Projects in the area of migration management, including asylum management have been implemented in the Western NIS and Central Asia. Activities have focused on improving the legislative framework, to support an adequate organisation and a system more in line with EU and international standards and improving the capacities of officials in charge of migration and asylum matters.

3.2 Other Donors

Few other donors have regional-based programmes of this kind, with most using national-level programmes. Full details are provided in the respective Country Strategy Papers. Some do however have programmes with regional dimensions. The US State department has ongoing projects in border management in the South Caucasus, focusing primarily on security aspects. The UK plans for Central Asia, the South Caucasus and Moldova on a regional basis, but implements nationally. The UK is planning to end assistance funding to the South Caucasus by the end of 2007. Since 2001 the German Ministry for Development Cooperation is providing assistance to the region as part of its Caucasus-initiative.

The EU is working with international financial institutions, donors and other partners to operate environmental programmes and promote environmental investments. The EU’s own bank, the European Investment Bank, was mandated in 2001 to make loans of up to €100 million for selected environmental projects in North-West Russia, which are closely tied in to Tacis projects. €500 million of EIB funding will be available for loans to Russia, Ukraine, Belarus and Moldova until 2007 for environmental, transport, telecommunications and energy infrastructure. The European Bank for Reconstruction and Development, in which the EU and its member states are major shareholders, also works closely with Tacis, often providing funding for major environmental projects for which Tacis has developed feasibility studies or other preparatory work.

Tacis has been participating in the Joint Environmental Programme – along with international financial institutions including the World Bank - to help the countries in the region mobilise investments in major environmental projects, thus overcoming their limited financial resources. The Tacis role is to fund the pre-feasibility studies required before major loan decisions on such projects can be made.

The EU cooperates with the World Bank in many projects, including, for instance, the development of alternative energy sources for Armenia, as work proceeds on preparing for the closure of the Medzamor nuclear power plant there. There is also some overlap and complementarity with the work of the EU in, for example, World Bank projects concerning the rural environment in Azerbaijan, and rural water and sanitation in Kyrgyzstan and Uzbekistan.

The EC has sought to co-ordinate the 2007-2013 strategy at an early stage with all relevant donors including Member States. Constructive and open discussions have been held with all key players. The current and future priorities of other donors have been factored into this strategy in order to ensure cohesion and complementarity. At strategy development and programming stage no major risks of duplication of effort have been identified.

3.3 Lessons Learned

Past implementation of the Regional Strategy 2000-06 has in many cases been effective in creating a system of regional networks (for instance in the Transport and Energy sectors) across the EECCA region. It has acted as a catalyst for the establishment of some new regional mechanisms, such as the TRACECA Intergovernmental Conference or the Caspian Sea Convention, which have reached a
substantial level of maturity and have good prospects of becoming self-sustained processes in the future.

These good results seem to indicate that, in spite of the existence of regional “frozen conflicts” and political tensions between countries, there is a substantial potential for Regional Cooperation across the EECCA region, due to the realistic perception of common challenges that can only be tackled through a regional approach.

Looking back to past implementation of the 2000-06 strategy, it seems that the most successful projects have been those which from the outset have benefited from a sustained high level political support provided from a regional institutional framework. By contrast, projects that have been implemented through a bottom-up approach, i.e. as a result of demand from individual partner countries, rather than within a well defined political multi-lateral framework, have tended to remain isolated, even when successful, and in general have not succeeded in fostering a genuine regional spin-off.

Recent evaluations have concluded that a lack of ownership by the partners of Regional programmes has also, in some sectors, hindered their effectiveness in terms of impact at regional level. For example, the environment sector has been identified as suffering from a lack of support of partner governments, except with environment ministries themselves, and a lack of political leverage on the part of the EC. Future assistance in this sector should aim to raise the profile of environment issues in order to address this problem.

The future ENPI strategy should therefore be implemented by supporting as much as possible initiatives that are strongly based on an existing political willingness among beneficiary countries to co-operate on a regional basis or initiatives which include actions to boost the overall political commitment to target sectors. This approach will increase ownership, as it utilises the established commitment of partner countries to wider initiatives. The choice between regional and national-level assistance must take into account the additional requirements of regional cooperation. This consideration is also relevant as regards the capacity to leverage IFIs funds. IFIs in general prefer to operate on a bilateral rather than multilateral basis, because of the clearer identification of responsibilities. Only a robust political backing, as has been the case with TRACECA, can provide sufficient credibility to attract IFI funding at the regional level.

