



**Action funded by
the European Union**

EU4ENVIRONMENT Description of the Action

Abridged version for stakeholder consultations

- **Goals and overall architecture**
- **Relevance of the Action**
- **Targets and Activities**
 - Result 1: Greener decision-making
 - Result 2: Circular economy and new growth opportunities
 - Result 3: An environmental level playing field
 - Result 4: Ecosystem services and livelihoods
 - Result 5: Regional knowledge sharing and coordination
 - Indicative timetable of the Action
- **Methodology**
 - Governance structure
 - Mobilisation and Inception Phase
- **Synergies with other initiatives**
- **Leverage Effect, Sustainability and Exit Strategy**
- **Cross-cutting issues**
- **Indicative Logical Framework**



ANNEX I: Description of the Action

Contract ENI/2018/404-254

This document is Annex 1: Description of the Action for the European Union for Environment programme (EU4Environment) to be implemented by three UN Agencies (UNIDO, UNECE, UN Environment), the OECD and the World Bank. It implements and details the provisions of the Action Document for EU4Environment (ANNEX 3 to Commission Implementing Decision on the ENI East Regional Action Programme 2017 Part 2 (https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/eni_2017_c20177963_regional_action_programme_part_2.pdf)).

1. Goals and overall architecture

This document outlines activities (referred to as the "Action") to implement the "European Union for Environment" (EU4Environment) programme in six Eastern partner countries. The Action partner countries are: Armenia, Azerbaijan, Belarus, Georgia, the Republic of Moldova (hereinafter Moldova), and Ukraine that are members of the Eastern Partnership (hereinafter called "EaP countries"). The **general objective** of EU4Environment is to help the partner countries preserve their natural capital and increase people's environmental well-being by supporting environment-related action, demonstrating and unlocking opportunities for greener growth, and setting mechanisms to better manage environmental risks and impacts.

The Action will contribute to the achievement of targets and milestones identified in the "20 Deliverables for 2020"¹ document, the achievement of shared objectives agreed at the Eastern Partnership Ministerial Meetings on Environment and Climate Change in 2016 and 2018², and the commitments set in the Association Agreements, where relevant, as well as other bilateral cooperation agreements involving the European Union and the partner countries. The Action will be implemented in conjunction with the work of the Eastern Partnership Panel on Environment and Climate Change under the Platform 3 "Connectivity, Energy Efficiency, Environment and Climate Change". A regional work programme will be developed and complemented by country-specific work plans tailored to the concrete needs and commitments of each partner country. The Action will also take full account and contribute to the implementation of the Sustainable Development Goals (SDGs) and the Paris Agreement, as well as relevant multilateral environmental agreements. Experience from the European Union (EU) will be systematically used as reference and input for activities and outputs. EU Member States will be invited to take part in EU4Environment activities.

The Action will be implemented as follows:

- **Objective 1:** Greener Decision-Making and **Objective 2:** Circular Economy and New Growth Opportunities – implemented by three UN partners (UNECE, UN Environment, and UNIDO) under UNIDO coordination (indirect management);
- **Objective 3:** An Environmental Level Playing Field – implemented by OECD (direct management);
- **Objective 4:** Ecosystem Services and Livelihoods – implemented by the World Bank (direct management); and
- **Objective 5:** Knowledge Sharing and Coordination – implemented by OECD, with input from all implementing partners (direct management).

This document defines the overall structure, objectives and general implementation modalities of the Action. It is integral part of the contracts agreed with each Implementing Partner and subject to the conditions of relevant framework agreements when applicable.

The Action will consolidate and scale up reforms that have been launched. It will target both public and private sector actors, aiming at creating a critical mass of capacity for

¹ec.europa.eu/neighbourhood-enlargement/sites/near/files/eap_20_deliverables_for_2020.pdf

²ec.europa.eu/info/news/european-union-and-eastern-partner-countries-strengthen-their-cooperation-environment-circular-economy-and-climate-action-2018-oct-10_en

greener growth. The specific objectives and outcomes of EU4Environment are presented below:

	Objectives	Outcomes
1	Greener decision-making: Further align knowledge, decision-making, and stakeholder interaction mechanisms with environmental imperatives and make political leaders, civil servants and the general public aware and supportive of green growth	Mechanisms strengthened for ensuring integrated environmentally-friendly decision-making at all levels and environmental awareness of economic decision-makers raised
2	Circular economy and new growth opportunities: Scale-up public and private action on circular economy and sustainable production and lifestyles	Incentives strengthened and capacity raised for sustaining positive trends in resource and energy efficiency
3	An environmental level playing field: Improve incentives and governance mechanisms that aim at correcting market failures related to the environment thus ensuring a level playing field in the context of intensified economic exchange with the EU	Distortions of the level playing field for businesses corrected or prevented and administrative capacity improved in the environmental sector with a focus on environmental enforcement, accountability, and better management of public finances related to the environmental sector
4	Ecosystem services and livelihoods: Improve resilience through the preservation of ecosystem services, with a focus on forests and protected areas	Countries' natural capital better conserved and more resilient livelihoods ensured
5	Knowledge sharing and coordination: Facilitate regional knowledge sharing and coordination	Innovative policies and practices diffused through regional interaction; improved metrics and monitoring of green economy and policy reform

The Action's architecture includes five result areas, each containing several outputs as mapped in the following matrix.

Outputs	Lead partner	Key linkages
Result 1. Greener decision-making		
1.1: Green economy ownership, policy coherence and cross-sectorial coordination boosted	UN Environment	All Results
1.2: Sectoral investment planning and comparative analysis of costs and benefits supported	UN Environment	Output 3.3
1.3: Strategic Environmental Assessment and Environmental Impact Assessment further operationalised	UNECE	Outputs 1.1 and 2.5
1.4: Awareness, education and public acceptance of the Green Economy transition supported	UN Environment	All Results
Result 2. Circular economy and new growth opportunities		
2.1: Resource Efficient and Cleaner Production and eco-innovation among SMEs scaled up	UNIDO	Outputs 1.4.; 2.4.; 2.6; 3.3. and 5.1
2.2: Concept and tools of the EU Single Market for Green Products initiative introduced and promoted	UNIDO	Output 2.3.; 3.2; 5.1
2.3: Green Public Procurement and complementary tools operationalized	UN Environment	Output 2.6
2.4: Use of strategic approaches on waste management enabled	UN Environment	Outputs 2.6; 3.2; 3.3
2.5: Reforms in priority green economy sectors supported	UN Environment	All Results
2.6: Ecological value-chain and product innovation	UN Environment	Output 2.3, 3.1
Result 3. An environmental level playing field		
3.1: “Smart” regulation of environmental impacts promoted	OECD	Outputs 2.5; 2.6; 2.1; 3.2
3.2: Environmental compliance assurance and environmental liability regimes strengthened	OECD	Outputs 1.1; 2.1; 3.1
3.3: Domestic public finance, subsidy reforms and public-private partnerships reinforced and private finance mobilised for green investment	OECD	Outputs 1.2 and 4.4
3.4 Administrative capacity for environmental management strengthened	OECD	All Results
Result 4. Ecosystem services and livelihoods		
4.1: A shared network of protected areas involving EU and neighbouring countries launched	World Bank	Outputs 1.1
4.2: Community action on ecosystem services facilitated	World Bank	Outputs 1.1
4.3: Illegal logging and related cross-border trade limited and legal trade promoted	World Bank	Output 2.2; 2.3;
4.4: Effective strategies for funding natural capital conservation defined	World Bank	Output 1.2; 3.3
Result 5. Knowledge sharing and coordination		
5.1: Ensuring action visibility and strategic communication	OECD	All Results
5.2: Regional coordination and oversight	OECD	All Results
5.3: Monitoring of progress at the economy-environment nexus	OECD	All Results

In pursuit of these objectives, UN Environment, UNECE, UNIDO, the World Bank and OECD (“the Implementing Partners”) will focus on producing tangible and achievable results in line with goals, priorities and overall cooperation targets defined through consultations that involved the European Commission, EU Member States, and relevant government authorities and other stakeholders of the partner countries. Such consultations have happened within the cooperation framework that engages the European Union and the partner countries, in particular the Eastern Partnership Panel on Environment and Climate Change. Shared priorities were re-confirmed at the highest level during the Eastern Partnership Summit in November 2017³. Priorities and specific targets to be achieved in the framework of the EU4Environment will be fine-tuned during the inception phase of the programme. The EU4Environment implementation will build on the results of EU-funded projects in 2013-2018.

