



ACTION PROGRAMME 2005-2006 FOR BELARUS

1. Identification

| | |
|----------------|--|
| Budget heading | 19 06 01 |
| Total cost | € 8 million |
| Legal basis | TACIS Regulation (Council Regulation No 99/2000) |

2. Country update

The Commission launched the **European Neighbourhood Policy (ENP)** in its Communication on Wider Europe of March 2003 and complemented it with a Communication in July 2003 which introduced the concept of Neighbourhood Programmes. The ENP lays the ground for closer cooperation with the neighbouring countries of the enlarged Union and offers an opportunity for the EU and Belarus to improve their relations. Belarus welcomed the ENP concept and suggested specific areas for co-operation. In September 2004, the Council reiterated that, if certain detailed conditions are fulfilled, the EU would be able to further develop the relations with Belarus, including in the context of the ENP. In November 2004, the Council underlined that "Belarus, as a direct neighbour of the European Union, has the opportunity to be an active partner of the EU in the framework of the European Neighbourhood Policy". Willingness to share European values would be a pre-condition for deeper relationship.

The November 2004 Council concluded that Community and Member States' assistance programmes will also support the needs of the population, notably by humanitarian, regional, and cross-border cooperation.

From a macro-economic point of view, GDP real growth in Belarus reached 11% in 2004 (7% in 2003). The main drivers of growth on the demand side included real disposable household incomes, fixed capital investment and especially exports. On the supply side, the main growth driver was industrial output. Both greater stability of the foreign exchange rate and a balanced government budget (only 0.04% GDP deficit of consolidated budget, including the Social Security Fund) contributed to the strong inflation slowdown from 25% to 14%. Meanwhile, the current account deficit increased up to 5% of the GDP (more than doubled in 2004), due to fast merchandise import growth (explained by energy sources price growth and expectations of change in external trade taxation regime starting 2005). The growth prospects are positive for 2005, since the government is likely to continue its growth stimulating policies of raising living standards and extending financial support to the production sector (a 7% annual GDP growth is expected). One must note that the analysis of the economic growth observed in Belarus should also take into account the current and prospective economic developments in the Russian Federation, given the strong economic linkages between those countries. In the longer term, the costs of these policies are expected to be rising but may be

avoided if government promptly provides for structural reforms and fiscal tightening. Belarus still suffers strongly from the consequences of the Chernobyl catastrophe, which affected one quarter of its territory and almost one fifth of its population. The territory of Belarus received over 70 % of the radioactive fallout. The results of the medical examination of children and adults living in the affected regions show that a large number of them exhibit deviation from the norm. Large parts of the budget have been allocated over the last years to address the consequences of the catastrophe.

Concerning overall social policies, the strategy followed by the Belarus government has a clear focus on reducing the level of social inequality. This has resulted in a fall in poverty by almost 20% in a total population of around 10 million since the mid-1990s.

The Action Programme 2005 reflects this political and economic analysis and is in line with the EU policy towards Belarus as set in the National Indicative programme for Belarus 2005-2006 (adopted by the Commission on 01/06/2005).

3. Summary of the Action Programme

Background

TACIS assistance to Belarus will focus on two priority areas of cooperation as listed in Annex II of TACIS Regulation, i.e. *“support for institutional, legal and administrative reform”* and *“support in addressing the social consequences of transition”*.

With this in mind, the present programme focuses on supporting the following subtitles under *“Support for institutional, legal and administrative reform”*:

- **Support** to sustainable development and environment
- **Support for education and training** through the Tempus programme
- **Support** to the National Co-ordinating Unit (NCU)
- **Support for the civil society** through preventing, fighting, and addressing the social consequences of, human being trafficking.

and the following subtitle under *“Support in addressing the social consequences of transition”*

- **Assistance to social reconstruction** through support to addressing the socio-economic difficulties in the Chernobyl-affected areas and support to the most vulnerable layers of the population

Readiness of the National Authorities to deal with each particular issue, to follow and assist each specific project and their commitment to actively engage in the reform process are prerequisites for any action under this programme.

In such context it is also envisaged to reinforce ownership from the National Authorities and donors' co-ordination by gradually moving to clustering under a single project all activities proposed for a specific sector. Obviously, the switch from a small-scale project structure towards larger-scale projects, based on sector assessments, would need in the future adequate preparation of the national authorities and capacity-building support. However, starting this process early would also help the Belarus authorities to prepare for the new external assistance instrument, the European Neighbourhood and Partnership Instrument (ENPI), which will replace TACIS after 2006.