Another important aspect to be taken into account in the future RSP is the way in which the regional strategy is to be implemented. Because of the high number of stakeholders and the wide geographic coverage, an effective sequencing of the various stages of the project cycle has proved to be a difficult but crucial issue. The inherent ‘diffuse’ nature of a Regional Strategy requires strong and efficient coordination mechanisms to ensure an adequate level of information and involvement of the various actors.

### 3.4. Coherence of EC cooperation policy with other core policies of the EU (“policy mix”)

Relations with the countries of the region are affected by a number of other Community policies which makes the choice of the right ‘policy mix’ so important. This concerns in particular the Common Foreign and Security Policy (CFSP), justice, freedom and security, trade, energy, transport and

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10 Ibid, p.82
environment protection. Issues related to information and communication technology are also highly relevant. Given the specific features of each country and its relations with the EU, the approach here has to be particular to each country. A detailed discussion of ‘policy mix’ considerations for each country can be found in the respective Country Strategy Papers.

4. The EC Response Strategy

4.1 The Response Strategy

Principal Objectives

The Commission’s response strategy for the ENPI Eastern Regional programme is based upon the strategic objectives detailed in Chapter One, and addresses the challenges for the region as set out in Chapters Two and Three. The regional strategy’s principal objective is:

- To facilitate and advance cooperation in areas of mutual interest and benefit between the partner countries themselves, and between the EC and the partner countries. This complements the objective of the individual national strategies of developing increasingly close relationships with ENP partner countries, going beyond past levels of cooperation, towards gradual economic integration and a deepening of political cooperation, and also the objectives of the Four Common Spaces with Russia.

To this end, the ENPI Eastern Regional Programme should provide assistance towards the common ENP and Common Space objectives where there is a clear advantage in regional-level assistance. This advantage can take the form of being better able to meet outcome objectives, including fostering greater cooperation within the region, achieving economies of scale and/or through avoiding the duplication of efforts.

Assistance targeted at these policy objectives will be most effective where it covers a limited number of areas chosen on the basis of the following criteria: i) the strategic importance in the context of EU-regional cooperation including partner country ownership and cooperation objectives; ii) the comparative advantage of the EC as a donor based on lessons learnt from previous assistance; iii) the comparative advantage of assistance at regional rather than a national level; iv) the complementarity with national strategies; v) the complementarity with the strategies and actions of other donors including IFIs; and vi) coherence of the ENP-based cooperation policy with other core policies of the EU (“policy mix”). In addition, to monitor the implementation and outcomes of the cooperation measures, comparable regional-level statistics based on European standards will be required.

In particular, the response strategy follows, in several areas, directly from previous assistance. In this way, it is possible to build upon existing and emerging mechanisms, and to assist in their development, so as to achieve a maximum focus and effectiveness of the programmes and their ownership by partners.

The European Commission has a key role to play in terms of adding value through its assistance to the region. Through the ENP and Common Spaces, the EU has the ability to act as a mediator, facilitator, and accelerator of processes beneficial to both the EU and partner countries. No other donor has this key position in the region as a neighbour and a partner, and EU assistance therefore represents a unique driver for change and progress in key areas and sectors in the region.
Gender as a cross-cutting issue will be integrated wherever possible into the design of all programmes.

**Key Issues to be addressed**

1) **Networks**

EC assistance in this area will focus upon support for the transport and energy sectors along the lines agreed by the 2004 EU – Black Sea – Caspian Basin Transport and Energy Ministerial conferences, and their respective Expert Working Groups. This process builds upon past activities under the TRACECA and INOGATE programmes. In the transport sector, it can be supplemented by support for linking EU-bound transport networks with the major axes of the Trans-European Networks (TENs) and region-wide activities to support gradual approximation towards EU standards and legislation and effective implementation of international agreements in the transport sector, including air safety, air traffic management and security, maritime safety and security, road safety and rail interoperability where there are clear advantages in regional-level assistance. Furthermore, foreign investments may be enhanced by support for the regional convergence of policies and the approximation of norms and standards in line with EU standards. In the energy sector, assistance for the Caspian process can be supplemented by assistance for reform of the energy sector, including legislative and regulatory convergence towards the EU energy *acquis*, facilitating the development and upgrading of the necessary infrastructure and the progressive integration of the region’s energy markets with EU energy markets.

