



COUNTRY UPDATES SERIES • SUMMER 2015



Greening economies in the EU Eastern Partnership countries

AZERBAIJAN

RECENT AND PLANNED ACTIVITIES









The EaP GREEN programme

How can the EU Eastern Partnership countries progress faster on their path to green economy? Which environmental policies and management approaches are available to support a coherent national green economy framework? How do local stakeholders benefit from the long-standing expertise of EaP GREEN's implementing partners?

The "Greening Economies in the European Union's Eastern Neighbourhood" (EaP GREEN) programme supports the six the Eastern Partnership (EaP) countries to move towards green economy by decoupling economic growth from environmental degradation and resource depletion. These countries are: Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine.

The programme is structured around three components:

- Governance and financing tools for sustainable production and consumption (SCP) and green economy;
- Strategic Environmental Assessment (SEA) and Environmental Impact Assessment (EIA) accompanying SCP policy implementation; and
- **Demonstration projects.** Governments and the private sector are the key target groups of EaP GREEN.

The EaP GREEN programme has two focal points in each participating country: one from a national ministry of environmental affairs, and another one nominated by the national ministry of economy related matters.

The Programme's Steering Committee (SC) oversees the programme implementation. Its members include the National Focal Points, the European Union and representatives of the four implementing partners. The SC meets annually. Such meetings are open to the NGO community and donors, as well as other international organisations.

The programme is financially supported by the European Union and other donors. It is jointly implemented by four international organisations - the OECD, UNECE, UNEP, and UNIDO. More information: www.green-economies-eap.org



The **European Union** is the world's largest donor of official development assistance. The European Commission's Directorate General for European Neighbourhood Policy and Enlargement Negotiations (DG NEAR) manages the majority of the Union's financial and technical

assistance to the neighbourhood and enlargement countries. By implementing assistance actions in Europe's eastern and southern neighbourhood, DG NEAR supports reform and democratic consolidation, and strengthens the prosperity, stability and security around Europe. DG NEAR helps to promote EU values, policies and interests in this region, and to contribute to developing the special relationship of the EU with its neighbouring countries. http://ec.europa.eu/enlargement/about/directorate-general/index_en.htm

Governance and financing tools



Key topics:

Strategic policy setting • Promoting sustainable public procurement practices • Green growth indicators • Reforming environmentally harmful subsidies • Creating market incentives for greener product • Access to green finance and investment • Greening SMEs

MILESTONES

- The regional report on "Sustainable production and consumption policies and initiatives in Eastern Europe and the Caucasus: Review of progress and way forward" was presented to policymakers from Eastern Europe and the Caucasus on 18 June in Moldova. The report takes stock of moves towards sustainable consumption and production policies and could provide a platform for the exchange of good practices for the EaP region. The report aims to fill knowledge gaps on SCP policies and practices which can be designed to tackle economic, social and environmental challenges. (UNEP)
- A regional expert meeting on "Access to private finance for green investments in EU Eastern Partnership countries" was held on 5-6 June 2014 in Paris to discuss environmental credit lines supported by international financial institutions (IFIs) and disbursed by local commercial banks. Azerbaijan was represented through the Ministry of Economy and Industry. The report "Environmental lending in EU Eastern Partnership countries" was published in October 2014. (OECD) http://bit.ly/1t5JASC
- A regional expert meeting titled "Shared environmental information system and green growth" was held in Paris on 10-11 March 2015 with the participation of two delegates from Azerbaijan. The possibility of developing the terms of reference for launching a national-level green growth indicators project in Azerbaijan during autumn 2015 were discussed. (OECD) http://bit.ly/lerNRQ0

• A regional expert meeting on "Promoting better environmental performance of SMEs" took place on 12 February 2015 in Kiev, Ukraine. Country-level stakeholder consultations followed, including a meeting in Baku on 21 May 2015. The workshop proposed the strengthening of government policies to promote voluntary environmental compliance and green business practices in SMEs. Local stakeholders were also invited to discuss the findings of the regional Environmental Policy Toolkit on Greening SMEs in EU Eastern Partnership countries which was released in May 2015. (OECD) English version: http://bit.ly/1HDpRD8 Russian version: http://bit.ly/1Ke1353

RECENT & UPCOMING ACTIVITIES

- A national stakeholder workshop on product-related economic instruments was held jointly with the Ministry of Ecology and Natural Resources on 21 May 2015 in Baku. The discussion focused on economic instruments such as taxes and extended producer responsibility for the management of environmentally harmful products. (OECD)
- A survey of energy subsidies in the EU Eastern Partnership countries will be launched in 2015. An international consultancy firm was selected through open tender to roll-out the project in the region, including in Azerbaijan. A stakeholder meeting will discuss the preliminary results towards the end of this year. (OECD)