Special attention will be paid to the trans-boundary and climate adaptation dimensions, which will need to guide the implementation of all specific objectives. Links to national policy processes will be ensured, including through specific national action plans and action governance arrangements. Synergies with other projects, especially those funded by the EU, will be ensured (when relevant).

2. Relevance of the Action

Despite the changing economic structures, energy- and material-inefficient manufacturing and natural resource extraction – have continued to dominate the economies of the region and generate a range of significant environmental impacts. The lion’s share of the region’s economic output is concentrated in two resource-rich EaP countries: Azerbaijan and Ukraine. Other countries (Armenia, Belarus, Georgia and Moldova) do not enjoy the same natural endowments but their industrial base (except Moldova) is still important. Some of the countries are dependent on agriculture, with the sector’s value added reaching 21% in Armenia as share of GDP (higher than the average for the region (13%) and most OECD countries (less than 5%) (OECD.stat).⁴

Following a sharp economic slowdown in 2014-15 in the wake of the oil price collapse, growth started recovering in 2016 in most EaP countries. This was aided by supportive policies, including fiscal stimulus in infrastructure and monetary policy easing in most

³ <https://www.consilium.europa.eu/media/31758/final-statement-st14821en17.pdf>

⁴ <http://stats.oecd.org/index.aspx?lang=fr>

countries.⁵ A broad-based acceleration in the annual growth of 1-3% is expected in 2018-19 with a positive longer-term outlook (EBRD, 2018⁶).

The greater exposure to market forces and opening for international trade have led to important improvements in the level of energy used and emissions generated for each unit of GDP produced. The partner countries also committed themselves to the goal of a transition towards green economy within regional and global cooperation. Thus, the Eastern Partnership Summit Declaration of 2017 states that Summit participants “*emphasize their commitment to transition towards greener, more efficient and sustainable economies and to enhanced climate change adaptation and mitigation efforts, as well as to addressing environmental challenges*”,⁷ At the national level green economy and sustainable development have been recognised as “guiding principles” in several national development strategies.

Although some elements exist, no country has a full-fledged and functional green planning and decision-making system that effectively serves for aligning policy, technological, and investment decisions and actions. From a green growth perspective, the main challenge for the region is to transform natural wealth into other forms of capital and, to boost the productivity and competitiveness of economies, and to invest in education and infrastructure without compromising environmental objectives.

In the context of expected accelerated economic growth environmental action and economy greening can, and should, be promoted to increase societies’ wealth. Greening the economy creates opportunities for the region, e.g. through resource and energy efficiency, waste recycling, cleaner transport, organic agriculture, etc. Promoting new sectors and business models can result in economic diversification, increased competitiveness and access to new markets. Greener economy and preserved ecosystem services are important factors of resilience, especially at community level, as well as peace and security in the region.

For the countries with signed Association Agreements – Georgia, Moldova, and Ukraine – the process of approximation to the EU environmental directives drives important policy and legal reforms hence the need for intensive work on such reforms which will be supported by this Action. Similarly, the EU-Armenia Comprehensive and Enhanced Partnership Agreement (CEPA) will guide the activities related to regulatory reform and institutional building.

Awareness of benefits stemming from greener growth remains limited among corporate and public sector decision-makers in the region resulting in a lack of strategic vision, financial risks, negative environmental impacts, and distrust by citizens. This also erodes government credibility and effectiveness. Although to a varying extent, the six partner countries face important challenges related to environmental governance. There is often a weak evidence base for decision-making. When information is available, its use by policy-makers is insufficient, especially at the nexus of economic and environmental goals. People

⁵ In Ukraine, for example, government stabilization efforts, supported by international financial institutions and favourable conditions for agriculture crops, led to a sharp rebound in growth to 2.3%, following a cumulative 16% contraction in 2014-15. In contrast, growth in Azerbaijan declined from 1.1% in 2015 to negative 3.8% in 2016 amid contraction in the non-oil sector. This, in part, reflected credit constraints as currency devaluations in 2015 strained the solvency of banks in Azerbaijan’s highly dollarized banking system. Other countries enjoyed economic growth, from a modest level of 0.2% in Armenia in 2016 to 2-4% in the remaining countries of the region (EBRD, 2018).

⁶ <https://www.ebrd.com/what-we-do/economic-research-and-data/data/forecasts-macro-data-transition-indicators.html>

⁷ <https://www.consilium.europa.eu/media/31758/final-statement-st14821en17.pdf>

are unaware of benefits that greener growth could offer them individually and collectively. Public participation, transparency, and accountability remain at the level of procedural requirements rather than routine practice. Consultations with those who are likely to be affected by the public policy lack impact. Policy implementation is inefficient and exposed to funding gaps. Sometimes deficient inter-ministerial and cross-sectorial co-ordination affects coherence between policies thus reducing the credibility and benefits of policy action. Furthermore, frequent changes in regulatory and economic incentives discourage the private sector to invest in greening their businesses. For upholding the green economy transition on national political agendas, it is necessary to foster the understanding of its social, environmental and economic benefits. This also requires enhancing knowledge and transparency of information and decision-making, develop analytical skills in the public sector, as well as strengthen inter-sectorial and inter-ministerial co-ordination and public-private partnerships. It is also important to educate the public at large and improve public participation in planning and decision-making. Involving institutions responsible for horizontal public administration reforms is crucial.

The significance of environmental assessments that should accompany sector or project level development and investment is poorly understood. Therefore, the application of strategic environmental assessment to economic development planning remains sporadic despite progress in establishing national legislation providing for it. Also, the application of environmental impact assessment (EIA) at the project-level is erratic, in particular in transboundary context, resulting in environmentally and financially unsustainable investments and weak international cooperation.

Progress has been made in demonstrating opportunities for greener development in partner countries. For example, thanks to previous EU support, SMEs across the region are aware of green economy opportunities and have started using them. Resource Efficiency and Cleaner Production Clubs are active in all six countries following support from the EaP GREEN project. With EU support, EaP countries (notably Moldova and Ukraine) developed sustainable public procurement policies and the capacity of public procurement agencies was enhanced through training programmes. Organic agriculture production was promoted thanks to trade fairs for exporters and capacity building on the export market, as well as domestic market development through public procurement, training and market fairs. There is demand for continued support within the enterprise sector, including along value chains, to harness green economy opportunities. Assistance is needed for the adoption of new business models and development of realistic business plans. More efforts are needed for greening supply chains and small businesses and for promoting environmentally-friendly lifestyles. The EU Circular Economy Package can provide a useful framework in this context. Shifting public spending towards more sustainable goods and services can help drive markets in the direction of innovation and sustainability, and foster the transition to a green economy.

Although progress was made to address waste challenges through development of comprehensive sustainable waste management strategies, there are still much to be done for the implementation. Reuse and recycling of waste are limited, yet some initiatives are on-going.

Eco-innovation is one of the key enabling instruments identified by the EU for the transition to a more resource-efficient economy. Eco-innovation has helped SMEs find solutions to recover precious metals from high-tech devices that would have otherwise been lost, helped identify ways to treat waste waters and re-use them in agriculture, facilitated the design of new solutions to reduce the use of raw materials or supported novel ways to extend the life of products.

Preserving natural capital is vital for development. Ecosystems provide important services, such as carbon sequestration, pollination, or water purification, to name a few. The establishment of a coherent system of protected sites by building up the Emerald Network has been an important contributor towards natural capital preservation. As of 2020, the Emerald Network together with the EU Natura2000 sites shall form shared pan-European nature protection space. Further support is necessary for strengthening countries' capacities to plan conservation objectives and manage their Emerald network sites and monitor and report on conservation status according to European standards. Also, the objective of effectively fighting illegal logging and ensuring legal timber trade, while involving communities in forest conservation, is important. The issue of imports into the EU of illegal timber from the region is a growing concern amongst EU Member States competent authorities in charge of the EU Timber Regulation. Experience has already been gained within the "Forest Law Enforcement and Governance" (FLEG) Programme's two phases. While the programme has supported a range of activities relating to the sustainable use of forest resources, today one needs to strengthen its contribution towards addressing illegal logging and ensuring legal timber trade, and extend its scope to cover issues such as local communities' resilience.

