



**EUROPEAN NEIGHBOURHOOD AND PARTNERSHIP
INSTRUMENT**

BELARUS

**COUNTRY STRATEGY PAPER
2007-2013
AND
NATIONAL INDICATIVE PROGRAMME
2007-2010**

TABLE OF CONTENTS

EXECUTIVE SUMMARY

LIST OF ACRONYMS

1. EU/EC COOPERATION OBJECTIVES
 - 1.1 Overall external policy goals of the EU**
 - 1.2 Strategic objectives of EU/EC cooperation with Belarus**
2. OUTLINE OF THE POLITICAL AGENDA OF BELARUS
 - 2.1. Internal policy**
 - 2.2. External policy**
3. AN ANALYSIS OF THE POLITICAL, ECONOMIC, AND SOCIAL SITUATION
 - 3.1 Analysis of the political situation**
 - 3.2 Analysis of the economic situation**
 - 3.3 Analysis of social developments**
 - 3.4 Analysis of border issues, migration and organised crime**
 - 3.5 Chernobyl consequences**
 - 3.6 Environmental protection**
4. OVERVIEW OF PAST AND ONGOING EC COOPERATION, COORDINATION AND COHERENCE
 - 4.1 EC assistance to Belarus 1999-2005**
 - 4.2 Key lessons learnt for the new programming cycle**
 - 4.3 Coordination and complementarity with other donors**
 - 4.4 Coherence of EC cooperation policy with other core policies of the EU (“policy mix”)**
5. THE EC RESPONSE STRATEGY
6. ENPI NATIONAL INDICATIVE PROGRAMME FOR BELARUS (2007-2010)

Annex I	Country Environment Profile
Annex II	List of Acronyms
Annex III	Selected Economic and Social Indicators
Annex IV	Summary table of EC assistance
Annex V	Summary table of Member State and EC funding
Annex VI	Summary of Member State assistance to Belarus
Annex VII	Map of Belarus

EXECUTIVE SUMMARY

This Country Strategy Paper (CSP) for Belarus covers the period 2007-2013, and is accompanied by the National Indicative Programme (NIP) for the period 2007-2010. Assistance to Belarus during this period will be provided under the new European Neighbourhood and Partnership Instrument (ENPI), which is being established to promote the development of an area of prosperity and good neighbourliness between the European Union and the partner countries covered by the European Neighbourhood Policy (ENP).¹ The NIP covers only support through the national ENPI envelope, and does not represent a programming document for the other instruments available for Belarus such as the thematic programme on democracy and human rights.

Belarus, while covered by the European Neighbourhood Policy, does not participate fully in it. EU-Belarus Relations are governed by successive Council Conclusions stating, for example, that contacts “will be established solely through the Presidency, SG/HR, the Commission and the Troika” and that “Community and Member States’ assistance programmes will support the needs of the population and democratisation, notably by humanitarian, regional, cross-border cooperation and by projects supporting directly or indirectly democratisation and democratic forces in Belarus”.

The principal objectives of EU cooperation with Belarus are therefore to support the needs of the population, to directly and indirectly support democratisation, and to mitigate the effects of the self-isolation of Belarus on its population.

The National Indicative Programme (NIP) for 2007-2010 translates these objectives into two priority areas:

- i) Social and economic development, including actions to alleviate the consequences of the Chernobyl catastrophe, and;
- ii) Democratic development and good governance.

¹ Regulation 1638/2006 (26/10/2006)

1. EU/EC COOPERATION OBJECTIVES

1.1 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 to the external dimension of the EU's internal policies.

The EU in particular strives 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 utmost importance for the EU. That means that, within the framework provided by the EU's strategic external relations objectives, policy coherence needs to be ensured between all available instruments in 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.² At the same time, it emphasises the need for a differentiated approach depending on contexts and needs.

1.2 Strategic objectives of EU/EC cooperation with Belarus

The long-term goal of the EU is for Belarus to become a democratic, stable, reliable, and increasingly prosperous partner with which the enlarged EU will share not only common borders but also a common agenda driven by shared values.

Negotiations with Belarus on a Partnership and Cooperation Agreement (PCA) were completed in 1995. The conclusion and ratification of the PCA as well as an Interim Agreement are frozen since 1997, after the introduction of an authoritarian system of power by President Lukashenko during 1996/97.

The EU approach consists of two tracks, based upon General Affairs and External Relations Council (GAERC) Conclusions. These are (i) restrictions on political contacts, and (ii) links with and assistance for other actors in civil society.

Track one: The GAERC of November 2004 reiterated that bilateral ministerial contacts between the EU and Belarus "*will be established solely through the Presidency, SG/HR, the Commission and the Troika*";

Track two: The same GAERC concluded that "*Community and Member States' assistance programmes will support the needs of the population and democratisation, notably by humanitarian, regional, cross-border cooperation and by projects supporting directly or indirectly democratisation and democratic forces in Belarus*".

This approach was confirmed by the GAERC conclusions of 7 November 2005, whereby the GAERC "*reaffirms its policy on limited ministerial contacts agreed on 22-23 November 2004 but highlights its willingness to engage with Belarusian officials*". It also adds that the EU will

² The key principles of the EU's development policy are set out in 'The European Consensus on Development'

“promote shared democratic values between the people of the EU and Belarus by intensifying people-to-people contacts and by strengthening good neighbourly relations across borders”.

Although the European Neighbourhood Policy covers Belarus, no Action Plan is currently foreseen for the country. The EU is willing to deepen its relationship with Belarus, including access to the full benefits of the ENP, once the Belarusian authorities clearly demonstrate their willingness to respect democratic values and the rule of law.

To this end, the EU has made efforts to help Belarus to embark on the transition towards a stable democracy that will ensure respect for the rule of law, human rights and fundamental freedoms in line with its UN and OSCE commitments. Should there be a fundamental improvement in the situation in Belarus, and in EU-Belarus relations, the EU would be prepared to provide significant additional support in a number of key policy areas in which it is not currently able to provide support.

In November 2006, the Commission published a paper outlining a “New message to the people of Belarus”³. This gives a clear outline of what the EU could bring to Belarus, were Belarus to engage in democratisation and respect for human rights and rule of law, and exactly what would be required of the Belarusian authorities for a change in the EU-Belarus relationship.

Despite the lack of progress in the areas of democratisation, human rights, and respect for fundamental freedoms, it is in the EU’s strategic interest to continue assistance programmes in certain areas which require the assent of the Belarusian authorities. Some key sectors such as migration management require official participation, but programmes also allow low-level contact with officials within the Belarusian administration, and continued contact with the Belarusian population. This ensures increased information about the EU and its values, and reduces the effects upon the population of the self-isolation of Belarus.

2. OUTLINE OF THE POLITICAL AGENDA OF BELARUS

2.1. Internal policy

The Belarusian government has adopted a “National Strategy for sustainable development for the period to 2020 of the Republic of Belarus”. However, this document remains descriptive and vague in its recommendations and essentially promotes the current policy of the government: “the Belarusian model of a socially orientated market economy system, in its complete form, is a highly efficient economy with well-developed private enterprise and market infrastructure, efficacious government, regulation stimulating entrepreneurs to expand and improve production, and employees – to work better.”

Belarus’s authoritarian system of power is associated with a “market socialism” economy, which maintains state planning and control in all sectors of the economy and relies on the special economic ties with Russia. Although macro-economic stabilisation has improved since 2000, reforms are yet to start. Social spending remains a key government priority, with wages and pensions increasing rapidly, and at a rate greater than productivity in recent years.

³<http://europa.eu/rapid/pressReleasesAction.do?reference=IP/06/1593&format=HTML&aged=0&language=EN&guiLanguage=en>

2.2. External policy

Belarus remains committed to a “multi-directional” policy, which includes, however, a strong focus on relations with Russia.

Belarus has kept a close relationship with *Russia* since its independence. Not only is there no border demarcation between the two countries and no visa requirement, but both also have a longstanding project to set up a Russia-Belarus Union. A treaty on Russia-Belarus Union with a free-trade area and progress towards a customs union was concluded in 1999. This is to be preceded by a currency union, for which the target date has repeatedly been postponed. A Constitutional Act for this Union has also so far not been finalised. In April 2005, Belarus and Russia signed a joint foreign policy action programme of the Russia-Belarus Union and an agreement on equal rights for Belarusian and Russian citizens. Economic ties with Russia remain close, and the Belarusian economy is heavily dependent upon Russia’s investments and trade flows (see 3.2).

Cooperation in the context of the *Commonwealth of Independent States* (CIS) is another crucial component of Belarus external policy. The main political element is the collective security system under the Collective Security Treaty. However, economic integration is more often and more visibly referred to by the Belarusian authorities. A Single Economic Space — SES (Russia, Ukraine, Kazakhstan, Belarus) is in the process of being set up with the objective of creating four “freedoms” (free movement of goods, capitals, services and labour).