Strategic Environmental Assessment (SEA) and Environmental Impact Assessment (EIA)



Key topics:

Revision of existing national regulatory and legislative frameworks • Capacity building on SEA and EIA procedures • Strengthening administrative capacities of national authorities

MILESTONES

• The assistance for EIA and SEA legal framework development has been provided since October 2014. The initial review of the national legislation and institutional structures for application of SEA according to the UNECE Protocol on Strategic Environmental Assessment (the Protocol on SEA) was carried out during May - October 2014. In addition, the review of legislative framework for EIA was conducted to analyse compliance with the UNECE Convention on EIA in a transboundary context (Espoo Convention) and the EU EIA Directive. (UNECE)

Review: http://bit.ly/1MpaOhB

- The initial findings of this assessment were discussed in a stakeholder meeting held in Baku on 28 August
 2014 which was organized jointly by the UNECE, the Ministry of Ecology and Natural Resources and the REC Caucasus Branch Office in Azerbaijan. (UNECE)
- Based on the results of the assessment the EaP GREEN Programme assisted the Ministry of Ecology and Natural Resources in preparation of a draft law on EIA and environmental expertise to align national SEA and EIA procedures with the Espoo Convention and its Protocol on SEA. (UNECE)
- The study tour in the Czech Republic on the application of SEA at national level in the urban planning, waste management, and energy sectors took place on 1-5 December 2014. Five national experts learned about the Czech SEA system and discussed challenges and success factors. (UNECE) http://bit.ly/1t5IoyJ
- The pilot SEA application on the National Strategy on Use of Alternative and Renewable Energy Resources in the Republic of Azerbaijan in 2015 2020 (the Strategy) was launched in March 2015 with the first training workshop on scoping and baseline analysis for the national SEA team. Besides analysing likely affects related to the Strategy and suggesting its optimization from environment and health point of view, the SEA pilot also aims at testing the SEA procedure as stipulated by the draft law on EIA and environmental expertise. The initial version of the scoping report was developed in April May 2015 and the consultation meeting on the scope of SEA was organized in May 2015 back-to-back to the second training for the

national SEA team on the impacts analysis. (UNECE)
First training: http://bit.ly/1Mp9kDK
Second training: http://bit.ly/1IvK1zp

RECENT & UPCOMING ACTIVITIES

- An EaP GREEN coordination meeting took place on 26 May 2015 in Geneva during the Working Group Meeting of the Espoo Convention and the Protocol on SEA. Participants discussed experiences on the implementation of pilot projects in Azerbaijan and the Republic of Moldova, and outlined the envisaged setup of the regional conference which is planned for November 2015. (UNECE)
- The SEA pilot has continued by further baseline and impact analyses and formulating relevant mitigation measures in June September 2015. The 3rd training on impacts assessment and mitigation measures was conducted in August 27 29, 2015). The draft SEA report is currently being compiled (October 2015) with the consultations on the Strategy and SEA report planned for late November 2015. (UNECE)
- The results of the SEA pilot project should be incorporated into the draft environmental assessment law in November- December 2015 and into a Guidance document on practical application of SEA in Azerbaijan (planned for 2016). (UNECE) http://bit.ly/1G5cUoM
- Two back-to-back EaP GREEN regional events will be organized in Georgia in the beginning of November 2015. A conference on developing legislative frameworks SEA in will provide an opportunity to exchange experience in drafting SEA / EIA legislation and barriers on adoption of the legislation (November 2, 2015). The conference will be followed by a "Training of Trainers" workshop on the design and delivery of training events on SEA (November 3 6, 2015). Altogether five participants from Azerbaijan have been invited to attend the events. After the training the participant will be able to further support the development of the SEA system in Azerbaijan and provide national level training on SEA for other stakeholders (planned for spring 2016). (UNECE)
- A regional conference on the lessons learned from the practical application of SEA in EaP GREEN countries will be held in Ukraine in the first half of 2016. Stakeholders from Azerbaijan will also be invited to present their experiences. (UNECE)

Demonstration projects

Key topics:

Capacity development for resource efficient and cleaner production (RECP) • RECP implementation, dissemination and replication • RECP technology support • Sustainable public procurement • Promotion of organic agriculture: trade and access to markets