3. Targets and Activities

The general objective of EU4Environment is to help the partner countries preserve their natural capital and increase people's environmental well-being by supporting environment-related action, demonstrating and unlocking opportunities for greener growth, and setting mechanisms to better manage environmental risks and impacts. The current Section 3 details expected results more specifically and how they will be achieved. Section 3 is complemented by a Logframe Matrix (see Appendix 1). They also identify the quantitative and qualitative indicators of the Action and, to the extent possible, the targets to be reached for the following three types of results:

- Wider progress made by partner countries towards greener growth, setting the context within which EU assistance operates (impact indicators);
- Partner countries' public and private sectors results to which the EU support will have contributed through EU4Environment (outcome indicators);
- The Action's planned outputs and results (output indicators).

These indicators are aligned with the EU International Cooperation and Development Results Framework, which reflects the EU priorities and the international objectives defined in the Agenda 2030 for Sustainable Development. Furthermore, EU4Environment impact indicators will be in synch with Green Growth Indicators to be monitored under Result 5. The Action's outcome indicators will be fine-tuned with the partner countries during the inception phase in order to validate their feasibility in a context that may have seen changes. The role of the partner countries is crucial in firming up and achieving targets established in relation to both impact and outcome indicators. The implementing partners will establish country by country priorities, through consultations that involved the European Commission, EU Member States, and relevant government authorities and other stakeholders of the partner countries".

Result 1: Greener decision-making

This result area aims at further aligning knowledge, decision-making, and stakeholder interaction mechanisms with environmental imperatives and making political leaders, civil servants and the general public aware and supportive of green growth. The following key *outcome targets* are set in relation to Result 1):

- Participatory result-focused mechanisms for ensuring integrated environmentally-friendly decision-making established and sustained in at least 3 countries;
- Up to 40 civil servants in line ministries, taking full account of gender balance, are able to apply green economy concepts in their work following the in-depth training provided;
- Some 50% of relevant civil servants had access to green economy training courses;
- Evidence-based investment needs identified in at least 3 additional countries;
- At least 5 countries have legislative frameworks on strategic environmental assessment (SEA) and transboundary environmental impact assessment (EIA) that fully comply with relevant international requirements and implementation capacities for applying a fully-fledged SEA process that are adequate ;
- Sound basis established for structured awareness raising and educational action in support of green economy and sustainable lifestyles in at least three countries and some 4 million people reached through awareness raising.

Output 1.1: Green economy ownership, policy coherence and cross-sectorial coordination boosted

Output 1.1 will strengthen the ownership, policy coherence and cross-sectorial coordination for advancing green economy. Building on achievements under the EaP GREEN project and in coordination with EU4Business⁸, work will continue supporting result-oriented policy dialogue on green economy. Existing inter-ministerial platforms will be used in this context. Such platforms could also contribute to monitor the EU4Environment implementation as well as the progress of the countries' commitment on the implementation of Green Economy policies under the pan-European Strategic Framework on Greening Economies – the Batumi Initiative on Green Economy (BIG-E). Analytical support for cross-sectorial review of strategies and policies will also be provided to ensure the integration of green economy elements into strategies and policies. The Action will also enhance the knowledge of the administration, targeting 50% of relevant civil servants, which will be defined during the inception phase, by providing training on green economy.

Several activities will be carried out, resulting in outputs as described below:

Activity 1.1.1: Survey and large-scale training of public sector employees

- Designing and conducting a survey of public servants related to their knowledge and skills in green economy;
- Preparing and disseminating communication materials, such as infographics and brochures, to explain the GE/SCP approaches and available tools targeting policy makers and stakeholders – with the largest possible outreach, including via social media;
- Liaising with training institutes for public servants to introduce courses on green economy in up to 4 countries.

⁸ EU4Business is an EU initiative that helps SMEs in the six countries of the Eastern Partnership region to realise their full potential and boost economic growth. <http://www.eu4business.eu/>

- Preparing and running an online course, covering diverse green economy-related policy options and tools that would enable key staff in line ministries and possibly local public administration to reach multipliers for green economy transition
- Communicating about and inviting to related trainings on GE/SCP topics, e.g. webinars, with target to reach out to about 50% of relevant civil servants, which will be defined during the inception phase.

Activity 1.1.2: Fitness tests of relevant policy documents and policy proposals

- Provision of technical assistance and analytical support to assess existing and proposed policy documents as concerns their fitness in enabling green economy and sustainable consumption and production approaches. [This assessment will be done by staff in line ministries that take part in the training under Activity 1.1.1]
- Support to facilitate peer reviewing of new development strategies and policies.

Activity 1.1.3: Facilitation of National Policy Dialogues on Green Economy

At least 4 countries will benefit from such support, including:

- Expert input to the establishment of coordination mechanisms in additional 3 countries;
- Expert and logistical support for agenda setting and organisation of 3-4 meetings of the inter-ministerial coordination groups per year in four countries;
- Enabling high-level involvement in policy dialogue;
- Expert support for substantive preparation of each meeting, including preparation of analytical and monitoring reports;
- Support for communication on the implementation of Green Economy plans and programmes, including via social media;
- Provision of support to EU4Environment National Focal Points.

Output 1.2: Sectoral investment planning and comparative analysis supported

Output 1.2 aims to assist the governments with assessing the investment needs for specific green growth areas/sectors in at least 3 countries. Based on these assessments, advice in the form of *investment strategy proposals* will be provided in close cooperation with relevant government entities. This will support countries with identifying public and private sector funding for green investment, taking into consideration priorities of the EU External Investment Plan, the Neighbourhood Investment Platform (NIP), the Eastern Europe Energy Efficiency and Environment Partnership (E5P), and in coordination with IFIs, building on previous work done with EU support. The objective of this activity will be to assess financing needs and provide recommendations for financing strategies combining public and private sector funds. This activity will be fully coordinated with Activity 3.3.1 “Greening public expenditure” to avoid overlaps and duplication. Output 1.2 will help countries identify national investment gaps that might lead to specific investment programmes, while Activity 3.3.1. may follow already identified green economy investment programmes and focusses on estimating their specific costs. The results and lessons learned related to this activity will be fed into Activity 3.3.4: National and regional policy dialogues on green finance and investment.

Activity 1.2.1: Investment needs assessment in priority sectors

- Agreeing on specific area/sector for assessment in at least 3 countries in consultation with the partner countries and the European Commission;
- Conducting the needs assessment and developing needs assessment reports;

- Facilitating consultations on the outcomes of needs assessment and deciding on follow-up.

Activity 1.2.2: Development of investment strategy proposals or action plans

- In-depth analysis of funding opportunities and pre-conditions to access them;
- Development of recommendations on financing options;
- Validation of analysis and endorsement by the government;
- Follow-up communication with relevant stakeholders.

Output 1.3: Strategic Environmental Assessment (SEA) and Environmental Impact Assessment (EIA) further operationalized

Output 1.3 is expected to reinforce and to sustain the results achieved under the EaP GREEN project by ensuring that the newly established national legislative frameworks on SEA and EIA are complemented with detailed secondary regulations, as relevant; fully aligned with the relevant EU Directives, the UNECE Protocol on SEA and the Convention on EIA in a Transboundary Context (Espoo Convention) ; and systematically and effectively applied by the partner countries. In addition to preventing and mitigating environmental and health impacts of economic development, the output is expected to improve environmental governance, by contributing to more informed, transparent, participatory and accountable planning and decision-making.

Countries will be assisted to further consolidate their national legislation to reach full compliance with the international requirements (the Protocol on SEA; the Espoo Convention and the EU directives on SEA and EIA) and to build adequate capacities for the effective and systematic application of SEA and transboundary EIA, including introduction to relevant supporting tools (databases/registers). The aim is to reach these targets in at least five countries. This will contribute to preventing and mitigating environmental and health impacts of economic growth; and improve environmental governance by enhancing transparency of decision-making, cross-sectoral cooperation and public participation.

The output focuses mainly on SEA, which is considered more impactful for greening economic growth and significantly less developed than the project level assessments in the partner countries. In addition, EIA in a transboundary context, will be addressed, where relevant, as it requires further improvement in several countries, including with respect to public participation and stakeholder consultations.