As regards the *EU*, Belarus has declared its readiness to build closer relations, especially in the context of the EU enlargement, but there is no recognition of any need to overcome deficiencies in democratic standards. Since 2002, the EU has offered Belarus a “step-by-step approach” (also called the “benchmarks approach”), whereby a phased introduction of clearly identified steps towards democratisation by Belarus would be paralleled at each stage by gradual resumption of dialogue with the Belarusian government and broader assistance, ending with full normalisation of relations. This “benchmarks approach” has not yielded results, although it remains as such on the table.

Belarus has been a member of the *Organisation for Security and Cooperation in Europe* (OSCE) since 1992. Relations with the OSCE went through a particularly difficult phase in 2002, when Belarus decided to force the closure of the OSCE Assistance and Monitoring Group (AMG) office in Minsk. The AMG was established in 1998 with the objective of assisting the Belarus authorities to fulfil their OSCE commitments. A solution was finally reached and the mandate of the office has been further extended until the end of 2006.

Belarus applied for membership in the Council of Europe (CoE) in 1993, making it the applicant country to have spent the longest time as a candidate. After the political developments in Belarus in 1996/97, the Parliamentary Assembly of the Council of Europe (PACE) suspended the special guest status of the Parliament of Belarus. The examination of the membership application is frozen, even though the CoE continues to consider Belarus an applicant state. As a follow-up to the PACE “Pourgourides report” on politically motivated “disappearances” of prominent Belarusian opposition figures in 1999/2000, the CoE Committee of Ministers has called for an independent inquiry into the disappearances. It has decided not to fully suspend the CoE’s relations with Belarus.

3. ANALYSIS OF THE POLITICAL, ECONOMIC, AND SOCIAL SITUATION

Area: 207 600 km ²	Population (2004): 9 810 560	GDP/capita, PPP (2005*): USD 7 583.4
Real GDP growth rate: 9.2% (2005)	Real level of 2005 GDP / 1989 GDP: 121%	Inflation rate (2005): 8%

Sources: Belarus Ministry of Statistics, EBRD, IMF, IPM, World Bank

*Estimate

3.1 Analysis of the political situation

Parliamentary system, elections

President Lukashenko, having been elected with 80% of the vote in 1994, embarked in 1996 on a move towards authoritarian rule with a reform of the 1994 Constitution. This has led to a heavy concentration of power around the President. Democratic structures have been undermined in particular by the replacement of the democratically elected Parliament with a national assembly nominated by the President.

Subsequent elections since 1996 have been strongly criticised following the international election monitoring exercises such as those run by the OSCE. The parliamentary elections in 2000 and the presidential elections in 2001 failed to meet international democratic standards. The local elections in 2003 were reported to have had similar shortcomings.

According to an OSCE report, the October 2004 parliamentary elections and the referendum held on the same day fell far short of democratic requirements. The Council of Europe's Venice Commission stated that the referendum which allowed President Lukashenko to run for presidential elections without a term limit was unlawful.

The March 2006 Belarusian presidential elections were marked by serious violations of election campaign rights of the registered candidates other than the incumbent. During the months preceding the election, the ongoing pressure exerted upon NGOs, dissident political actors and the media increased. Peaceful protests by the opposition following the election were put down and opposition leaders arrested. An OSCE report on the election, in which official results put Mr Lukashenko at over 82% of the vote, referred to "serious violations of election standards". The European Union called the Presidential elections in Belarus "fundamentally flawed".

The 10th April 2006 General Affairs and External Relations Council (GAERC) condemned the violence used by the Belarusian authorities against demonstrators and the ensuing arrests of demonstrators and members of the opposition. It also adopted restrictive measures against President Lukashenko, the Belarusian leadership and officials responsible for the violations of international electoral standards, in particular those of the OSCE, and international human rights law, as well as for the crackdown on civil society and democratic opposition. Such measures will not be directed against the Belarusian population.

Human rights, civil society

The UN Commission on Human Rights adopted Resolutions in 2003, 2004 and 2005 expressing deep concern about a broad range of human rights abuses in Belarus.⁴ In 2004, the Commission appointed a Special Rapporteur on the situation of human rights in Belarus; the Belarusian government has refused the Special Rapporteur admission to the country. Moreover, the

⁴ Resolutions 2003/14, 2004/14 and 2005/13.

government of Belarus has refused to cooperate with a number of other UN Special Rapporteurs, such as the Special Rapporteur on Torture. The EU High Representative's Personal Representative for Human Rights has also been refused admission to Belarus.

According to a UN report of March 2005 on human rights in Belarus⁵, "*Belarusian society is a closed and controlled one*". The report further concludes that "*Belarus is not yet a real dictatorship, but is very close to it. The regime is of an authoritarian nature. The Head of State claims to have his legitimacy based on a direct link with the people and therefore does not recognise any constitutional, legal or institutional limitation. Within such a system there is virtually no place for human rights.*"

Belarus is a party to the International Covenant on Civil and Political Rights and its first Optional Protocol, the International Covenant on Economic, Social and Cultural Rights, the Convention against Torture and Other Cruel, Inhuman and Degrading Treatment or Punishment, the Convention on the Elimination of All Forms of Discrimination against Women, the International Convention on the Elimination of Racial Discrimination, the Convention on the Rights of the Child and the four Geneva Conventions of 1949. It has not however ratified the European Convention on Human Rights or the European Convention for the Prevention of Torture.

Several prominent people "disappeared" during 1999-2000, but their cases have not been satisfactorily investigated by the authorities. Allegations have been made that these "disappearances" had a political background. In April 2004, the Parliamentary Assembly of the Council of Europe condemned in the "Pourgourides" report the action of the "key actors in the disappearances of four well-known persons in Belarus in 1999/2000 and the following cover-up, in view of their apparent obstruction of justice".

Belarus retains and implements the death penalty. Torture is reported to be used routinely to extract confessions from detainees. There is no effective judicial control of pre-trial detention and some detentions are arbitrary. In September 2005, the UN Working Group on Arbitrary Detention declared the detention of Mikhail Marinich, a former Minister, to be arbitrary.⁶ Conditions of pre-trial detention are harsh and detention centres are seriously overcrowded. There are no special criminal procedures for children, who are detained in the same facilities as adults. Administrative detention is used against persons peacefully exercising their rights to assembly, demonstration and freedom of expression

Although the Constitution provides for an independent judiciary, the President appoints six of the twelve judges of the Constitutional Court and all other judges. The President is also reported to exercise considerable control over the Supreme Council of Belarus, which approves the President's recommendations for the remaining six judges of the Constitutional Court. There are credible reports of "telephone justice", whereby judges receive telephone instructions from government officials; judges who refuse to follow such instructions are reported to have been dismissed. Military courts are competent to try civilians in certain cases.

⁵ Report of the Special Rapporteur on the situation of human rights in Belarus, Adrian Severin, 18 March 2005.

⁶ Opinion No 37/2005 of 2 September 2005.

Freedom of expression and media freedom

“Reporters Without Borders” ranks Belarus in 152nd place out of 167 under the press freedom index (2005). The number of independent newspapers has been drastically reduced as a result of systematic harassment by the authorities. Although there is no legal censorship, prosecutions against journalists are common. Two investigative journalists have recently been murdered. Licensing requirements restrict both the distribution of newspapers by subscription and the distribution of foreign newspapers. Article 5 of the Press Law and the Criminal Code make defamation, including defamation of officials, a criminal offence. A media outlet can be suspended or permanently closed after two warnings for ‘defamation’ of state officials. Journalists and media companies are frequently subject to substantial fines.

Freedom of expression and of the press deteriorated further in the period immediately before the parliamentary elections and the referendum of October 2004, when 160 registered print media institutions were closed down in the months preceding the elections. In the run-up to the 2006 presidential elections, the repressive trend has further strengthened. At the end of 2005, the only remaining independent daily newspaper “Narodnaya Volya” was denied access to state distribution networks, making it extremely difficult for the public to obtain it. This move has been strongly condemned by Miklos Haraszti, the OSCE Representative on Freedom of the Media, who regards it as “unprecedented in the OSCE region”.

Although civil society is developing in Belarus, many NGOs have been closed down for minor administrative irregularities. The last nationally operating human rights NGO, the Belarusian Helsinki Committee, is currently facing sanctions for alleged tax evasion. In some cases, closure of NGOs has been followed by intimidation of prominent members. In December 2005, a law was adopted increasing penalties for “discrediting the Republic of Belarus”, which covers the provision of “false information” to a foreign state or international organisation. This law is likely to discourage NGOs from communicating with UN Special Procedures.