There may also be support for regional cooperation between SMEs to increase investment opportunities and to complement activities under national programmes’ in the area of regulatory reform aiming at the creation of a necessary legal framework for investment, particularly needed in the energy sector.

2) **Environment protection and forestry**

Experience has demonstrated that environment protection is an area where regional work provides clear added value and where cooperative relationships can be built despite political tensions. Furthermore it can provide opportunities for private sector and civil society involvement. Common research under the umbrella of the EU research programmes is a positive example of co-operation on environment issues across borders.

EC assistance on environment takes place both at national and regional levels. Regional support is justified when there are needs for the countries to act together in order to solve environment problems with trans-boundary nature. Nevertheless, concrete investments should in most cases be envisaged to take place at national level. Therefore EC Regional assistance on environment will focus on multilateral environment agreements, water management and nature protection, including forestry.

As regards multi-lateral environment agreements, support is envisaged for their implementation at the regional level as well as by the partner countries. Regarding water management, key issues are water quality, supply and sanitation. These will be addressed through cooperation on regional seas and support to existing regional mechanisms such as the EU Water Initiative (EUWI). In the field of nature protection, support is envisaged for biodiversity conservation and land degradation, as well as to the forestry sector, in particular through the Forest Law Enforcement and Governance process (FLEG).

Support in the areas of climate change and industrial pollution is foreseen, where a regional dimension is justified.
Assistance will be given to civil society development, information, assessment and monitoring activities, also taking into account the activities of the Regional Environment Centres.

Co-operation with IFIs should focus on environmental infrastructure project preparation. Such projects will in most cases however be implemented at the national level. Interest rate subsidies can also be considered.

3) Border and Migration Management, the Fight against Transnational Organised Crime, and Customs

Although each of these areas requires intervention and action at national level there is also a rationale for region-wide activities due to: a) the trans-boundary nature of these areas and their associated challenges; b) the economies of scale afforded by certain activities such as training being done at regional or sub-regional level; c) the increased opportunity for cooperation and contacts which such activities provide for partner countries; and d) the need for reliable and comparable statistics at a regional level based on European standards.

Assistance in this sector will support regional border and migration management initiatives. In the fight against transnational organised crime, there will be support for cooperation between partner countries themselves, and between partner countries and the EU, and the potential to support existing and future regional initiatives. Particular attention shall be paid to measures against trafficking in human beings. In customs, there will be assistance for promoting internationally agreed norms and standards to ensure the security of the international trade supply chain as well as for encouraging cooperation between customs administrations, particularly at borders.

4) People-to-people activities, Information and Support

It is important to foster cooperation between civil society within the region and between partner countries and the EU, in addition to cooperation between governments. Cooperation between civil society in the EU and the partner countries, and between partner countries, is particularly important where cooperation between governments may be difficult. EC Assistance in this area will therefore provide support for cooperation across the region and sub-regions between civil society organisations.

Information and support activities will also be supported under this programme.

5) Land-mines, Explosive Remnants of War, Small Arms and Light Weapons

As a result of past, ongoing and “frozen conflicts”, many countries of the ENPI Eastern region have accumulated stocks of small arms and light weapons and ammunition whose dislocation, magnitude and control difficulties represent a major threat for this and other regions. Anti-personnel Landmines and explosive remnants of war (ammunition, failed ammunition and explosive projectiles…) still represent a significant and indiscriminate risk to the populations as well as an obstacle to sustained governance. Since 2001, actions against anti-personnel landmines have been covered by the APL regulation\(^{11}\), and since then there have been two EU Mine Action Strategies and Indicative Programmes, 2002-2004, and 2005-2007\(^{12}\). These strategies carried their own indicative funding under

\(^{11}\) EC 1724/2001 & 1725/2001 of 23\textsuperscript{rd} July 2001

the APL regulation. With the simplification of external assistance regulations, it is necessary for ENPI to finance future assistance in this area. This assistance will follow on from the European Union Mine Action Strategies, but may, if necessary, also include activities for the elimination of explosive remnants of war and of the illegal spread and availability of small weapons and ammunition as well as of non-proliferation of WMDs and their means of delivery.