The activities will include the following:

Activity 1.3.1: Assistance for finalizing the legal reforms on SEA and on transboundary EIA

- Legal drafting, in particular in Armenia, Azerbaijan, Belarus, and the Republic of Moldova (to amend primary legislation to fully align it and/or to develop/finalize secondary implementing legislation);
- One national awareness raising event in each beneficiary country to promote the adoption of the legislation, where relevant, or its further elaboration and/or implementation.

Activity 1.3.2: Comprehensive capacity and institutional building

A package of the following interlinked activities targeting the six partner countries will be implemented, including:

- Five pilots on SEA (or, as required, on transboundary EIA) to provide hands-on learning for applying SEA to draft government plans (involving analytical and consultative tasks, and, as needed, including methodological coaching to the competent authority on the quality control of the reports). The European Union Delegations to the partner countries and, via the EU Operational Manager, other relevant services of the European Commission will be consulted on the selection of pilots and discussions of pre-conditions for their implementation;
- Six sector or issue specific guidelines on SEA to complement the existing national guidance documents on SEA, taking full account of and providing value added in comparison with the EU's Guidelines No 6: Integrating the environment and climate change into EU international cooperation and development towards sustainable development (including sector-specific checklists).
- Two training workshops on SEA in each beneficiary country addressing (depending on the specific needs of the beneficiary country): Sectoral authorities at national and local levels; environmental and health authorities (regarding overall coordination, expert inputs, quality control), and/or practitioners (regarding conducting analyses, drafting reports, organising efficient consultations). Use of webinars will be considered in order to enlarge the audience of the training. If requested, instead of training workshops, permanent national training schemes on SEA and EIA will be promoted in at least two countries;
- Comprehensive awareness raising activities to promote the application of SEA (and transboundary EIA) in accordance with the national legislation, involving:
 - Defining the targets and instruments of each awareness event in consultation with the relevant services of the European Commission (via the EU Operational Manager) and in cooperation with relevant EU-funded projects;
 - Organizing at least one awareness raising event in each beneficiary country for specific target groups (e.g. local or sectoral authorities);
 - Preparing a video on transboundary EIA and its benefits in English and in the national languages of the partner countries;
 - Developing other awareness raising materials on SEA and/or transboundary EIA to provide good practice examples (e.g. regarding public participation, role of environmental assessment in decision-making etc.)
- Up to two sub-regional events to facilitate information exchange and experience sharing among the beneficiary countries and with the EU/UNECE countries (including training of trainers workshops and/or study tours).
- A model for a SEA database to support application of SEA procedures and thus overall efficiency of the national SEA systems in the beneficiary countries (including a roster of SEA/EIA practitioners; a register of undergoing SEA/transboundary EIA procedures; and related documentation).

Output 1.4: Awareness, education and public acceptance of the Green Economy transition supported

Output 1.4 will work with governments, universities, schools and civil society in at least three countries to raise awareness and develop education programmes in support of sustainable lifestyles. The action will promote the inclusion and mainstreaming of sustainable development (SD) and sustainable consumption and production (SCP) in education courses and lectures on green economy (GE) in partner universities. The Action also aims to ensure broader awareness and acceptance of the green economy approach by citizens through awareness-raising campaigns which will be a package of different communication products and channels – e.g., TED Talks, social media, and possibly TV campaigns etc. - and will engage journalists, project beneficiaries and the public at large in communicating impact and changes on the ground to illustrate the benefits and

opportunities that a green and circular economy will bring to people. This will build on previous campaigns implemented by the EU OPEN Programme or through country-specific work, and will be done in cooperation with the EaP Civil Society Forum.

Activity 1.4.1: Implementation of educational courses

- Mapping availability and needs of GE/SCP/SD education materials, course, curricular in collaboration with UNECE and other partners;
- Presentation of the results of the mapping exercise at a regional consultation for sustainable development for the discussion of possible integration for GE/SCP/SD into curricula;
- Offer online green economy courses for 6 countries, where possible with workshops at the end of this self-paced learning course;
- Support the development of courses or organization of lecture series on Green Economy by universities targeting undergraduate and postgraduate students of economics, business studies, environment policy and other relevant disciplines.

Activity 1.4.2: Awareness raising campaigns for general public

- Design a strategic regional and national (for selected counties) awareness-raising campaign based on conducted research and in consultation with the European Commission and the OPEN programme.
- Develop/adopt campaign materials for various communication channels;
- Launch and implement the campaign in selected countries, in collaboration with Ministry of Environment, national NGOs, youth groups, journalists, and a wide range of other associations and networks, building on the networks and experience of campaigns conducted by the OPEN programme.

Result 2: Circular economy and new growth opportunities

This result area will scale-up public and private action on circular economy and sustainable production and lifestyles. In its work with the private sector, it will scale up Resource Efficient and Cleaner Production (RECP) as well as ecological value chain and product innovation among about 200 SMEs of the EaP countries. From the regulatory side, it will also promote EU concepts and tools related to the Single Market for Green Products (SMGP) of the EU, operationalise Green Public Procurement and complementary tools, enable using strategic approaches on waste management and support reforms in priority green economy sectors.

The following *key outcome and output targets* are set in relation to Result 2:

- New RECP clubs of enterprises will be established in 2 additional regions of each country
- At least another 60 SMEs will be assessed according to the RECP methodology options;
- In at least 2 regions of EaP countries analysis and preparatory work will be conducted for establishment of eco-industrial parks (EIPs);
- “Waste maps” in 3-5 municipalities of selected countries will be prepared and industries with potential for remanufacturing and recycling will be identified;
- Key sectors and companies with potential of trading circular economy goods and services to the EU will be identified in all six countries;
- At least 10 SMEs will test international labelling practices to increase awareness of opportunities and benefits of life-cycle assessment and labelling of export-oriented products

- Policies and tools for sustainable public procurement will be made operational in up to 4 countries;
- Establishment of National eco-labelling systems supported according to the Global Eco-labelling Network protocol and/or existing systems aligned with EU-labels in 2- 4 countries;
- Capacity built with procurement authorities and SMEs/businesses on eco-labelling and environmental standards and on the use of eco-labels for sustainable public procurement;
- Training provided to businesses to respond to public tenders and access to eco-labelling;
- Public tenders launched for sustainable product groups (at least 20 new pilot tenders);
- Awareness on the benefits from SPP raised among up to 400 companies and stakeholders including local authorities;
- Process initiated to establish new Extended Producers Responsibility schemes for identified priority product groups in up to additional 3 countries;
- Policy reform processes in priority green economy sectors supported in up to three countries;
- Development of business strategy/plans based on the eco-innovation approach facilitated for 15-20 SMEs;
- Capacity of public institutions, national technical institutions and SMEs on eco-innovation approach enhanced in additional 2 countries.

Output 2.1: Resource Efficient and Cleaner Production among SMEs scaled up

Output 2.1 is focused on further Resource Efficient and Cleaner Production (RECP) implementation and scaling up among SMEs. This will include: replicating RECP clubs of enterprises in new municipalities and regions; further supporting the institutionalization of RECP services; extending capacity on RECP among experts and demonstrating it at selected manufacturing enterprises. The scope of support will go beyond introducing the RECP methodology and practices to include additional approaches such as Circular Economy (CE) and Eco-Industrial Parks (EIPs), building on the experience established in the country with EU support through EaP GREEN programme and scaling up resource efficiency to a new level. As a means of introducing circular economy principles, EU4Environment will aim at assessing waste sources from production activities available in the key sectors and identify recycling options (waste to source) where circular economy models can be demonstrated introducing tools such “waste maps” on a pilot basis.

More specifically, this output will expand the pool of national experts; increase the number of demonstration cases; scale up RECP application through Clubs; and introduce advanced RECP concepts and approaches like eco-industrial parks and elements of circular economy. National capacity to implement RECP will be further built through strengthening support institutions, raising awareness about RECP benefits and sharing knowledge on how RECP could be implemented in national conditions.

Specific activities would be performed to build capacity and enhance awareness about RECP, namely:

Activity 2.1.1: Eco-industrial parks feasibility

- Conducting an analysis of existing industrial parks and assessing possible ways to incorporate best practices for upgrading them to eco-industrial parks.
- Developing a set of recommendations to “green” existing parks in at least two regions of selected EaP countries.