There are reports that peaceful public demonstrations have been broken up by the police with considerable violence. An ILO Commission of Inquiry reported in 2004 that trade unions were prevented from organising and from engaging in collective bargaining. The European Humanities University, the only independent university in Belarus, was closed by the Belarusian authorities in 2004.

Labour rights

Serious and systematic labour rights violations have been occurring in Belarus. The non-observance by Belarus of the Freedom of Association and Protection of the Right to Organise Convention (ILO Convention No 87) and the Right to Organise and Collective Bargaining Convention (ILO Convention No 98) are of particular concern. A Commission of Inquiry has been set up by the ILO. Its 2004 report contained 12 recommendations addressed to the Government of Belarus. The EU has been closely monitoring the progress in Belarus towards implementing these recommendations.

The EU made a statement on Belarus on 29th March 2006 in the framework of the ILO Governing Body. In this statement, the EU expresses its concern over the systematic infringements on fundamental rights and freedoms, such as the rights of assembly, association and freedoms of expression and the lack of positive action of the Belarusian Government to implement the 12 recommendations of the 2004 Commission of Inquiry. The monitoring period on Belarus' progress expired on 30 March 2006.

3.2 Analysis of the economic situation and trade structure

Belarus was among the richer republics of the Soviet Union thanks to an extensive and relatively modern industrial base. Following the break-up of the Soviet Union, the Belarus economy, unlike most other transition economies, underwent a relatively short recession. Although GDP growth remained negative for a longer period than in the new EU member states in Central Europe and the Baltic region, the economy restarted growing in 1996, one year earlier than most of the other CIS countries. By 2005, the GDP of Belarus had reached 121% of its 1989 level, much higher than the CIS average of 81%.

The lack of reform accounts for part of the relatively good economic performance of Belarus during the 1990s, as the short run costs associated with reform were avoided. A further part is due to its special economic relations with Russia. The main economic indicators are provided in Annex I. The country has not relied on external debt, which is declining and remains low at 18 % of GDP (2004). Lately, the authorities are also making progress on reducing inflation, which has been slowly declining from a 1999 peak of 709.3% (in CPI terms) to an 8% in 2005.

The transition towards a market economy is less advanced in Belarus than in almost all CIS countries. The economy is based on “market socialism”, with a considerable degree of state planning and control in most sectors of the economy. This has helped minimise the disruptions associated with transition, but has left Belarus enterprises ill-equipped to face modern foreign competitors. The EBRD estimates that the share of GDP produced by the private sector was only 25% in 2004, the lowest level in a sample of 27 countries, together with Turkmenistan also at 25%.⁷ This low proportion is due to the fact that few of the country’s main enterprises have been privatised and the state retains extensive “golden share” arrangements. Another indicator of a slow transition to a market economy is the large share of administered prices in the CPI: 27% in 2005.

The EBRD indicators also indicate a low level of reforms in infrastructure (there are no independent regulators), in the financial sector, in competition policy (there is no independent competition office) and in the trade and foreign exchange system (the country maintains significant restrictions and is not a WTO member).

With scarce natural resources, the Belarusian economy is mainly based on agriculture and industrial processing of imported raw materials, plus a growing share of services. Industrial production represents 27.5% of GDP, agriculture 7.5% and services 65% (2005). Reflecting the slow transition, a relatively large share of the population is still employed in the agricultural sector. Almost half of the territory of Belarus is agrarian. The agricultural sector is in need of reform and investment. State-run farms (kolkhozes and sovkhoses) are the main producers of agrarian goods. Food prices are controlled by the state, although some staple products began to be liberalised in 2001.

Belarus and Russia have been gradually establishing a customs union and have reached such an advanced stage that they can no longer be treated as two separate customs territories. For the time being, they do not apply a common trade policy vis-à-vis third countries, but they have already harmonised their customs duties for a wide range of products (in particular industrial products) and are continuing the harmonisation process in order to establish a Common External Tariff. A single currency (Russian rouble) was to be introduced in 2005, but this has been postponed. The planned currency union with Russia will require Belarus to adapt its current monetary policies.

Russia provides very considerable support to the Belarus economy, but the level of Russian subsidies and the conditions attached to them have started to change. Russian pressure on Belarus to

⁷ The next lowest levels are found for Uzbekistan and Serbia-Montenegro, where however the share is markedly higher (45%). All remaining countries have a share of 50% or more.

adopt reforms is aimed in particular at inducing large-scale asset sales to Russian companies. Despite several announced starts, however, Belarus has so far not sold off any large enterprises. The sale of 'Beltransgaz' (the state enterprise controlling the gas export pipelines on Belarusian territory) to the state-owned Russia gas monopoly Gazprom, which already owns the Belarus section of the Yamal pipeline (plus one of the largest banks in Belarus), is seen as a precondition for the continuation of Russian gas supplies to Belarus at subsidised prices.

Trade issues

Belarus applied for WTO membership in 1995 but the accession process has been slow by comparison with other CIS countries. The WTO Working Party last met in May 2005.

Belarus's trade pattern has evolved little since independence, in terms of trade partners as well as the commodity structure of imports and exports. From January 1993 until May 2005, imports from the traditional CIS partners actually increased from 60% to 72% of total imports. Imports from Russia — by far the main trade partner — increased considerably over the same period, from 48% to 67% of total imports (94% of imports from the CIS). On the other hand, exports to Russia saw a relative stagnation over the same period, remaining at around 40% of total exports, while exports to the CIS fell markedly from 60% to 50%, resulting in a widening trade deficit with Russia. Exports to the EU, on the other hand, increased from 27% to 44% of total exports, although Belarus's share in EU trade remains very limited (67th place in the EU ranking or little more than 0.1% of overall EU trade). Belarus exports to the EU remained largely unchanged over 1997-2002 (machines, equipment and vehicles; oil and petroleum products; and ferrous and non-ferrous metals as the main commodity groups) albeit with a substantial increase in the share of oil products in 2004-2005.

Although Belarus has a positive trade balance with non-CIS countries, mainly due to increased exports of oil products, the current overall trade deficit risks widening further, because of structural problems with competitiveness and lack of diversification in export markets.

3.3 Analysis of social developments

General social policy aspects

Increasing mortality rates and the spread of chronic diseases resulted in a fall in life expectancy, which has now been partially reversed. In 2003, life expectancy was 68.2 years (62.5 for men and 74.2 years for women). However, this trend does not rule out that particular population sub-groups may still be experiencing increased mortality rates. The population declined slightly (0.1% annually) over the period 1990-2000 due to ecological, social and political causes. The number and proportion of persons over the age of employment has been rising steadily. This means increasing pressure on pension, health-care and long-term care costs. Family arrangements and functions have changed significantly following the economic crisis of the 1990s. This includes a reduction in family size, an increasing number of divorces (the divorce rate in the late 1990s was 2% up from 1.3% a decade earlier) and a growing number of single-parent families (8.5% in 1990 and 23.0% in 2003).

Social problems such as alcoholism and drug use are partly inherited and partly new problems, reaching critical levels mainly in urban areas. The prevalence of HIV/AIDS is high, although HIV/AIDS prevention measures in recent years have produced some positive results. As at 1 January 2005, the number of HIV cases officially registered in the territory of 156 administrative units was 6 263, or 63.6 cases per 100 000. However, WHO/UNAIDS (2004) estimate that the real

prevalence is possibly 3 to more than 10 times higher than these officially notified cases. Young people aged 15-29 constitute the demographic group most vulnerable to HIV.

Belarus also has a relatively high incidence of Tuberculosis, with around 60 cases per 100,000 per year (WHO, 2004). Males aged 30-60 have by far the highest prevalence of the disease, and there is an increasing trend in the number of multi-drug resistant cases.

While, compared to other transition countries, the overall unemployment rate in Belarus is modest (1.5% of the active population in 2005), there are significant regional disparities. The rural-urban gap has widened during the transition period. The rise in urban unemployment has been partially offset by government subsidies, which has enabled many of the key industries to avoid mass layoffs. However, rural employment is falling much faster than employment in urban areas. Subsistence farming has been the most common substitute for formal employment and a source of alternative livelihoods for the rural population. The female share of the total number of registered unemployed had decreased from 80% in 1991 to 69.3% by the beginning of 2005, but women are still more at risk of long-term unemployment. Overall, Belarusian law has no discrimination against women at the workplace. However, the legal protection provided is not fully implemented in practice, creating a gap between the law and reality. On average, women's salaries represent 80% of men's. As regards the equal participation of women in decision making, men still outnumber women in the executive branch of government and the legislature, but the situation is beginning to change. Trafficking of Belarusian women abroad remains a serious concern.