In this context, due account will be taken for more synergies in the different research activities carried out on the same themes by inter alia DG JRC and by the proliferation of international research centres such as the Science and Technology Centre in Ukraine (STCU) and the International Science and Technology Centre (ISTC). In the field of conventional weapons, assistance may include the fight against the trafficking and spread of illicit small arms and light weapons.

Although this is likely to require national-level measures, there are economies of scale in funding activities in this area through the regional programme, by pooling technical expertise and experience. In addition intervention in this field often requires extremely close cooperation, both in terms of policy and practice, between partner countries, particularly where sensitive regions are concerned. For these reasons, a regional approach permits greater flexibility, coordination, and effectiveness, and is therefore better suited than a national approach.

4.2 Instruments and means

As from 2007 EC assistance will be provided through a new set of instruments. While the European Neighbourhood and Partnership Instrument (ENPI) including both its national and its trans-national/regional, cross-border and thematic components will be the new principal tool for providing assistance to the ENP region, certain measures, particularly in the area of conflict prevention and crisis management and resolution, may also be supported under the future Stability Instrument. In addition, nuclear safety will be covered by a dedicated Nuclear Safety Instrument.

Interest rate subsidies can leverage investments by international financing institutions in the fields of environment, energy and transport. As regards environment, relevant sectors include water management, waste management and industrial pollution. For energy, possible areas include renewable energy resources and energy efficiency. Energy infrastructure/network investments should, in principle, be commercial operations, but in exceptional circumstances where specific EU interests are involved (e.g. security of energy supply) and it appears difficult to get a project started, interest rate subsidies might also be considered for particular investment projects. Regarding transport, interest rate subsidies would focus on catalysing funds for critical infrastructures, notable cross-border measures on the priority axes. When interest rate subsidies are considered, they shall be accompanied with conditionalities to avoid unintended effects.

ENPI national allocations

Assistance provided under the national ENPI envelopes focuses on strategic priorities where assistance is delivered most effectively at national level. The details of each programme are country-specific, and are contained in the respective Country Strategy Papers (CSPs) and National Indicative Programmes (NIPs).
ENPI cross-border cooperation (CBC)/Neighbourhood and Partnership Programmes (NPP)\textsuperscript{13}

Neighbourhood and Partnership Programmes (NPPs) will be set up to promote cross-border cooperation between ENPI partner countries, EU Member States, and the candidate and potential candidate countries covered by the Instrument for Pre-accession (IPA). NPPs will be established based on two types of programme: bilateral programmes (involving typically two countries sharing a border) and multilateral programmes (e.g. for the Black Sea). The specific objectives and issues to be addressed in each programme will be set out from a local perspective, by the NPP partners themselves reflecting their local priorities.

ENPI Interregional Programme

The ENPI Interregional programme will include activities that, to ensure coherence, visibility and administrative efficiency are best implemented in the same way for all the neighbouring countries, including those in the ENPI South and East regions. Examples are TAIEX, TEMPUS and the new Scholarship Programme.

ENPI Thematic programmes

There will be a total of five thematic programmes under the new instruments. Of these, “Migration and Asylum” (ex-Aeneas) and “Non-state actors and local authorities” are particularly relevant for the ENPI Eastern Region. The “Non-state actors and local authorities” thematic programme is particularly relevant with regard to civil society cooperation. It is likely that the thematic programme for “Food Security” will also continue for a short-term transition phase in some countries of the region. The thematic programme on environment and sustainable use of natural resources including energy may also be relevant for the region. However, as issues such as environment, and migration and asylum will also be addressed under the national and regional ENPI envelopes, additional thematic activities will be launched only if they provide a clear added value.

Democracy and Human Rights Instrument\textsuperscript{14}

From 2007, the European Initiative for Democracy and Human Rights (EIDHR) will be replaced with a dedicated instrument, which will be of particular relevance for the ENPI Eastern Region. The Democracy and Human Rights instrument will provide support to promote freedom of expression and association, and the protection of human rights defenders; anti-Torture measures; promote human Rights, Conflict protection and democratic reform; improving the international human rights framework; and Election observation.