MILESTONES

- Eight demonstration companies from the food, chemical, and construction materials sectors were selected to participate in an RECP assessment. National experts presented the results of their findings at the selected companies in a final review seminar on 20 February 2015 in Baku. (UNIDO)
- The potential opportunity of using the financial instruments of the European Bank for Reconstruction and Development (EBRD) for improving resource- and energy efficiency were discussed in a bilateral meeting with a representative of the EBRD's Energy Credit Project in Azerbaijan on 19 February 2015. (UNIDO)
- RECP national coordinators and experts participated in the **RECP financing training** held on 24 March 2015 in Tbilisi, Georgia. They learned about financing methods and possibilities for RECP projects at SMEs. (UNIDO)
- The national RECP conference was held on 21 April 2015 in Baku. The 8 demonstration companies which participated in the assessment process earlier shared their experiences in applying RECP methods. Eight experts received an UNIDO Award. (UNIDO) http://bit.ly/1GCAAAv
- A **consultative dialogue** to further explore the **relevance and benefits of applying RECP** principles at Azerbaijani companies took place in Baku on the same day, 21 April 2015. (UNIDO)
- A bilingual English/Azerbaijani RECP website is available to disseminate information regularly on latest news and events to the larger public. (UNIDO) www.recpnet.az

RECENT & UPCOMING ACTIVITIES

- EaP Green was one of the main sponsors of the 5th International Conference on Organic Sector Development in Central/Eastern European and Central Asian countries held on 16-17 April 2015. A break-out session dedicated to organic agriculture and green economy featured speakers from Armenia, Moldova, Georgia, Azerbaijan, Belarus and Ukraine. The session discussed strategies for organic market development, organic agriculture as a tool for greening the economy, and organic legislation development in the region. (UNEP) http://bit.ly/1PRWkdu
- An exchange of knowledge, experiences success stories and challenges among NGOs, government agencies, and business associations of all six participating countries was facilitated at the special session on organic agriculture held within the Fourth EaP GREEN Steering Committee meeting on 18 June 2015 in Chisinau, Moldova. (UNEP)
- Success stories illustrating the access of regional producers to the international organic market will be compiled by end-2015. (UNEP)
- A case study booklet with at least five national RECP business cases will be available for public dissemination, and a sesond cycle of demonstration projects will be launched shortly. (UNIDO)
- Ongoing RECP projects add value to Azerbaijani enterprises in priority industry sectors by increasing human and institutional capacities and facilitating further practical demonstration, dissemination and replication of RECP principles. (UNIDO)

Recent and upcoming publications

- OECD: **Creating Market Incentives for Greener Products** (Available in English and Russian) http://www.oecd.org/env/outreach/economic-instruments.htm
- OECD: Environmental Lending in EU Eastern Partnership Countries (Available in English and Russian) http://www.oecd.org/environment/outreach/regionalmeeting-june-2014.htm
- OECD: Environmental Policy Toolkit for Greening SMEs in EU Eastern Partnership countries (Available in English and Russian) http://www.oecd.org/environment/outreach/Greening-SMEs-policy-manual-eng.pdf
- UNEP: Sustainable production and consumption policies and initiatives in Eastern Europe and the Caucasus: Review of progress and way forward (Available in English and Russian) http://www.unep.org/roe/Publications/tabid/54616/Default.aspx
- UNEP: **Resource Efficiency Economic Outlook** (Available in English and Russian) http://www.grid.unep.ch/products/3_Reports/REEO_for_EECCA.pdf
- UNECE: Review of the National Legislation and Institutional Structures for the Implementation of the Protocol on Strategic Environmental Assessment (SEA) in Azerbaijan (Available in English)

 http://www.unece.org/fileadmin/DAM/env/eia/documents/EaP_GREEN/2_results_comp_3/AZ_SEA_review_5.0_FINAL.pdf
- OECD: **Inventory of Energy Subsidies in EU Eastern Partnership Countries** (Forthcoming in 2015)
- UNECE: Benefits and myths about strategic environmental assessment (brochure, forthcoming at the end of 2015)

On the calendars

Save the Date

- OECD: 7-8 October 2015 Annual meeting of the Environmental Action Programme (EAP) Task Force (Tashkent, Uzbekistan)
- UNECE: 2 November 2015 Sub-regional conference on developing legislative frameworks for the strategic environmental assessment in conformity with the Protocol on SEA (Georgia)
- UNECE: 3-6 November 2015 "Training of Trainers" workshop on the design and delivery of training events on strategic environmental assessment (Georgia)

Planned international meetings in 2015 - 2016

- UNEP: Second Eastern Europe Regional Meeting on the 10 Year Framework of Programmes on Sustainable Consumption and Production Patterns (10YFP) Second quarter of 2015
- UNIDO: Global RECP Networking Conference 12-15 October 2015 (tbc), Switzerland
- EaP GREEN Partners: Participation in the **8th Environment for Europe Ministerial Conference** 8-10 June 2016 (Batumi, Georgia)

Visit the new EaP GREEN website: www.green-economies-eap.org



Key features include: information on recent and upcoming events, topics pages with updates from all implementing partners, and a searchable resource library.

Contacts and further information

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