According to a recent UNDP report, the poverty rate in Belarus is low in comparison with other countries in the region. According to Ministry of Statistics and Analysis (MoSA) surveys, large families with children continue to be amongst the most vulnerable groups in Belarus. In 2004, less than one percent (0.11%) of the population was living on less than US\$ 2.15 per day and only 5.0% were living on less than US\$ 4 per day. On the other hand, although decreasing, the number of people living on less than the minimum subsistence income is still considerable, exceeding 17.8% of the total population (compared to 41.9% in 2000). According to forecasts, the proportion of the population with incomes below the minimum subsistence level will comprise 14% in 2010 and 10% in 2015. Social spending remains a government priority, but though guaranteed, social minimum payments are low, particularly the minimum wage set by the state. One of the consequences of this is that the number of working poor is relatively high.

In the 2005 UNDP Human Development Index (HDI), Belarus is rated 67th in the ranking list. The high international rankings of Belarus in human development are due in large part to high adult literacy rates and high educational enrolment ratios. However, education and training are struggling with a range of problems, in particular the low quality of education and training.

3.4 Border issues, migration and organised crime

Border issues

The 1997 boundary treaty with Ukraine remains unratified over unresolved financial claims, preventing demarcation and encouraging illegal border crossing. The final demarcation of the borders with Lithuania and Latvia is now completed with the assistance of Tacis funding.

Migration

Belarus is a transit country for increasing migration movements (legal and illegal) between Eastern and Western Europe. Belarus borders new EU Member States, i.e. Poland, Latvia and Lithuania, to the west as well as Russia and Ukraine to the east. The system for managing mixed migration flows

and providing protection to asylum seekers and refugees as well as stateless persons remains weak. However, a new version of the Law of the Republic of Belarus on Refugees entered into force in 2003. This amended law removes certain grounds for inadmissibility into the asylum procedure, extends the duration of refugee status beyond three years, and includes provisions for the protection of unaccompanied minors. The social integration of refugees still remains a challenging issue for the migration bodies.

At the end of 2004, according to UNHCR reports, 725 aliens were recognised as refugees in the Republic of Belarus and 68 were registered as asylum seekers. The total of refugees, asylum seekers and other persons of concern rose to 13 716 persons. They remain of concern to UNHCR because Belarus lacks a humanitarian status that will provide complementary protection to refugees fleeing generalised violence who do not meet the criteria for asylum according to the 1951 Geneva Convention, and because of procedural barriers, including the government's wide application of the safe-third-country principle, excluding all arrivals from bordering countries from the asylum procedure.

The participation of Belarus in the Söderköping process has improved awareness of the activities of executive organs of participating countries in the field of forced migration management and facilitated exchanges of experience in the work with refugees.

Organised crime (including trafficking in human beings)

There are signs of a significant involvement of organised crime in the smuggling of migrants and the trafficking of persons, which are serious and growing problems. Belarus is both a country of origin and a country of transit for women and children trafficked to central and western Europe for purposes of prostitution and sexual exploitation. Victims seldom report incidences of trafficking to the police because of their generally negative attitude to law enforcement authorities, the shortcomings in legislation on the subject, and the insufficient protection of victims and witnesses.

Counterfeiting and trafficking in stolen goods and vehicles, firearms, drugs is also a serious concern. Illegal proceeds of those criminal activities might be used to finance other forms of organised crime or terrorist activities. Moreover, there is a link between corruption, financial crime including money laundering and organised crime.

Belarus' economic, political and geographic situation gives the country a significant potential to become a major drug transit and production site. Anti-money-laundering legislation does not meet international standards and only few investigations or prosecutions of money-laundering activities have been undertaken.

Therefore, Belarus should be encouraged to implement the UN Convention against Transnational Organised Crime and its Protocols and the UN Convention against Corruption.

3.5 Chernobyl consequences

Belarus continues to face problems resulting from the 1986 Chernobyl catastrophe, which affected about 15% of the population and contaminated almost 23% of the territory. Belarus received over 70% of the radioactive fallout from the Soviet power plant. It has thus been more severely affected by the Chernobyl accident than any other country. In previous years, Belarus has allocated a large part of the state budget to Chernobyl-related issues. Belarus faces serious environmental problems caused by radioactive contamination, water pollution and soil degradation. Government resources are not sufficient to cope with the consequences of the contamination.

The Belarusian regions have been affected in various ways by the accident. Among those that have suffered most are the Gomel and Mogilev oblasts, with the districts of Bragin, Chechersk, Slavgorod and Stolin being the most affected. A considerable part of the local population had to be relocated, arable land needed to be abandoned, the health situation deteriorated and the level of economic development decreased. The affected communities have been degenerating in general.

Considerable assistance has been given by private and public bodies, though support from public international sources has declined in recent years. In the period following the accident, the response focused on resettlement, humanitarian assistance and monitoring of the effects of radiation on health. Recently, almost twenty years after the accident, the focus of assistance has shifted to address the long-term consequences of the accident and issues related to sustainable economic and social development.

In Autumn 2003, the CORE programme (Cooperation for Rehabilitation), in which the EU is participating, was established with the objective of improving the living conditions of the inhabitants of selected districts by reaching out to the people themselves and helping them to get involved in the development and execution of specific projects. The emphasis is on a participatory approach and the active involvement of those affected by the Chernobyl accident. National and international partners as well as governmental and non-governmental actors operate under the CORE programme.

3.6 Environmental protection

Belarus faces many challenges in order to promote environmental protection. Key areas include water quality, waste management, implementation of the Kyoto Protocol, nature protection, soil degradation, industrial pollution and radiation contamination.

Institutional and administrative capacity requires strengthening, in particular as regards strategic planning, implementation and enforcement. Furthermore, mechanisms for access to information and public participation have to be improved, including support for civil society.

4. OVERVIEW OF PAST AND ONGOING EC COOPERATION, COORDINATION AND COHERENCE.

4.1 EC assistance to Belarus 1999-2005

EC technical assistance to Belarus has, in line with the 1997 General Affairs Council Conclusions, been limited “to humanitarian or regional projects or those which directly support the democratisation process”. Between 1991 and 2004, a total of €21 million was provided specifically to Belarus. In 2005-2006, €8 million was committed through Tacis.

Assistance provided by the Community since 1997 includes support under the **Tacis Programme** (including its national, regional, nuclear safety and cross-border cooperation components) as well as support under thematic budget lines such as the EIDHR, Decentralised Cooperation, Landmines, the Nuclear Safety Programme, food aid programmes, humanitarian assistance linked to the effects of the Chernobyl catastrophe through ECHO, and support for research and development through the **Framework Programme, including INTAS** and through the International Science and Technology Centre (ISTC).

Under the **National Tacis Programme**, assistance has been focusing since 2004 on support for civil society, higher education cooperation and alleviation of the consequences of the Chernobyl catastrophe.

Regional and cross-border cooperation has in particular addressed issues related to the improvement of infrastructure and the environment. Recent regional programmes have also included substantial interventions in border management, the strengthening of the asylum system and the fight against trafficking in human beings and drugs.

Through the **Food and Security Programmes**, Belarus was provided with €3.2 million in **food aid** between 1998 and 2001. ECHO has provided €6.7 million to Belarus for **humanitarian assistance** linked to the effects of the Chernobyl accident.

The GAERC conclusions of November 2004 state that “Community and Member States’ assistance programmes will support the needs of the population and democratisation, notably by humanitarian, regional and cross-border cooperation and by projects supporting directly and indirectly democratisation and democratic forces in Belarus”.

Since 2005, Belarus has been eligible for **EIDHR** (European Initiative for Democracy and Human Rights) assistance. In 2005, almost €2 million were transferred from the Tacis budget to EIDHR, raising EIDHR assistance to Belarus to approximately €5 million in 2005-2006. Assistance through EIDHR includes support for democratisation and education and training, the media sector and the European Humanities University, currently in exile in Vilnius. Large-scale EIDHR projects (targeted projects) have entailed cooperation with OSCE/ODIHR and UNDP, which have assisted with implementation. In addition, two media projects have been launched with EIDHR support in order to support independent TV and radio broadcasting to Belarus.

In order to increase the flexibility of assistance, the **Decentralised Cooperation Programme** has been made available to Belarus, with an allocation of €1.9 million over 2004-2005. Decentralised cooperation assistance focuses on the development of social dialogue between local governments and civil society to promote social and cultural rights; actions in support of poverty reduction; and the promotion of cultural diversity and the fight against intolerance.

4.2 Key lessons learnt for the new programming cycle

Lessons learnt from past EU assistance

It is worthwhile to recall that EU assistance in Belarus has been limited in scope since the Council decision of 1997. To date, there have not been any country-specific evaluations of EC projects in Belarus. Consequently, the impact of past assistance has not been systematically evaluated. However, the performance of individual projects has been assessed within the TACIS monitoring reports.