Nuclear Safety Instrument

Beyond 2006, EC assistance in the area of Nuclear Safety will be provided under a new dedicated instrument. It is expected that support will continue to be provided for safety improvements to nuclear plants, for Nuclear Regulators, emergency management and for projects to rehabilitate the Chernobyl site.

Stability Instrument

\textsuperscript{13} Details will be provided in a separate CBC Strategy Paper/Indicative Programme.
The main goal of the Stability Instrument is to provide an effective, timely, flexible and integrated response to situations of crisis, emerging crisis or continued political instability. Despite some recent progress in some areas, such as the Transnistria conflict, several “frozen conflicts” continue to exist in the ENPI Eastern region. Future support for efforts to resolve such conflicts may be provided under the Stability Instrument.
ENPI EAST REGION
REGIONAL ENVIRONMENT PROFILE

1 Description of the state of the environment

The countries of the region face a range of global, regional and trans-boundary environmental challenges. Key issues include air and water quality, waste management (including radioactive waste), nature protection, industrial pollution, wasteful energy use, land use, and pollution of the Baltic, Barents, Caspian and Black Seas. As regards climate change, the countries need to implement the UN Framework Convention on Climate Change and the Kyoto Protocol. Russia has major sinks of greenhouse gases due to its many forests, yet ownership and management systems are generally seen as ineffective. Land degradation and desertification also constitute a challenge in particular in the Southern Caucasus region.

In addition to causing environmental degradation, air pollution is becoming a health and social problem, in particular in urban areas where transport is an important source of pollution.

With regard to water quality, the use and protection of shared waters, such as the Danube River, the Kura-Araks river system, the Black Sea and the Azov Sea, is a key issue. Existing problems are related to both quantity and quality of water. Water quality is affected by discharges of municipal and industrial waste waters, return flow from agriculture and oil pollution in coastal areas, imposing health and environmental threats including loss of biodiversity. Existing infrastructure for waste water collection and treatment in the region needs to be upgraded, as well as new capacity constructed. Lack of proper waste management practises and infrastructure is a serious concern throughout the region. Prevention, collection, treatment, recovery and final disposal need to be stepped up. In some countries there is a problem with stocks of obsolete pesticides.

As regards nature protection, establishment of effectively managed protected areas constitutes a challenge for the countries of the region. Illegal logging causes economic costs as well as loss of biodiversity.

With regard to land use, clearing of forestlands and outdated farming practices contribute to land degradation and desertification, in particular in the Southern Caucasus region.

As regards global environment issues, fast economic growth in some of the countries of the region may increase greenhouse gas (GHG) emissions. The countries in the region are party to the UN Framework Convention on Climate Change and the Kyoto Protocol and therefore need to implement their provisions (for instance with regard to monitoring and reporting), and have the possibilities to apply flexible mechanisms of the Kyoto Protocol.

2 Environment policies

Over the past decade, steps have been undertaken in the region to reform environment institutions, policies and legislation. Various strategies and action plans have been adopted. However, strategic planning and prioritization in light of scarce resources and competing needs continues to constitute a challenge for all of the countries in the region. Realistic implementation strategies, including with regard to financing, are often missing. In developing environmental programmes, sufficient attention is not always given to the involvement of stakeholders and building support for environmental reform.
Although there is considerable variation throughout the region, integrating environmental considerations into other policy areas is a challenge.

3 Environment legislation and its implementation

The situation with regard to environment legislation varies throughout the region, but in many cases legislation needs further development, in particular with regard to implementing legislation. In several cases emission standards should be reviewed. The countries of the region face difficulties with regard to implementation and enforcement of environment legislation due to lack of administrative capacity and financial resources.

Throughout the region, the level of public participation and awareness of environment issues, does not always allow civil society actors to fully assume their role in the development and implementation of environmental policy and legislation.

Regional Environmental Centres (REC) in the region aim to help addressing environment issues through the promotion of co-operation between various stakeholders, including NGOs, governmental bodies, local communities and the business sector. The RECs also aim to promote public participation in the environmental decision making process.