Activity 2.1.2: Supporting RECP Clubs

- Identifying two additional municipalities in each EaP country to host a customized, group-based replication programme guiding SMEs already known in the region as RECP Clubs (total of 12 new RECP Clubs in the region will be established, achieving programme completion by at least 15 additional SMEs per country); further extending, hands-on peer exchange training of a group of 7-10 new SMEs in each RECP club providing individual expert coaching to each enterprise;
- Providing incentives for companies' owners participation to encourage RECP commitment and investments from own business resources.

Strategies of Clubs expansion together with training and coaching materials and tools developed in each EaP country as a result of EaP GREEN program will be used for this activity. Where possible, Club members' interactions at the regional (EaP) level as well as exchange of experience and visits to other clubs for the most innovative companies will be explored using other financial mechanisms for study tours and expertise exchange of the EU (TAIEX etc.).

Activity 2.1.3: Promoting Circular Economy – Waste mapping in municipalities

- Promoting RECP-centered approaches, concepts of CE, and its models and benefits organizing at least four customized thematic events in four selected countries;
- Conducting an assessment of waste sources from production activities and identifying recycling options applicable to national conditions in selected 3-5 municipalities;
- Preparing waste maps in pilot municipalities;
- Identifying related industries with potential for remanufacturing and recycling of those wastes.

Activity 2.1.4: Training national experts

- Identifying and selecting additional national experts with demonstrated experience in service delivery to enterprises and understanding of environment and energy issues from technical and/or business institutions (e.g. universities, regional development agencies, chambers, industry associations, or private consultants);
- Training additional national experts on the RECP assessment methodology and execution of RECP assessment(s) for manufacturing SMEs utilizing the UNIDO CP toolkit and other relevant resources;
- Stimulating application of identified RECP measures through award of UNIDO RECP participation certificates (upon presentation of a successfully completed RECP assessments) to the trainee experts as well as to the participating SMEs (upon implementation of identified RECP measures);
- Identifying advanced training needs and offering and conducting specialised trainings on advanced technological solutions and specialized RECP topics (where appropriate jointly with UN Environment, e.g. on responsible production);
- Assessing needs and providing trainings on management and entrepreneurship topics (e.g. financing, production economics, industrial maintenance, etc.) in selected countries to strengthen companies' capacities to implement RECP.

Synergies with the activities on educational courses of the present (led by the UN Environment), as well as on green financing (led by OECD) will be ensured.

Activity 2.1.5: Additional RECP Assessments

- Identifying and selecting additional manufacturing SMEs willing to demonstrate benefits of applying RECP methodology covering key manufacturing sectors selected in consultation with the national governments;
- Guiding local experts in conducting RECP assessments in 60 demonstration SMEs;
- Supporting trainee experts in identifying, evaluating and promoting application of customized RECP measures in demonstration SMEs, including (optionally) techno-economic evaluation for the identification of financing opportunities for RECP;
- Monitoring the economic and environmental benefits attained from RECP implementation to prepare and disseminate RECP business cases and success stories;

Experiences gained from the demonstration projects will be reviewed to identify barriers and enablers for implementation and input to the other components of the EU4Environment Programme. Coordination with work done under EU4Business and the DCFTA (Deep and Comprehensive Free Trade Area) SME Direct Support Facility in particular will be ensured.

Activity 2.1.6: Raising awareness and sharing knowledge

- Organizing communication activities to improve awareness and understanding of country-specific RECP opportunities and benefits;
- Preparing and disseminating sector-specific information materials and business cases of RECP application to further develop market demand for the RECP services.
- Where not yet done, developing and running knowledge-sharing platforms to exchange experience among RECP experts to support the professional and institutional development of RECP;
- Organizing three regional events of key national RECP experts (kick off, mid-way and final) to exchange experience among EaP countries in consultation with the European Commission and EU4Business;
- Establishing linkages with existing online networking structures like the RECPnet, the Green Growth Knowledge Platform (GGKP) and others.

Activity 2.1.7: Further institutionalising RECP

- Further support existing and identify additional local partners capable of developing and implementing an organizational arrangement that fosters collaboration, advocacy and sharing of best practices on RECP among the national experts in each EaP country;
- Engaging focal or coordination point in governments (e.g. industrial development agency) or industry associations, in setting up and/or sustaining an association of RECP service providers or a national RECP unit/centre in a suitably qualified and reputable national institution;
- Encouraging established and emerging RECP centres to serve as coordination nodes for RECP Clubs and their member/alumni SMEs.

Output 2.2: Concept and tools of the EU Single Market for Green Products (SMGP) initiative introduced and promoted

Output 2.2 is expected to build on the results of the EaP GREEN program and introduce tools of the EU Single Market for Green Products (SMGP) initiative in the region. It will raise awareness about the initiative, identify feasibility and applicability of the Product Environmental Footprint (PEF) tool and test the PEF tool. Capacity is going to be built in

interested export-oriented industries. Introduction of SMGP initiative in selected EaP countries will be organized with a focus on awareness and capacity building on benefits of life-cycle assessment (LCA) and labelling as key SMGP drivers. Potential for application of LCA as means of SMGP initiative application is going to be reviewed, analysed and promoted with a focus on export-oriented industries of selected countries. The following activities will be implemented in this regard.

Activity 2.2.1: Mapping of existing practices and barriers for existing labelling schemes

- Conducting a study of available eco-labelling practices in the EaP countries;
- Developing recommendations for the manufacturing sector of selected countries using, among others, the global experience of UN Environment on eco-labelling.

Synergies with activity 2.3.1.1., which conducts national eco-labelling assessments for up to 3 countries (led by the UN Environment), will be created. These findings, as well as the results of national eco-labelling studies developed under EaP GREEN will inform this mapping exercise.

Activity 2.2.2: Awareness and understanding of SMGP opportunities and benefits

- Preparing and organizing awareness raising events-series of trainings to promote SMGP understanding with a focus on its benefits for interested stakeholders from business, government, civil society and academic sectors
- Identifying synergies with other production and EU-market oriented events and ensuring collaboration with other national and regional business initiatives.

Activity 2.2.3: Piloting product environmental footprint (PEF) in selected industries

- Identifying at least 10 enterprises from priority export-oriented industries of selected EaP countries;
- Performing analysis of capacities of selected enterprises to apply PEF. Existing analytical documents (including OECD-led reports), recent and on-going project related to export-oriented industries and enterprises in the EaP region (i.e. EU4Business) will be used for synergy and reference whenever possible.
- Testing a pilot application of the PEF methodology.

Output 2.3: Sustainable Public Procurement and complementary tools operationalized

Shifting public spending towards more sustainable goods and services can help drive markets in the direction of innovation and sustainability, and foster the transition to a green economy. Two countries, notably Moldova and Ukraine, under the EaP GREEN project developed sustainable public procurement (SPP) policies and launched 30 pilot tenders for identified priority goods. Building on previous policy support and pilot projects, Output 2.3 will support the development and implementation of SPP policies and/or tools for the implementation in four countries. The action assists the countries to launch at least 20 new pilot tenders through technical assistance to the development of sustainability criteria, procurement guidelines, verification schemes and training. The support will culminate with the launch of at least 20 pilot tenders.

The action also supports the establishment of national eco-labelling systems according to the Global Eco-Labelling Network protocol and/or existing systems aligned with EU-labels in at least 2 countries in support of SPP. This will be done through a combination of awareness raising, capacity building, technical assistance, and consultation activities engaging various stakeholders along the supply chain and in Ministries. The action will reach out to 400 companies and stakeholders to raise their awareness on the benefits

Priority sectors will be defined during the project implementation period in consultation with the partner countries and relevant services of the European Commission.