The main lesson learnt from past assistance is the difficulty in delivering assistance to NGOs in Belarus. Following the adoption by the Belarusian authorities of a number of rules constraining the delivery of international assistance, the delivery of Tacis assistance to NGOs in particular has been severely hampered since 2002. This occurs as lengthy and difficult registration procedures for projects and NGOs give the authorities an effective veto upon any proposed projects, and allow the de-registration of NGOs to be used as a political sanction against human rights defenders and promoters of democratisation. As a consequence, part of the TACIS funds have been redirected towards financial instruments such as EIDHR and the Decentralised Cooperation programmes. These programmes can also provide funding for activities carried out outside Belarus by non-Belarusian organisations.

In addition, there is a need to improve the capacity of NGOs and local and regional authorities to design, implement and manage projects.

By contrast, cooperation in sectors such as border management and the fight against the trafficking of drugs and human beings as well as cooperation on assistance for Chernobyl-affected areas has proven successful. The Belarusian authorities are supportive of EC assistance in this area.

At the end of 2004, the Commission launched an evaluation of the Tacis programme as a whole. At the time of writing, only the draft final report is available. The draft Tacis evaluation suggests that in overall terms the **relevance** of Tacis interventions has been high and responds to needs. However, during the first few years in particular, the programme was mainly governed by a “top-down” approach. This was partly a consequence of the need for institution-building in the countries in transition and partly due to an insufficient sense of ownership on the side of the national authorities. This ownership is very difficult to address in the case of Belarus, however, due to the lack of commitment from the Belarusian government, which the report mentions.

Furthermore the draft report concludes that National Indicative Programmes (NIPs) have had a tendency to be too detailed, restricting adaptability at project identification level and hence also the ability to respond flexibly to evolving needs. The EC will focus in this new programming exercise on defining strategic priorities and objectives rather than specific activities or delivery mechanisms. In the case of Belarus, this is particularly pertinent, as the general difficulties with assistance delivery make flexibility a prime concern.

4.3 Coordination and complementarity with other donors

Coordination of assistance between international stakeholders is ensured through donor coordination meetings organised by the EC on a regular basis in Kiev, Minsk and Brussels. Regarding the 2007-2013 strategy, the EC has sought to coordinate at an early stage with all relevant donors, including Member States, in the course of the programming missions in Minsk in October 2005. Constructive and open discussions were held with all key players on this occasion. The overall orientation of the strategy has also been discussed at Brussels-based coordination meetings with Member States and other donors. The current and future priorities of other donors and international donors in particular have been factored into this strategy in order to ensure cohesion and complementarity. At the strategy development and programming stage, no risks of duplication of effort have been identified.

Several donors are active particularly in the fields of democratisation and human rights, and are actively coordinating their assistance on the ground. In addition, several international donors are involved in support for Chernobyl-affected areas, where they closely coordinate their assistance. Close coordination at the project identification and implementation stage therefore needs to be continued in these sectors to avoid any overlap of efforts. A detailed description of the priorities of other donors, including Member States, can be found in Annex 3.

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

Relations with Belarus are affected by a number of other Community policies in sectors such as trade, environment, migration and the fight against terrorism. In this respect, the restrictions applying to the EU-Belarus relationship must be borne in mind, and set a framework for the ‘policy mix’ applicable to Belarus.

In the areas related to Justice, Freedom and Security (JFS), the focus is on migration, border management and the fight against organised crime, including trafficking in human beings and drugs. Trade aspects are dealt with under a restricted approach. Customs-related matters, transport,

the environment, non-proliferation and research policy are also part of the policy mix applying to Belarus.

5. THE EC RESPONSE STRATEGY

Principal objective

The framework for EC assistance to Belarus is guided by the successive GAERC conclusions on Belarus. The 1997 General Affairs Council conclusions on Belarus restricted the scope of EU-Belarus relations, halting EU and MS assistance except for humanitarian or regional projects or those directly supporting the democratisation process. These conclusions were updated by the November 2004 and November 2005 GAERC. According to the November 2004 GAERC conclusions, assistance to Belarus will aim to “support the needs of the population and democratisation notably by humanitarian, regional, and cross-border cooperation and by projects supporting directly and indirectly democratisation and democratic forces in Belarus”.

The November 2005 GAERC conclusions further specify that assistance will seek to “promote shared democratic values between the people of the EU and Belarus by intensifying people-to-people contacts and by strengthening good neighbourly relations across borders (e.g. through student and scientific exchanges, scholarships, youth travel, contacts between small- and medium-sized enterprises, training local authority officials, etc)”. This approach remains valid as long as Belarus does not take convincing steps to move towards democracy.

As confirmed repeatedly by GAERC conclusions (November 2004, November 2005, January 2006)⁸, however, should the Belarusian authorities clearly demonstrate their willingness to respect democratic values and the rule of law and engage in a democratisation process, the Country Strategy Paper would be reviewed to reflect these changes on the basis of a thorough assessment on the ground. Under this alternative scenario, a full-scope assistance programme would be adopted and significantly more funds would be granted to Belarus. The scope of assistance to Belarus would then be broadened.

EC assistance priorities

In line with the GAERC conclusions, EC assistance to Belarus will be directed toward supporting democracy, human rights and civil society. It will also address the other needs of the Belarusian population. In so doing, it will seek to engage with the broadest population possible and foster people-to-people contacts and exchanges. A further priority will be to ensure visibility of EC support across the different EC support programmes. Support for each priority will be channelled through the most appropriate financial instrument.

Gender will be mainstreamed to the maximum extent possible into the design of programmes related to all the key issues.

⁸ “The EU reiterates that it is willing to deepen its relationship with Belarus, including within the European Neighbourhood Policy (ENP), once the Belarusian authorities clearly demonstrate their willingness to respect democratic values and the rule of law. The EU will take steps to communicate and demonstrate the benefits of the ENP to the Belarusian population at large.” (GAERC Conclusions of November 2004)

Democracy, human rights and civil society

Support for democracy, respect for human rights and the development of civil society both directly and indirectly will need to remain the main assistance area for Belarus. EC assistance will need to continue to support, in the most flexible manner possible, projects promoting democracy, human rights, civil society and access to independent information, with the broadest possible participation of Belarusian civil society and the population at large.

At the same time, as long as severe hindrances continue to apply to assistance delivered to Belarusian NGOs, it will be necessary to continue funding activities outside Belarus for the benefit of Belarus civil society and to channel assistance in ways that do not require the consent of the authorities. This priority will be addressed through the balanced and flexible use of the EU instruments available.

The education and training sector has a particularly important role to play in economic development and democracy building, and the experience with EC assistance in this area has shown that this is an effective area for support.

Close cooperation with other donors and international organisations such as the OSCE, the Council of Europe, UNDP, the World Bank and ILO will be pursued and further enhanced in the field of support for the development of democracy, human rights and civil society.

Addressing the needs of the Belarusian population

Social and economic development

Support will continue to target social development. This may involve in particular the education and training sector and the health sector. Special attention should be paid to actions in these sectors which assist vulnerable groups.

EC assistance should also focus on economic reform with a view to fostering the development and strengthening of the SME sector, including rural SMEs. However, any projects in this area should be very carefully examined for their added value, while the current regime persists.

In addition, assistance to alleviate the consequences of the Chernobyl catastrophe will be pursued in close coordination with all international donors and IFIs. This coordination is especially important in view of the new large World Bank Chernobyl loan, approved in April 2006.

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

While the Belarusian authorities recognise and address migration issues and crime (a series of governmental actions and new legislation have been adopted, and Belarus is participating in regional dialogue and information sharing through regional training workshops for practitioners and politicians under the Söderköping process), additional efforts to deal with these issues are needed.

Assistance in the area of Border and Migration Management, the Fight against Transitional organised crime, Corruption and Customs should focus on issues related to i) migration and asylum ii) border management (including customs) iii) the fight against organised crime (eg. trafficking in human beings, stolen vehicles, stolen goods and firearms; financial crime - counterfeiting and money laundering and drugs); and iv) the fight against corruption.

On the basis of the experience gained with previous projects⁹, it is clear that assistance to support reform of the judiciary and promote respect for the rule of law should be carefully assessed with the aim of ensuring the participation of non-governmental as well as governmental actors, where appropriate. Due consideration should be given to the most appropriate instrument to be used to achieve such objectives. The supportive role of NGOs in the Justice, Freedom and Security (JFS) areas, such as the fight against trafficking in human beings, drugs and corruption, should be also taken into account.

The position of Belarus, on the borders with the EU and as an established route for a variety of trafficking activities, makes assistance in this sector important. Coherence and complementarity will be ensured between the ENPI Cross-Border Cooperation Programme and the ENPI Eastern Regional Programme.