4 Administrative capacities

In order to ensure implementation and enforcement of environment legislation and multilateral environmental agreements, the strengthening of administrative capacities, strategic planning, data collection and monitoring constitute important challenges for the countries of the region. In this respect, procedural development, increased financial resources and staff training are important issues.

Addressing trans-boundary pollution is a complex and often problematic issue, including ensuring the institutional and legal frameworks to address it efficiently. Many of the countries need to strengthen procedures for implementation of commitments under multilateral environmental agreements and capacity for implementation of multi-country projects financed by international organisations and donors. Support to secretariats of international Conventions can contribute to facilitating the process.

5 Regional and international processes

The countries of the region have ratified relevant international and regional conventions (with regard to the latter, in particular UN-ECE Conventions are of importance) to which they are signatory, with some exceptions such as the Espoo Convention on Environmental Impact Assessment (Russia), its Strategic Environmental Impact Assessment Protocol (Georgia, Armenia), the Aarhus Convention on Access to Information, Public Participation in Decision-making and Access to Justice in Environmental Matters (Russia), the Stockholm Convention on Persistent Organic Pollutants (Ukraine) and the Framework Convention for the Protection of the Marine Environment of the Caspian Sea (Azerbaijan).

Regional cooperation on trans-boundary water management takes place in several fora. Ukraine and Moldova participate in the International Commission for the Protection of the Danube River (ICPDR), established to implement the Convention on Cooperation and Sustainable Use of the Danube River. Russia, Ukraine and Georgia are members of the Black Sea Commission, which implements
the Convention on the Protection of the Black Sea against Pollution. Russia and Azerbaijan participate in regional cooperation under the Caspian Environment Programme.

Russia, Ukraine, Moldova and Georgia are members of the Danube-Black (DABLAS) Sea Task Force, which provides a platform for cooperation between IFIs, donors and beneficiaries for water protection and water-related issues of the Danube and the Black Sea. The main aim is to encourage a strategic focus to the use of financing, and to ensure co-ordinated action between all financial instruments operating in the region.

The Eastern European, Caucasus and Central Asia component of the EU Water Initiative, a regional component of the EU Water Initiative as agreed at the 2002 World Summit on Sustainable Development, involves all countries in the region. The initiative aims to promote improved water governance and coordination between stakeholders.

The “Environment for Europe” process is a multilateral framework created in 1989 to steer the process of invigorating environmental awareness in the countries of Central and Eastern Europe, emerging from the old regimes and moving closer to the EU. The core activities of this process are undertaken by a Task Force co-chaired by the Commission and an NIS environment minister.

The countries of the region are participating in the Forest Law Enforcement and Governance (FLEG) process concerning the protection and sustainability of forests in Eastern Europe and South Caucasus.

6 Key environment areas where action is required

The countries of the region face a range of global, regional and trans-boundary environmental challenges. Key issues include air and water quality, waste management (including radioactive waste), nature protection, industrial pollution, wasteful energy use, land use, and pollution of the Baltic, Barents, Caspian and Black Seas. As regards climate change, the countries need to implement the UN Framework Convention on Climate Change and the Kyoto Protocol. Major sinks of greenhouse gases exist due to the many forests in the region. Land degradation and desertification also constitute a challenge in particular in the Southern Caucasus region.

In order to ensure implementation and enforcement of environmental legislation and multilateral environmental agreements, strengthening of administrative capacities, strategic planning, prioritisation, data collection and monitoring are key issues.

Strengthening of public participation and awareness of environment issues is important for the development and implementation of environment policy. In this respect, the Regional Environment Centres of the region can assist in promoting environmental awareness and protection through providing a forum for cooperation between various stakeholders.