Activity 2.3.1: Conduct assessments and develop policies for SPP and eco-labelling systems

- Conduct national SPP assessment of the policy, legal, regulatory and institutional gaps for inserting sustainability objectives in the procurement process.
- Conduct assessment of existing eco-labelling systems, jointly with UNIDO (Activity 2.2.1.1)
- Assist selected beneficiary countries to review or develop new SPP policies, laws and regulations, manuals and guidelines for sustainability criteria for priority product groups to implement SPP and eco-labelling.
- Conduct prioritization exercises (in order to identify key products and service areas on which the activities will be focused) and market readiness analysis to identify the potential responsiveness of the market to supply sustainable goods and services for SPP tenders, including the use of eco-labelling systems.
- Assist countries (procurement authorities) to launch new pilot tenders for priority goods and services in selected countries and assess the results.
- Assist selected beneficiary countries to establish and implement eco-labelling systems by harmonization with existing programmes (GENICES protocol or equivalent protocol designed to enhance credibility of the eco-labelling programme and cooperation or mutual recognition with other eco-labelling schemes) through provision of advisory service and development of roadmaps.

Activity 2.3.2: Capacity development of business sectors to respond public tenders and access to eco-labelling

- Conduct training workshops for the business sector, including SME's and business associations, to build capacity of businesses to respond to public tenders;
- Provide training and technical assistance for business related to eco-labelling for SPP.
- Disseminate information on SPP and eco-labelling to business and stakeholders raise their awareness on their benefits

Output 2.4: The use of strategic approaches on waste management enabled

Addressing countries' overarching waste management challenges, the Action will contribute to develop comprehensive sustainable waste management policies and policy instruments, responding to the request of countries. The Action will support additional 2 countries to develop a national action plan for the implementation of sustainable waste strategies. In order to apply a circular economy approach, the Action will support the Extended Producers Responsibility (EPR) schemes for priority product streams, for example electric and electronic equipment waste, end of life vehicles, or packaging in up to 3 countries. The design of the EPR scheme will ensure the compliance with international agreements, e.g. the Basel Convention, and foster innovation, entrepreneurship and changes in consumption and production patterns of the product group subject to EPR. The activities will build on EPR systems set up in the region, for example, e-waste for Ukraine, packaging waste for Belarus, and the experience from EU Member States, the action will assist countries with analytical studies. Work done under the EaP GREEN project and with TAIEX and Twinning support will also be fully integrated. Coordination with IFIs, especially as concerned projects implemented with E5P and NIP support will be ensured. Materials previously developed by the EU-funded Waste Governance Project will be consulted and taken into account. Furthermore, the implementing partners will consider

recent relevant outputs developed in conjunction with the Shared Environmental Information System, especially the country factsheets (overview of existing situation with respect to waste statistics), country data validation reports, regional data validation report, guidance on the estimation of uncollected waste).

Activity 2.4.1 Develop draft of action plan for national waste management through technical assistance and stakeholder consultation in up to 2 new countries

- Provide technical assistance to develop a draft action plan for the implementation of a national waste management strategy.
- Consultations with regional authorities, industry associations, civil society and others to provide inputs to the preparation of action plans.

Activity 2.4.2: Initiating the establishment of Extended Producers Responsibility schemes

- Organise stakeholder consultations to identify priority product groups based on needs and existing national strategies;
- Prepare studies to analyse the policy, legal and institutional gaps for the establishment of EPR schemes for priority product groups;
- Provide advisory services on design of ERP schemes, which will strengthen the circular economy, harness opportunities for innovation, and ensure congruence with EU legislation and international agreements, e.g. the Basel Convention.
- Support the development of draft laws necessary for the implementation of EPR, if applicable.
- Organize capacity building workshops on EPR targeting line ministries, local authorities, industry, civil society and other key stakeholders.

Output 2.5: Reforms in priority sectors for green transformation supported

Output 2.5 focuses on supporting countries' reforms in priority green economy sectors which were identified through various green economy related assessments and green economy action plans/programmes developed under the EaP GREEN project. Such sectors include, for example, agriculture/food, construction, tourism, and regional development. The sectors subject to the investment study (Output 1.2), the EPR assessment (Output 2.5), and the eco-innovation assessment (Output 2.6) may also be chosen for this action. In order to fully capture the green development potential of these sectors, the action will provide technical assistance for reforming and introducing enabling policies, policy instruments and legal changes to support the transformation of priorities sectors in up to 3 countries. Links to structural reforms in EaP countries and the greening of European Semester will be ensured.

Activity 2.5.1: Identify priority sectors for policy reform, suitable policy instruments and support needs in stakeholder consultations

- Identify priority sector for reform or adjustment, based on the green economy assessment developed under EaP GREEN project and other documents as mentioned above and through consultation with ministries, key stakeholders, and the inter-ministerial working group.

Activity 2.5.2: Support introduction/adjustment of policy tools

- Identify links to macro-economic reforms;
- Identify relevant experience from the EU, in particular as part of the process of greening of the European Semester;

- Provide technical assistance for the elaboration and introduction of enabling policies, policy instruments and legal changes, to support the transformation of the identified priority sector, depending on the specific country context.

Output 2.6 Ecological value-chain and product innovation

Eco-innovation is one of the key enabling instruments identified by the EU for the transition to a more resource-efficient economy. Eco-innovation has: helped SMEs find solutions to recover precious metals from high-tech devices that would have otherwise been lost; identified ways to treat waste waters and re-use them in agriculture; and facilitated the design of new solutions to reduce the use of raw materials or supported novel ways to extend the life of products. In line with available tools and approaches and building on RECP assessment conducted under the EaP GREEN project, Output 2.6 aims to assist 15-20 SMEs to evaluate their position in the value chain, by analysing the hotspots that affect their business, and to seek innovative solutions in collaboration with value chain partners to strengthen their market position and competitiveness. Public institutions, national technical institutions and SMEs are trained on eco-innovation and, where applicable, related business strategies/plans are developed for selected SMEs based on the eco-innovation potential.

Activity 2.6.1: Organize national trainings on sustainable production/eco-innovation approach

- Introduce the eco-innovation approach in up to 4 countries (workshop may be organized back to back with UNIDO's RECP workshops),
- Select 2 countries to participate in ecological value-chain and product innovation activities.
- Conduct workshops to train business and government on eco-innovation approach in above 2 countries.

Activity 2.6.2: Conduct market assessment for the selected sectors and policy analysis to enhance eco-innovation potentials

- Conduct a market assessment for selected sectors (including collection of gender disaggregated information). The assessment will be built on the RECP assessment and sectoral studies developed by UNIDO.
- Analyse eco-innovation policies and policy instruments
- Present the results of the analysis for review at an inter-ministerial policy dialogue platform.

Activity 2.6.3: Assess selected companies' potential for eco-innovation and, if applicable, provide advisory services for business strategies/plan development for eco-innovation

- Select national technical institutes, in consultation with the government for advisory service.
- Provide training to the institutes to strengthen its technical capacity to lead eco-innovation work.
- Identify companies through a nation-wide call for proposals
- International experts and national institutions jointly assess the eco-innovation potential of current production processes of selected companies.
- Assist with developing business strategies for SMEs on a case-by-case basis.

Activity 2.6.4: Awareness raising activity carried out among business sector and government

- Develop and distribute information materials for example, video or infographics,
- Facilitate the participation of selected industry representatives (business associations) in a technical fair to enhance understanding of the global/regional market opportunities and most advanced technological options.

Result 3: An environmental level playing field

This specific Result aims to improve incentives and governance mechanisms that can correct market failures related to the environment thus ensuring a level playing field in the context of intensified economic exchange with the EU. The activities are expected to deliver advanced revisions of the regulations and procedures for managing emissions from large sources and SMEs, using the approaches of the EU Industrial Emissions Directive (IED) in up to four countries and launching the process in two others. This will be implemented together with advanced reform of regional and national enforcement/non-compliance systems and instruments with mandatory requirements and drawing up inspection plans accordingly to the EU IED. The requirements and timelines of the three Association Agreements (AAs) and the EU-Armenia Comprehensive and Enhanced Partnership Agreement (CEPA) will be carefully assessed and considered in the planning of outputs and activities. The Best Available Techniques (BAT) Reference Documents will be used, in particular that on Large Combustion Plants (LCP). Coordination in this area will be ensured with the Commission's Joint Research Centre. Also, synergies with the Medium Combustion Plants Directive (MCPD) and Ambient Air Quality Directive will be considered. Nationally Determined Contributions (NDCs) will be used as guidance for priority and target setting. In this context, coordination with EU4Climate programme will be ensured.

The activities under this result area will also strengthen existing and set up new domestic public finance mechanisms and public-private partnerships. Work will continue on the mechanisms that allow reallocation of funds to green investment away from harmful subsidies.