Sectoral issues

Assistance may be provided to the sectors of energy, environment, transport, statistics, the financial sector and its supervision, and the JFS sector. In the field of transport, assistance may be provided under Regional Programmes and would focus on investment preparations for selected infrastructure projects, in line with the recommendations of the High Level Group on the extension of the trans-European transport axes to neighbouring countries. Projects to support the policy measures which are recommended in the High Level Group should also be considered in particular in order to improve transport safety and security.

Belarus is in an important location as an energy transit country, in particular for natural gas supplies to the EU. Accordingly, it may be possible to provide support for the energy sector, in particular energy infrastructure, through the ENPI-Eastern Regional Programme. Further support to the necessary reforms in the energy sector, promoting energy efficiency and savings as well as renewable energy sources and to progress the recommendations of the working groups created on the occasion of the Baku Energy Ministerial Conference could be provided if and when the political situation permits.

Support may address energy efficiency and energy savings, along with the enhancement of environmental governance and compliance with EU and international standards in the water and environment sectors¹⁰.

Support may also be provided in the field of Information Society to facilitate the interconnection of the Belarusian education and research networks with their European counterparts.

People-to-people contacts and exchanges

People-to-people contacts could be fostered through exchanges between education and training, research and business communities, students and lower-level officials. In addition, current research programmes may continue to be open to scientists and research bodies from Belarus. Assistance for people-to-people activities will be provided primarily through the Neighbourhood and Partnership Programmes (NPPs) and the ENPI Regional Programme. The possibility of developing training and exchanges with Member State officials should be explored. The participation of civil society organisations will be encouraged, in particular at local and regional level.

⁹ Such as the 2005 EIDHR targeted project "Promotion of a wider application of international human rights standards in the administration of justice in Belarus".

¹⁰ See the Country Environmental Profile attached in Annex 1. In this context it also has to be kept in mind that the new World Bank Chernobyl loan, approved in April 2006, includes a large energy efficiency component.

In addition, in order to promote the overall aims of EC assistance to Belarus, new activities should seek to involve local and regional authorities more actively than in the past, especially, but not exclusively, in projects related to Chernobyl. In general, government experts at working level may, where appropriate, be more closely associated with the implementation of projects, including those where NGOs are otherwise the main beneficiaries.

In the education and training sector, Belarus will continue to be eligible for Erasmus Mundus, the Youth in Action programme, the Tempus programme, and also for the new scholarship programme.

INSTRUMENTS AND MEANS

As from 2007, EC assistance will be provided through a new set of instruments. The European Neighbourhood and Partnership Instrument (ENPI), including its national as well as trans-national/regional, cross-border and thematic components, will be the new principal tool for providing assistance to Belarus. With the introduction of the new external assistance instruments, the potential flexibility at instrument level will be increased.

Appropriate visibility of EC assistance will need to be ensured wherever appropriate in projects.

Thematic programmes on “Democracy and Human Rights” and “Non-State Actors and Local Authorities in Development”¹¹

The thematic programme for democracy and human rights is particularly relevant for Belarus. Its objective is to enhance respect for human rights and fundamental freedoms where they are most at risk, through support for campaigns on specific issues, in particular in serious situations and in difficult partnerships. Under this programme, it will be possible to programme assistance for countries where there are serious problems with respect for human rights, where civil society operates with great difficulty and with little room for political pluralism, and where great care has to be taken in involving local civil society organisations. International or regional partners, non-governmental or inter-governmental, may be able to play an appropriate intermediary role.

Assistance under the thematic programme for democracy and human rights will also complement actions to be undertaken under other assistance instruments and programmes to support democracy, human rights, and civil society.

In addition, under the thematic programme for non-state actors, it will be possible to support NGOs located outside Belarus in order to overcome registration difficulties in Belarus.

ENPI national allocation for Belarus¹²

The national allocation for Belarus under the ENPI will amount to around €5 m per annum. Its overriding objective will be to address the needs of the Belarusian population. More particularly, assistance provided under the national ENPI envelope for Belarus will focus on the following two priority areas:

- i) Social and economic development, including actions to alleviate the consequences of the Chernobyl catastrophe; and
- ii) Democratic development and good governance

¹¹ Details will be elaborated in separate thematic programming documents.

¹² Details are elaborated in the National Indicative Programme which forms chapter 6 of this strategy paper.

Based on lessons learned from previous assistance the maximum possible flexibility within these two priority areas will be maintained in the National Indicative Programme.

ENPI trans-national/regional programme¹³

The regional ENPI component will contribute to the achievement of the objectives outlined in this strategy by addressing a limited number of priorities relevant for Belarus but having a genuine regional dimension both in terms of joint implementation and regional impact.

In terms of sectors, this relates in particular to **transport** (development of trans-national transport axes in line with the recommendations of the High Level Group and of the Transport Ministerial Conference in Baku of 14 November 2004 and its follow-up working groups, corridors II and IX), **energy** (covering, as a follow-up to the Energy Ministerial Conference in Baku of 13 November 2004, all regional elements in this sector, with a particular view to harmonising energy markets, the transit of hydrocarbons, energy efficiency and renewables and facilitating investment in energy projects of common interest), and the **environment** (e.g. targeting the regional dimension of the EU Water Initiative and regional aspects of the protection and sustainable management of forests).

Moreover, *certain aspects* of **Border and Migration Management, the Fight against Transnational Organised Crime, and Customs** can be addressed more effectively at regional level. This may include actions related to customs and border management, the fight against transnational organised crime, and migration and asylum management. Finally, there will be scope for regional activities regarding SME cooperation and low-level funding for civil society cooperation and people-to-people activities.

ENPI-Wide Programme¹⁴

The ENPI-wide programme will include activities that for reasons of coherence, visibility and administrative efficiency are best implemented in the same way for all the neighbouring countries. Examples are TAIEX, TEMPUS and the new Scholarship Programme.

ENPI cross-border cooperation (CBC)/Neighbourhood and Partnership Programmes (NPP)¹⁵

As set out in previous Communications¹⁶, four overall objectives will be addressed through these programmes: **i)** promoting economic and social development in the border areas, **ii)** working together to address common challenges in fields such as the environment, public health and the prevention of and fight against organised crime, **iii)** ensuring efficient and secure borders, and **iv)** promoting local, “people-to-people” actions.

The specific objectives and issues to be addressed in each programme will be determined from a local perspective, by the NPP partners themselves reflecting their local priorities.

NPPs will be established based on two types of programmes: bilateral programmes (involving typically two countries sharing a border) and multilateral programmes.

¹³ Details will be elaborated in a separate Regional Strategy Paper/Regional Indicative Programme.

¹⁴ Details of the ENPI-wide Programme are covered in separate programming documents.

¹⁵ Details will be provided in a separate CBC Strategy Paper/Indicative Programme.

¹⁶ See in particular COM (2003) 393 final of 1 July 2003 (“Paving the way for a New Neighbourhood Instrument”).

The programmes will be able to support the full range of projects from small-scale local initiatives, with local administrations and NGOs/civil society organisations, to large-scale projects involving a wide number of partners at regional and sub-national level.

Other ENPI thematic programmes

The thematic programmes on “Democracy and Human Rights” and “Non-State Actors and Local Authorities in Development” will be of particular importance to Belarus (see above for further details).

Of the remaining five thematic programmes, the ones on “Migration and Asylum” and “Human and Social Development – Investing in People” might also be relevant. Activities under the thematic programmes will be launched if they provide clear added value to actions implemented under the geographical programmes (national, regional, cross-border).

Stability Instrument

The Stability Instrument is intended to apply in situations of political crisis or in the event of disasters, whether man-made or natural. It is designed to deliver an effective, timely, flexible and integrated response to unforeseen needs until normal cooperation can resume under the normal policy instruments. It is also designed to allow the Community to support measures to prevent violent conflicts and to finance Community measures accompanying initiatives taken by the Council under the ESDP, including research activities in the context of non-proliferation policy through the International Scientific and Technological Centre (ISTC).

Nuclear Safety Instrument

There will also be a dedicated Nuclear Safety Instrument, which will be the successor to the Tacis Nuclear Safety programme.

6. ENPI NATIONAL INDICATIVE PROGRAMME FOR BELARUS (2007-2010)

6.1 Main priorities and indicative budget

Assistance provided under this National Indicative Programme for Belarus should focus on the two priority areas of “**Social and Economic Development**” and “**Democratic Development and Good Governance**”.

An allocation of €20 million is planned for the period 2007-2010¹⁷. The indicative breakdown of resources should be as follows¹⁸:

<i>Priority Area</i>	<i>Allocation (%)</i>
1. Social and economic development	70%
2. Democratic development and good governance	30%

This indicative programme has been drafted on the basis of the size of the allocation for the ENPI National programme for Belarus and the need to maintain as much flexibility as possible in delivery. Accordingly, it aims to be as concise and flexible as possible.