Other areas of strategic importance are identification of possibilities for enhanced regional and sub-regional cooperation and convergence of environment legislation. The EU framework directives for air, water quality and waste management include valuable principles and benchmarks that can inspire policy developments in the ENPI East region. The need to comply with multilateral environmental agreements is linked to these issues.
As regards the European Neighbourhood Policy (ENP), key areas where action is required are identified in the environment sections of the Action Plans negotiated so far with Ukraine and Moldova. They define a set of priorities for action from environmental governance and issue-specific activities to international and regional cooperation on environment issues. Progress towards implementing the Action Plans will also contribute to meeting the objectives of the Partnership and Cooperation Agreements that the EU has agreed with these countries. Consultations with Armenia, Azerbaijan and Georgia on establishment of ENP Action Plans are ongoing. The ENP also covers Belarus, but the EU and Belarus have not yet established the contractual relationship needed to develop their relations further. Russia is not covered by the ENP, but environment issues are included in the Common Economic Space in the framework of the Partnership and Cooperation Agreement.
ENPI EASTERN REGION AT GLANCE

Land area 17,890,100 km²
Population 220,722,364
Population density 12.3 per km²

Population of main towns:

Moscow (within the city area): 10,415,400 (2005)
Kyiv: 2,678,000 (2005)
Tbilisi: 1,328,000 (2005 est.)
Yerevan: 1,102,000 (2003)
### Economic and social indicators

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<th>Moldova</th>
<th>Belarus</th>
<th>Georgia</th>
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<th>Russia</th>
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<td>44</td>
<td>26</td>
<td>45.3</td>
<td>48.5</td>
</tr>
<tr>
<td><strong>Imports of good and services (% of GDP)</strong></td>
<td>51</td>
<td>79</td>
<td>81</td>
<td>46</td>
<td>50</td>
<td>66</td>
<td>19</td>
<td>56</td>
<td>62.2</td>
</tr>
<tr>
<td><strong>Inflation, consumer prices, annual %</strong></td>
<td>9</td>
<td>13</td>
<td>18</td>
<td>6</td>
<td>7</td>
<td>3</td>
<td>11</td>
<td>9.6</td>
<td>9.3</td>
</tr>
<tr>
<td><strong>Adult literacy rate over 15s %</strong></td>
<td>99.6</td>
<td>96.2</td>
<td>99.6</td>
<td>..</td>
<td>..</td>
<td>..</td>
<td>..</td>
<td>99</td>
<td></td>
</tr>
<tr>
<td><strong>Primary school enrolment (% net)</strong></td>
<td>84</td>
<td>79</td>
<td>94</td>
<td>89</td>
<td>94</td>
<td>80</td>
<td>90</td>
<td>87.1</td>
<td>86.7</td>
</tr>
<tr>
<td><strong>Secondary school enrolment (% net)</strong></td>
<td>85</td>
<td>69</td>
<td>85</td>
<td>61</td>
<td>83</td>
<td>76</td>
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</tr>
<tr>
<td><strong>Life expectancy at birth (years)</strong></td>
<td>68</td>
<td>67.7</td>
<td>68</td>
<td>70.5</td>
<td>71.5</td>
<td>66.9</td>
<td>65.3</td>
<td>68.3</td>
<td>68.8</td>
</tr>
<tr>
<td><strong>&lt;5 mortality rate (per 1,000 live births)</strong></td>
<td>20</td>
<td>32</td>
<td>17</td>
<td>45</td>
<td>33</td>
<td>91</td>
<td>21</td>
<td>37</td>
<td>39.7</td>
</tr>
<tr>
<td><strong>Maternal mortality rate (per 100,000 live births, adjusted)</strong></td>
<td>35</td>
<td>36</td>
<td>35</td>
<td>32</td>
<td>55</td>
<td>94</td>
<td>67</td>
<td>50.6</td>
<td>47.8</td>
</tr>
<tr>
<td><strong>1-year-olds fully immunized (against measles, %)</strong></td>
<td>99</td>
<td>96</td>
<td>99</td>
<td>73</td>
<td>94</td>
<td>98</td>
<td>96</td>
<td>93.6</td>
<td>93.2</td>
</tr>
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</tr>
<tr>
<td>1-year-olds fully immunized</td>
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<td></td>
<td></td>
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<tr>
<td>(against tuberculosis, %)</td>
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<td>Births supervised by trained</td>
<td>100</td>
<td>99</td>
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<tr>
<td>personnel (%)</td>
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<td></td>
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</tr>
<tr>
<td>Population with access to</td>
<td>98</td>
<td>92</td>
<td>100</td>
<td>76</td>
<td>92</td>
<td>77</td>
<td>96</td>
<td>90.1</td>
<td></td>
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<tr>
<td>improved water source (%)</td>
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Sources: World Bank and UNDP, most recent data available