Cooperation-related policy of beneficiary country

Belarus has adopted detailed project registration procedures and other rules that are prerequisite for tax exemption to international technical assistance.

Co-operation with the EU is often sought, in particular by specific Ministries, for activities of general interest as listed in the National Programme of International Technical Co-operation 2001-2005.

Coherence with EC cooperation policy

A number of sectors are financed through the Regional Action Programme instrument: such as combating women trafficking, fight against drugs, border management and environmental issues. Cross-Border Cooperation addresses border demarcation and border crossings, in addition to the Neighbourhood Programmes. The present National Action Programme is in line with EU co-operation policy in the selected areas. In fact, the EU will continue to finance initiatives targeting cross-border co-operation and the citizens of Belarus in view of their socio-economic development. In November 2004 the Council reiterated that Community and Member States' assistance programmes will support *inter alia* the needs of the Belarusian population.

Identified projects

The Tacis Management Committee approved in 2004 the Country Strategy Paper for Belarus 2005-2006. The National Indicative Programme 2005 - 2006 was approved on 01/06/2005. The Action Programme 2005 is developed fully in line with these strategic documents. The proposed activities focus on 5 subtitles under two areas of co-operation: "Support to institutional, legal and administrative reform" and "support in addressing the social consequences of transition".

3.1 Support to Environment and Sustainable Development in Belarus

Under this project it is intended to finance various actions in the environment and sustainable development areas. At a wider level, support is provided to the Belarusian authorities to strengthen capacity for effective implementation of strategic environmental assessment and to support implementation of the Rio Conventions in the country.

At a local level, "Agenda 21" development initiatives will be promoted, together with citizens' awareness raising and rural economic development through the creation of tourism-linked "green ways" and the setting-up of "green schools" interested in monitoring and protecting their natural territory.

3.2 TEMPUS

Tempus is a key instrument of co-operation in the field of higher education. Projects that will be selected will focus on the integration of the Belarusian higher education system into the European higher education area (Bologna process), on specific academic areas as well as on the development of training courses in support of TACIS wider project portfolio. DG Education and Culture implements Tempus.

3.3 Support to the National Coordinating Unit in Belarus

This action is notably directed to the TACIS National Co-ordination Unit (NCU) in order to increase Belarus' capacity to contribute to programming and to ensure that all donors' assistance is used consistently and in accordance with Belarus international commitments.

3.4 Preventing, fighting, and addressing the social consequences of, human being trafficking

This action will focus on preventive measures and better protection and rehabilitation of trafficked victims. In particular, the project aims to develop victim protection and socio-economic reintegration programmes based on best international experience; to improve coordination and sharing information among growing number of agencies responsible; to scale-up advocacy, training and awareness-raising campaign geared to various target groups; to enhance capacity of CSOs, the existing rehabilitation centres and pilot local/municipal social and development centres to provide prevention services

3.5 Combat the negative effects of the Chernobyl disaster in Belarus

EU funding will be specifically targeted to Chernobyl-affected areas, where exposure to radiation not only did adversely affect the health of the population, but also damaged severely the mostly agriculture-based economy of the region. An integrated approach, in line with international donors, will be enhanced for the rehabilitation of the living conditions in the area including through the relevant TACIS funded relevant ISTC projects such as the ongoing project" combined technology for radioactively contaminated soil remediation. This approach will address the public health sector, environment, economical development, dose measurement, radiological protection, pedagogy etc.. Actions will focus on enhancing capacity of local communities to develop sustainable social and economic initiatives and to allocate resources efficiently; and of the population to cope with the effects of contamination and develop initiatives for the most vulnerable categories.