Technical support will be provided to strengthen the administrative capacity of environmental authorities through the provision of expert support, capacity building and institutional strengthening in all EaP countries. When relevant this support can be extended to the Ministries of Economy and to the Ministries in charge of horizontal public administration reforms. The latter will ensure that innovations in the policy development and coordination system in the environmental sector is in line with relevant reforms applying horizontally to the whole public administration, and vice versa. Coordination with public administration reforms and the SIGMA programme recommendations and tools will be ensured. The experience of the EU Member States will be fully used, including through cooperation with the EU IMPEL Network and other relevant networks.

The following key outcome and output targets are set in relation to Result 3:

- Advanced revision of the relevant environmental and related regulatory framework to require the same degree of compliance by authorities in the six partner countries;
- Advanced revisions of the regulations and procedures for managing emissions from SMEs and large sources, using the approaches of the EU IED in up to four countries and launching the process in two others;
- Advanced reform of regional and national enforcement/non-compliance systems and instruments in at least three countries with mandatory requirements and drawing up inspection plans accordingly to the EU IED;

- Enforcement campaigns facilitated in all countries and at least one multi-country campaign with EU Member States facilitated;
- Launch of mechanisms that allow reallocation of funds to green investment away from harmful subsidies in all 6 partner countries;
- Strengthened investment planning capacity of governments and increased efficiency and effectiveness of public spending in all 6 partner countries;
- Critical mass of key targeted civil servants and other stakeholders trained in all countries (up to 25-35 people in each country).

Output 3.1: “Smart” regulation of environmental impacts promoted

Despite progress with establishing special regimes for low-risk installations in two countries, no national strategies exists for reforming/establishing environmental permits for large emission sources as in the European Union Industrial Emissions Directive (2010/75/EU – EU IED, including Chapter III - Special provisions for Large Combustion Plants or the EU Directive 2015/2193 on medium combustion plants (MCPD). Recent twinning projects in Armenia and Georgia, and previously the Air Quality Governance project, have helped countries with advice in this area. Further work is needed to translate previously provided recommendations into regulatory changes. Several activities are going to be carried out, resulting in outputs as described below:

Activity 3.1.1: Reforming regulatory regimes for large emission sources, including State Owned Enterprises (SOE)

- Carrying (or updating where relevant) analysis in up to three countries on the existing approaches to emissions limit setting and related environmental permitting for emissions as under the EU IED or the EU MCPD;
- The development (or updating) of up to four road maps for the reform of the national regulations related to emission limit setting and permitting and technical support to their implementation, including support to the implementation of priority actions, development of regulatory documents, institutional strengthening for implementation, setting key performance indicators;
- Carrying six trainings for 10-20 government officials each to enhance their capacity for the development and implementation of an integrated permitting system;
- Based on updated materials and after consultations with relevant services of the European Commission, organising two regional seminars on specific aspects of environmental regulation of large emission sources.

Activity 3.1.2: Greening Small and Medium Sized Enterprises (SMEs)

- Providing targeted expert support to up to three selected countries on the application of General Binding Rules (GBR), and when and which alternative instruments could be used. This will include support to the development of three additional sets of GBR conditions for sectors (or groups of sectors) that have been identified as being of environmental concern;
- Detailed analysis of existing instruments for financing greening of SME operations followed up expert support to individual countries to set up policies that can promote specific instruments (existing or new) to mobilise finance for SME greening;
- On-going expert support to the governments in operationalising specific actions of the SME Strategies (where they exist, i.e. Armenia, Moldova and Georgia) that promote lowering environment impact of SMEs, e.g. by advising on the design of targeted compliance promotional information-based programmes and

incorporating “green” components in the newly developed SME Development Strategies (in Azerbaijan, Belarus and Ukraine) (supported by EU4Business);

- Organising two regional seminars (launching and concluding) to review the results, exchange experience and disseminate good practices.

The activities will be co-ordinated with Results 1 and 2 of the EU4Environment to include the development of green dimension of SME as part of the innovation policies, via the exchange of information and good practice regarding the commercialisation of research and development of environmental good and services SMEs (including support instruments for technology-based business start-ups), cluster development and access to finance.⁹ Also coordination with EU4Business will be ensured. Previously developed documents and recommendations will be fully used and duplication of work will be avoided.

Output 3.2: Environmental compliance assurance and environmental liability regimes strengthened

Compliance with, and enforcement of, national environmental requirements continue to be ineffective and inefficient. In part, this is rooted in a burdensome to both the administration and industry compliance monitoring and enforcement but also due to insufficient compliance promotion and support as well as focus on revenue raising through enforcement rather than addressing environmental impacts. Regulations and practices related to identification and addressing liability for pollution remain weak or in some countries inexistent. In some partner countries, e.g. Georgia, deregulation is leaving an environmental regulatory vacuum. Challenges remain in coordination and monitoring of public policies at the implementation stage. Corruption can undermine the effectiveness of enforcement, particularly because of reliance on commodities for revenue. All these problems prevent people and economic actors from grasping the benefits of better environmental policies and green economy.

The activities described below aim at achieving advanced reform of regional and national enforcement/non-compliance systems and instruments in at least three countries with mandatory requirements and drawing up inspection plans using the EU IED as a reference and support to the development of mechanisms for damage compensation, including those covered by the provisions of the EU Directive on environmental liability with regard to the prevention and remedying of environmental damage (2004/35/EC – EU ELD). Work previously carried out by the OECD and within other donor-supported projects in the region will be fully taken into account and duplication avoided.

Activity 3.2.1: Strengthening of Compliance Assurance Systems, Instruments, and Tools

This activity will strengthen national systems for compliance assurance with environmental legislation in three countries, including:

- screening the functioning of compliance assurance systems based on updated OECD approach and the IMPEL review initiative (IRI) tool¹⁰, and development of recommendations¹¹;

⁹ The Action will provide input on a green dimension to regional benchmarking and peer reviews and policy dialogue. This will include a contribution to a third round of the assessment of Small Business Act and to a third report of the SME Policy Index: Eastern Partner Countries that will be carried out under EU4Business.

¹⁰ <https://www.impel.eu/tools/impel-review-initiative-tool/>

¹¹ <http://www.oecd.org/environment/outreach/39236907.pdf>

- strengthening and developing, where lacking, criteria for identifying, classifying and selecting installations for compliance monitoring and use of risk-based tools for inspection planning, including those previously developed by the OECD, for inspection planning¹²;
- provision of support to at least three coordinated inspection campaigns based on standard checklists, in conjunction with the scope of Output 3.1 or waste management;
- reviewing available and potential information-based instruments for compliance promotion, such as previously established in Ukraine¹³ with OECD support, as well as feasibility and avenues for their replication and upscaling;
- reviewing and strengthening management practices, capacity building and financing and further promoting the professionalisation of relevant authorities.in at least three countries.

Work previously carried out by the OECD and within other donor-supported projects in the region will be fully taken into account and duplication avoided.

Activity 3.2.2: Reform of high impact enforcement and compliance promotion instruments, including environmental liability

Expert support will be provided to the reform of relevant high impact enforcement and compliance promotion instruments identified by the reviews carried out as part of Activity 3.2.1. This would include:

- support to reform of the systems of administrative sanctions, monetary payments and penalties for non-compliance that can deter non-compliance with environmental requirements while not stifling economic performance of the regulated community. This activity will use materials and approaches previously developed by the OECD and will result in six new assessment reports and at least three legislative proposals¹⁴;
- Expert support to development of legislation regulating damage compensation, including those covered by the provisions of the EU ELD, in at least three countries.

Activity 3.2.3: Networking and capacity building

- Update/development of one training module and the provision of two cross-agency trainings to enhance administrative capacity for compliance assurance¹⁵ at the national level in two-three countries;
- Carrying out three regional meetings reviewing best practices and progress in implementing reforms of compliance assurance systems.