6.2 Priority area 1: Support for social and economic development

Strategic context/justification

Help for the most vulnerable parts of the Belarusian population, in particular in the Chernobyl-affected areas, should continue to be a key component of EC assistance. Not only did radiation in these areas adversely affect the health of the population, it also severely damaged the mostly agricultural economy of the region.

Support for local economic development with a focus on SMEs and establishing contacts between business people from Belarus and neighbouring countries is therefore important. There may also be opportunities to work with consumer organisations, and for assistance in achieving ISO standards. Actions in these areas will be considered in light of their political implications.

Moreover, there is an apparent need to reform and maintain standards in public health provision, in particular with regard to communicable diseases.

In specific sectors such as energy, transport, environment, statistics, the financial sector and its supervision, and Justice, Freedom and Security (JFS), particular in the fields of border management, migration and asylum, there may also be scope for targeted assistance on regulatory issues, including related administrative capacity building. Such assistance should complement activities under the Regional and Cross-Border Cooperation Programmes and should only be pursued following a thorough needs assessment.

Long-term impact

The expected long-term impact will be to help address the needs of the Belarusian population, in particular its most vulnerable parts.

Specific objectives

¹⁷ This will be updated in line with the agreement on financial allocations under the ENPI.

¹⁸ Re-allocations between priority areas will be possible within the limits allowed by the relevant legal basis.

The specific objectives are to alleviate the consequences of the Chernobyl catastrophe, to strengthen the provision of public health care and to foster local economic development.

Expected results and indicators

- An increased number of local communities in the Chernobyl-affected regions benefiting from improved living standards;
- Improved provision of and access to quality public health services;
- Enhanced local economic development capacities and strengthened business-to-business links with neighbouring countries.

6.3 Priority area 2: Support for democratic development and good governance

Strategic context /justification

Increased people-to-people contacts and exchanges involving, students, teachers and academics as well as business people, middle-ranking officials and NGO representatives are key parts of the overall EU policy towards its neighbours, including Belarus, and should therefore be fully exploited. In Belarus, there should be support for information activities to disseminate information on EU-related activities, including the possibilities to participate in exchange programmes.

Capacity building support involving NGOs and professional associations as well as Belarusian authorities at regional and local level should also be pursued. If there is a clear rationale for doing so, assistance to institutions at central government level, such as the National Coordinating Unit (NCU), should be provided too.

Support for strengthening democracy, good governance and respect for human rights, including at the level of regions and local communities, will assist Belarus in meeting its commitments in these areas.

Long-term impact

The expected long-term impact will be to contribute to the strengthening of democracy and good governance in Belarus.

Specific objectives

The specific objectives are to strengthen EU-Belarus people-to-people contacts and exchanges, including through information activities, and to strengthen the capacities of NGOs and professional associations as well as local and regional authorities.

Expected results and indicators

- An increased number of Belarusian citizens participating in EU/EC scholarship and exchange programmes;
- Increased information available to the Belarusian population, in particular in the regions, on EU-related activities and possibilities to participate in EU programmes and exchanges.
- Increased capacities of civil society and professional organisations as well as local and regional administrations.

6.4 Implementation

Projects and programmes should be implemented with the widest possible involvement of all parts of Belarusian society. Raising awareness on EU policies and programmes, and the benefits of the European Neighbourhood Policy (ENP) in particular, should be an integral part of all activities implemented under this programme.

Close coordination with Member States and other donors will be essential to ensure the coherence of EU policy vis-à-vis Belarus as well as complementarity with operations financed by other donors.

Belarus

Country Environment Profile

1 State of the environment

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

Belarus is characterised by a low population density and wide areas of natural landscapes, forests and wetlands. Where **air quality** is concerned, emissions of conventional air pollutants have decreased since 1995. The transport sector accounts for the main part of total air emissions. Emissions from stationary sources are mainly from power generation and the petrochemical and chemical industry. 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. As regards **nature protection**, the country has a high number of lakes and bogs, which play an outstanding role as a reserve for rare and endangered species of animals and plants. More than 36% of the land area is covered by forest. With regard to **industrial pollution**, Belarus has a large industrial sector, including chemical and petrochemical industries, construction materials, wood and paper enterprises, which is of key importance for the national economy but also contributes to pollution.

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, in particular in the energy and heavy industry sectors.

2 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 2001-2005 and a new NEAP for the period 2006-2010 is under preparation.

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.

3 Environment legislation and implementation

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

With regard to horizontal issues, the law on environmental protection and the law on 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, including on air quality, waste management and nature protection.

Overall, environment legislation is in place in many areas but needs to be further developed, including with regard to implementing legislation.

4 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 established 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 permitting, inspection and enforcement take place at national, regional and local levels. Environmental data collection and reporting require attention.

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

In order to enhance strategic planning, implementation and enforcement of environment legislation, major challenge facing Belarus is to strengthen administrative capacity at national, regional and local levels, including co-ordination between the relevant authorities.

5 Participation in regional and international processes

Belarus has ratified the relevant international and regional conventions to which it is signatory, with the exception of the UN-ECE Convention on Environment Impact Assessment in a Trans-boundary Context.

Belarus has participated occasionally in the **Danube-Black Sea (DABLAS) Task Force**, which should provide a platform for cooperation between IFIs, donors to and beneficiaries of water protection and water-related measures concerning the Danube and the Black Sea. The main aim is

to encourage a strategic approach to the use of financing, and to coordinate action between all financial instruments operating in this region.

Belarus participates in the **“Environment for Europe” process**, which is a multilateral framework created in 1989 to steer the process of raising 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.

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.

6 Key areas where action is required

Belarus faces many challenges to promote environment 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. Belarus has significant possibilities to use flexible mechanisms under this Protocol.

The institutional and administrative capacity needs strengthening, in particular as regards strategic planning, implementation and enforcement. In particular, mechanisms for access to information and public participation need strengthening, including support for civil society.

List of acronyms

AMG	Advisory and Monitoring Group in Minsk (OSCE)
AP	Action Programme
CIS	Commonwealth of Independent States
CoE	Council of Europe
CORE	Cooperation for Rehabilitation
CPI	Consumer Price Index
CSP	Country Strategy Paper
CSDP	Tacis Civil Society Development Programme
DG	Directorate General of the European Commission
EECCA	Eastern European Countries, the Caucasus and Central Asia
EIDHR	European Initiative for Democracy and Human Rights
EBRD	European Bank for Reconstruction and Development
ENP	European Neighbourhood Policy
EC	European Commission
EU	European Union
GDP	Gross Domestic Product
GSP	Generalised System of Preferences
HDI	Human Development Index
ICT	Information and Communication Technology
IFC	International Finance Corporation
INCO	International Cooperation under the Framework Programme for RTD
IOM	International Organisation for Migration
ISTC	International Science and Technology Centre
IBPP	Institution Building Partnership Programme
IP	Indicative Programme
Lien	Former Tacis twinning programme for civil society and local initiatives
m	Million (euros)
MBA	Master of Business Administration
MFN	Most Favoured Nation
MS	Member State
NCU	National Coordinating Unit (Tacis)
NIP	National Indicative Programme
NIS	Newly Independent States
NGO	Non-Governmental Organisation
ODIHR	Office for Democratic Institutions and Human Rights
OSCE	Organisation for Security and Cooperation in Europe
PACE	Parliamentary Assembly of the Council of Europe
PCA	Partnership and Cooperation Agreement
RTD	Research, Technological Development and Demonstration activities
SES	Single Economic Space
SME	Small and Medium-sized Enterprise
UNDP	United Nations Development Programme
UNHCR	United Nations High Commissioner for Refugees
WB	World Bank

Selected economic and social indicators for Belarus

General	Social
Area (square km): 207 600 km ²	Adult literacy rate %: 99.7
Population (2004): 9 810 560	Primary enrolment rate %: 95.4
Population growth rate: -0.3%	Secondary enrolment rate %: 79
Urban population: 69.3%	Infant mortality: (2001) (per 1 000 live births): 17
Life expectancy (1999): 67.9 years	Under-5 mortality (2001) (per 1 000 live births): 20
Human Development Index (rank) in 2002: 53rd	Access to essential drugs %: 50-79
	Access to safe water %: 100
	Tuberculosis cases: 57 cases per 100 000 people
Economy	HIV/AIDS: 45 cases per 100 000 people
Nominal GDP 2005 (EUR): 24.6 billion	Population per doctor: 218
PPP GDP per capita (USD) 2005: 7 583.4	Rate of unemployment: 3.0%
GDP breakdown by sector value-added (2005) <ul style="list-style-type: none"> • Agriculture 7.5% • Industry 27.5% • Services 60% 	% of population living on less than 1 USD day: < 2
Real GDP growth rate (2005): 9.2%	Internet users (per 100 people): 4.2
Estimated real level of 2005 GDP as % of 1989 GDP: 121%	
Gen. government expenditure/GDP (2005): 48.9%	
Gen. government surplus or deficit (2005): -0.6%	
Gen. government expenditure on social objectives/GDP: 14.2%	

Inflation: 1999 709.3% 2005 8%	
External debt stock (USD million)(2005): 5296.9	
External debt (2005): 18% of GDP	
Current account balance (2005): +1.6%	
FDI inflows (2005) €n: 302.5 (1.02% of GDP)	
Exports of goods and services (2005) €n: 14 194	
Imports of goods and services (2005) €n: 14 029	
Main trade partner (2002): Russia, 65% of total imports and 50% of total exports	
Exports to EU (2005) €n: 6 245 (or 44% of total exports)	
Imports from EU (2005) €n:2 946 (or 21% of total imports)	
Trade balance with EU (2005) €n: 3 299:	
EU trade partner ranking (2002): 67th, < 0.2% of total EU trade volume (turnover)	

Sources: UNDP Human Development Report (2003); UNDP Human Capacity of Belarus; EBRD Transition Report 2005; IMF International Financial Statistics, January 2006; Eurostat; Ministry of Statistics and Analysis of Belarus, World Bank World Development Indicators 2005.