4. Past EC assistance and lessons learnt

Overview of on-going and planned activities under the 2002-2003 TACIS National Action Programme, CBC, Regional (RAP) and Nuclear Safety Action Programmes:

| Priority areas of intervention | Action Programme 2003 (RAP 2002 and 2003) |
|---------------------------------------|---|
| Border management | (RAP and CBC funding, various projects including border crossing construction and border demarcation) |
| Public administration reform | Statistics Support to the National Co-ordination Unit |
| Justice and home affairs | Fight against drugs (RAP funding) |
| Civil society | Support to civil society and local initiatives (IBPP) Support for Local Initiatives in Chernobyl affected areas (CORE) Small project facility for bordering regions (CBC funding) Civil Society Development Small Grants Programme |
| Environment | Globale climate change project (RAP funding) |

Lessons learnt

Over the last years, some TACIS-funded activities, although programmed and identified jointly with Belarus, could not be implemented because the projects did not get the relevant registration from Belarus Government bodies. Under the present programme a more thorough and irreversible involvement of Belarusian authorities should be sought, including a more coherent approach to selection and registration of large- and small-scale projects.

Based on the NIP and on Belarus' own development programme, the new forms of assistance should strongly focus on the needs of the population and maintain high visibility of the EU-funded project.

Positive feedback from technical assistance projects, for instance the current Tacis regional project on global climate change, shows the excellent central/local government **interest and support in the field of environment.**

Since the beginning of the TACIS Programme in Belarus, the NCU has been supported by EU funding. This combination of local expertise and EU expertise has provided significant support to TACIS programming and implementation in Belarus as proved by several Monitoring Reports.

Valuable lessons learnt from past experience are that EC support to the NCU should be extended to the implementation phase and not limited to the programming process and it should embrace also other governmental and civil society entities.

The EU-funded activities in the area of trafficking showed the need to emphasise the prevention needs linked to better co-ordination of activities and to socio-economic development.

The past experience for actions in the Chernobyl-affected areas shows that the problem of rehabilitating the afflicted regions includes both issues of radiation and medical protection and solution of the demographic, social and psychological problems, the development of infrastructure and the restoration of economic potential. Therefore the proposed project bases itself on an integrated approach, which includes NGOs and local authorities.

5. Complementary actions and Donor Co-ordination

Other on-going EC actions are implemented either through TACIS Regional Programme, the Nuclear Safety Programme, the Cross-Border Co-operation Programme and the Neighbourhood Programmes and multi-country programmes. Coherence has been sought between the National Action Programme 2005 projects and the on-going and future projects in the Regional Programme involving Belarus.

It has to be underlined that any proposal listed here has been assessed according to the criterion of complementarity with other donors' activities, in order to avoid overlapping.

The EC Delegation in Kiev, mainly through its TACIS Branch Office in Minsk, has ensured that projects were discussed with other donors in order to avoid duplication and to build synergy.

Member States represented in Belarus have been kept informed through meetings.

Project by project:

- In the area of **environment and sustainable development**, the UNDP has experience of successful long-term co-operation with the Belarusian authorities.
- The activities intended to **support the TACIS National Co-ordination Unit (NCU)** include in their objectives to maintain and foster the links between TACIS and other donors' interventions, in order to coordinate the involvement of international technical assistance.
- In the field of **preventing, fighting, and addressing the social consequences of, human being trafficking** co-operation will continue with the most active international organisations.
- **Rehabilitation of Chernobyl-affected areas:** UNDP has launched an initiative aimed at attracting higher attention to the social issues generated by the catastrophe and by economic transition in the affected areas. The EU-funded activities will include a significant amount of assistance in the form of service contracts assigned through the CORE programme and also possible grants to international organisations active in this area.

6. Cost, Financing, and Implementation Method

| National Action Programme Belarus 2005 | Amount 2005 |
|---|------------------------|
| 1. Support to institutional, legal and administrative reform | |
| Support to sustainable development and environment | 1.5 M € |
| Support for education and training through the TEMPUS programme | 1.9 M € |
| Support to the National Coordination Unit | 0.6 M € |
| Support to the civil society through preventing, fighting, and addressing the social consequences of, human being trafficking | 1.2 M € |
| Total for area 1 | 5.2 M € |
| 2. Support in addressing social consequences of transition | |
| Assistance to social reconstruction through support to addressing the socio-economic difficulties in the Chernobyl-affected areas and support to the most vulnerable layers of the population | 2.8 M € |
| Total for area 2 | 2.8 M € |
| TOTAL | 8 M € |

The implementation method will be Centralised Management by the EC Delegation to Ukraine, Moldova and Belarus (Kiev) with the assistance of the Delegation's TACIS Branch Office in Minsk. The Tempus programme will be managed centrally from Brussels by the Directorate General Education and Culture.