ANNEX 4 Summary table of EC assistance to Belarus in million €

	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Tacis National Programme	8.92	14.63	9.0	7.0	12.0	0	0	5.0	0	5.0	0	0	5.0
Tacis Nuclear Safety ¹⁹	0.3	0	1.5	0	0.6	0	1.1	0	0	0	0	1	2
Tacis Cross-Border Co-Operation (CBC) ²⁰						1.34	2.8	4.7	2.31	8.15	0	11.2	35 ²¹
CBC SPF ²²						0	0.6	0.2	0.4	0	0.9	0.2	N/A ²³
Tacis Interstate/Regional Programme ²⁴	5.4	4.6	5.1	2.6	3.3	6.5	6.3	4.6	1.7	2.0	3.9	2.2	7.4
ECHO ²⁵	0	0	0	0.56	2.73	1.73	0.952	0.34	1.99	0.69	0.2	0	0
INTAS ²⁶	0	0.015	0.9	0.5	0.1	0.6	1.2	0	0.4	0.8	0.5	0	N/A
Macro-financial Assistance	0	0	0	0	30.0	0	0	0	0	0	0	0	0

¹⁹ Estimated based on the proportional share for Belarus.

²⁰ Allocations for Belarus (without CBC Border Management Supervision Unit).

²¹ All CIS countries.

²² Small Projects Facility / Estimated on the basis of projects approved for financing.

²³ Results of the Call for Proposal not yet available.

²⁴ Estimated based on the proportional share for Belarus.

²⁵ ECHO phased out in 2002.

²⁶ Granted for Belarus participating teams.

ANNEX 5 Summary table of Member State and EC funding

	NL	AT	UK	SW	DK	DE	FR	FI	IE	IT	GR	LV	LT	PO	SK	EC
Democracy-building	X		X	X	X	X	X	X				X	X		X	X
Independent media	X		X	X		X	X	X					X	X		X
Legal development	X		X	X												X
Human rights	X		X	X								X	X		X	X
Trade unions	X		X													X
Scholarships				X								X	X	X	X	X
NGOs	X			X			X					X	X	X	X	X
Health	X	X	X													X
Environment	X		X	X	X							X				X
Social	X			X	X				X		X	X	X			X
Econ. development		X		X		X					X	X			X	
Land reform				X		X										
Education	X					X					X	X		X	X	X
Disabled	X															X
Children		X	X	X					X	X		X	X			X
Culture				X			X	X				X	X		X	X
Border crossings & management												X				X
Fight against international crime				X												X
Asylum, migration																X
Tourism											X	X				
Public administration	X										X				X	

Summary of Member State assistance to Belarus

Austria's support for Belarus was €4.2m in 2000 in the form of humanitarian aid through a cancer clinic for children in Minsk.

Denmark's In order to promote democratic development in Belarus, Denmark provides bilateral assistance through targeted activities under the Danish Neighbourhood Programme. The focus of the Danish assistance is on supporting democratic forces in Belarus, especially civil society and the independent media. The financial framework for Belarus for 2004-2007 amounts to more than 4 million € The Danish assistance to Belarus comprises: 1) A media-programme, 2) a civil society programme and 3) an anti-trafficking programme

Finland: Grassroots projects are organised through the Finnish Embassy in Vilnius. These projects mainly address the media and NGOs (e.g. journalist training programmes in Finland). Finland intends to increase the budget for media and NGO projects up to €0.02-0.03m per year.

France has no bilateral cooperation agreement with Belarus following the events of 1996/1997. France allocates €0.5-0.7 m annually to activities in the areas of cultural, educational/linguistic, university, scientific and technical cooperation. There are "filiales" in Belarusian universities cooperating with French universities. Some French cities have partnerships with local counterparts.

Germany's support for Belarus is €4.5m; in addition, there are private initiatives amounting to €20m. Germany's actions focus on civil society issues, the private sector, support for education and training, and rural development.

Greece provided assistance amounting to a total of €0.2m in the period 1997-2002. The sectors covered were education and training, public administration, humanitarian aid, social coherence and tourism.

Ireland is supporting an orphanage through a grant of €0.065m. The project is implemented through Chernobyl Aid Ireland.

Italy's main activity comprises therapeutic visits in Italy offered to Belarusian children, (30 000 children have benefited from the scheme every year since 1987). The programme is carried out by Italian associations, supported by the Ministry for Foreign Affairs and the Ministry of Labour. Italy is to explore possibilities for cultural and linguistic cooperation.

Latvia's support has been mainly focussed in three areas: (1) Development of civic society in Belarus. For this purpose from 2002-2006 Latvia has disbursed 58 290 EUR. Funding has been increased for the next year allocating 45 714 EUR and these funds will be made available to state institutions, municipalities and NGO's via Latvian embassy in Minsk; (2) Support to Belarusian students. In 2006 three students have received grants to study in Latvia with the total budget of 5 500 EUR; (3) Facilitation of cooperation between Latvian and Belarusian municipalities in such areas as culture, art, sports, education and environment.

Lithuania has been focusing on the Democracy Building area and offers cultural exchange, support of independent journalists and NGO as well as health programmes

Poland provides assistance to Belarus focused on supporting the development of civil society through the implementation of projects worth approximately €5 million in 2006, in particular in the sectors of NGO support, mass media, education (including scholarships) as well as local administration

The Netherlands has been focusing on a Social Transition Programme, and actions in this field will continue. The total allocation in 1999-2001 amounted to €7 323 m. The main relevant components of the programme were the Matra Projects Programme, the Small Embassy Programme, and the Regional Programmes. Those programmes provide support to various NGOs working on civic education and training, environmental education and training, urban planning, drug addiction treatment, trade unions, primary health care, self-governance, media, human rights, minorities, and disabled persons.

Slovak Republic – assistance has been focusing on the support of the civil society, sustainable development in rural Belarus, creating a market environment and securing free access to information concerning elections for citizens. In two calls for ODA project proposals 5 projects have been approved and implemented since 2004. Other activities for Belarus include scholarship program and projects aimed at the cultural exchange.

Sweden mainly provides support for deepening democracy, economic change, social security and common security, and offers cultural and academic exchange programmes. There is an extensive NGO support programme, with the emphasis on the training of journalists in Sweden, support for the independent Union of Journalists and training of young local politicians. Sweden also participates in the strengthening of local independent business associations, which in turn bring together a large number of SMEs in a project with the IFC. Assistance is given to the National Cadastre Agency with the aim of creating a property market. Sweden supports efforts to restructure social care services for children and young people in a project with the Ministry of Education. It also supports a project on young people against drugs. It supports the fight against trafficking in women in a project with the IOM and the Ministry of Internal Affairs. Sweden allocates €2.5 m on average per year to the Belarusian programme.

UK actions in Belarus are divided into two parts: (1) Small grant schemes managed from Minsk with a budget of €0.045m in the health and social sector, and a small partnerships scheme under external programme management with a budget of €0.045m for health and social care; (2) Projects funded by the Foreign and Commonwealth Office over 2001/2002 with a budget of £420 421 to support democracy building, independent media, legal development, human rights, trade unions, and scholarships.

Belgium, Luxembourg, Spain and Portugal are not providing any state assistance to Belarus.

The alleviation of Chernobyl-related problems has been brought under a framework programme “**Cooperation for Rehabilitation**” (CORE), in which several Member States (**France, Germany, Italy, Sweden** and **the UK**), the Commission, international donors and organisations, Belarusian local and regional authorities as well as NGOs are active

ANNEX 7 Map of Belarus



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