Output 3.3: Domestic public finance, subsidy reforms and public-private partnerships reinforced and private finance mobilised for green investment

Although several EaP countries have put effort into improving the business and investment framework, policies and regulations are still not supportive of investment and innovation in general and of green investment and green innovation in particular. As a consequence, many of the countries are missing important opportunities to green their energy or transport

¹² <http://www.oecd.org/environment/outreach/46960063.pdf>

¹³ <http://www.oecd.org/environment/outreach/39463774.pdf>

¹⁴ <http://www.oecd.org/environment/outreach/42356640.pdf>

¹⁵ <http://www.oecd.org/environment/outreach/49036523.pdf>

infrastructure, develop further environmental infrastructure, and implement climate change mitigation measures, particularly with regard to energy efficiency and renewable energy.

These opportunities remain untapped because of the flawed regulatory and market incentive frameworks and poorly targeted public support. Countries' insufficient capacity to prepare and implement realistic long-term investment strategies, including the lack of capacity to formulate and cost out priority public investment programmes, prepare economically sound projects, and better access domestic and international financing mechanisms, remains the main challenge to scaling up green financing in the region.

There is also a need for better coordination across the IFIs active in the region and for harmonisation of the financial products they offer to commercial banks. The newly created European Fund for Sustainable Development (EFSD) under the EU External Investment Plan, the Green for Growth Fund and the Green Climate Fund under the UNFCCC, are seen as opportunities to bring the major IFIs together, make them cooperate rather than compete, and use the Funds' concessional financing to mobilise investment from IFIs and the private sector. The activities will follow the developments under the Commission's Action Plan for a greener and cleaner economy, adopted in March 2018, that aims at creating a financial system that supports the EU's climate and sustainable development agenda.

The work under this Output will focus on assisting interested countries in designing and costing green public investment strategies and programmes and conducting related training. In order to ensure credibility and sustainability of public investment programmes, the Ministries of Finance will be systematically associated to these activities. This work will also include reviewing and strengthening of existing and structuring/setting up of new domestic public finance mechanisms and public-private partnerships that can finance green investments. Subsidy reform and improved targeted support for the poor and vulnerable will be integrated into this work. As a result, the investment planning and management capacity of governments will be strengthened, the efficiency and effectiveness of public spending will be increased, and efforts to raise additional funding from the public and private sector for green projects will be made.

Co-ordination with EU4Climate programme will be ensured in the implementation of all activities carried out under this Output.

Several activities are going to be carried out, resulting in outputs as described below:

Activity 3.3.1: Greening public expenditure

- Carrying out two country-level projects on the costing of priority green economy-related public investment programmes within government authorities and improving the leveraging effect of public funds and the effectiveness of sector and budget support from donors, where available;
- Carrying two-three trainings for government officials in interested two–three countries to improve their capacity for planning green budget programmes. Some 150 trainees will be involved in follow-up programme implementation actions at the national level as part of transposing their new knowledge into practice;
- Development of country-specific competence profiles for civil servants in the area of green financing in three countries to improve demand for such knowledge within the government.

The implementation of this element will be implemented in countries that will not be covered by upstream activities to assess financial needs and financial planning at the national/sectoral level carried out under Results 1.2.

Activity 3.3.2: Review of selected national funding entities

- Review of selected, at least three, national public funding entities' practices and capacities for providing and mobilising green finance in two to three interested countries, including: reviewing criteria for identifying and selecting investment projects; reviewing project appraisal rules and procedures; management practices, expenditure plans and disbursement mechanisms; de-risking financial instruments and mechanisms that can be provided; and/or possible business models to provide green finance;
- Review of approaches to blending public and private resources in a national context and leveraging private sector capital in a cost-effective way can help stimulate more demand for green investments. The EU Guidance on Blending will be used as part of this activity.

Activity 3.3.3: Reforming energy subsidies

- Assistance to a pilot country to design a tax expenditure reporting methodology which will help increase transparency of "hidden" energy subsidies to the public at large. This work will be implemented in close consultation with the Ministry of Finance and relevant Parliamentary committees of the case study country;
- Carrying out further analysis of the impact of reforming selected major fossil-fuel subsidy schemes on energy affordability which will lead to creating/enhancing domestic policy instruments that address subsidy reform negative impacts in a selected country based on a model developed for Moldova. This work will require close consultation with the Ministry of Finance, Ministry of Energy, Ministry of Social Protection and other relevant partners in the case study country.

Activity 3.3.4: National and regional policy dialogues on green finance and investment

- National-level analysis and discussion of the best ways to support green investment in at least three countries (six events to be conducted);
- Organisation of up to three regional conferences to take stock of recent initiatives, policy developments and financial vehicles in the EaP countries that support government efforts to shift towards a greener and more energy efficient path of economic development;
- Identification of key challenges and ways forward to better align financial mechanisms with policy reforms to speed and scale up green investments.

This activity will be carried out in coordination with EU4Climate and EU4Energy programmes, and any other relevant projects.

Output 3.4: Strengthening administrative capacity for environmental management

Public policy remains a principal driver for aligning various goals and interests. Hence, public authorities are the key target group of the Action. Ministries of Environment have been key players of environmental action in all six partner countries. Unfortunately, they remain poorly resourced and exposed to high staff turnover, deficiencies in capacity, as well as frequent structural changes. Output 3.4 will provide technical support for strengthening the institutional and human capacity through the provision of on-going and ad-hoc expert support, capacity building and institutional strengthening in all EaP countries. This support will also be extended to the Ministries of Economy and their role as the steering force for green economy development will have to be reinforced. Such a support will also include the Ministries in charge of horizontal public administration reforms to ensure that innovations in the policy development and coordination system in

the environmental sector is in line with relevant reforms applying horizontally to the whole public administration, and vice versa.

The analysis will be based on extensive consultations in each country with key stakeholders, including the EU Delegations and NGOs. The OECD/SIGMA's Principles of Public Administration¹⁶, its comprehensive assessments of the functioning of Public Administration in the EaP countries against the Principles and experience from the establishment of the Reform Support Teams in Ukraine will be used as guidance.

Several activities are going to be carried out, resulting in outputs as described below:

Activity 3.4.1: Assessment of existing and required administrative capacity in the environmental sector

- Preparation of up to five analytical reports with analysis and assessments of existing and required administrative capacity in the environmental sector in all EaP countries against benchmarks and comparisons with other countries. They will cover the following elements for each country:
 - Gaps and needs assessment with regard to the support on governance, legislative changes and economic analysis;
 - Analysis of the need and feasibility of setting up Reform Support Teams in the Ministries of Environment and/or Economy and other forms of reform promotion;
 - National capacity building workplans for the of Action duration (with a possibility to revisit it annually);
- Development of recommendations and their validation, including through stakeholder consultation.

Activity 3.4.2: Provision of Expert Support to the Ministries of Environment and or Economy

- Preparation of four- five plans for administrative strengthening;
- Development of sustainable and targeted training mechanisms that contribute to the development and strengthening of national capacities in the areas of environmental policy development;
- Provision of on-going and ad hoc expert support to the Ministry of Environment or the Economy to national processes related to the adoption of law/regulations and implementation of policies, programmes and regulations relevant to the Action.

Result 4: Ecosystem services and livelihoods

Sustainable management of natural resources and protection of biodiversity provide foundations for environmental sustainability. This Result will support partner countries in protecting their natural environment, in sustainable and legal production and trade in forest products and in ensuring sustainable and predictable financing for the sector. Regional, national and local community activities will be supported.

Maintaining ecosystem services has a direct linkage to rural – and even urban – livelihoods and contributes to improved resilience of people, i.e. their ability to withstand negative events, recover from them and to continue to prosper despite them. Protecting natural

¹⁶ The Principles of Public administration and the related assessment methodology are available on the SIGMA website <http://www.sigmaweb.org/publications/principles-public-administration.htm>.

ecosystems (forests, watersheds, production landscapes etc.) will not only provide positive externalities (e.g. in the form of carbon storage, biodiversity and habitat, etc.), but they also provide direct benefits through opportunities for rural employment and income. A well-maintained environment is a precondition to sustainable production in such important sectors as agriculture and tourism.

This result will focus on four topics: i) protecting biodiversity and natural ecosystems (Emerald Network); ii) promoting sustainable natural resources management, economic development and participation at local community level; iii) promoting legal trade and preventing illegal trade in wood products and iv) enhancing strategic financing to the forest sector. The overall outcome is to contribute to better conserving countries' natural capital and ensuring more resilient livelihoods. Particular emphasis will be put on the protection of remaining iconic old growth/virgin forests.

The Result is based on a number of initiatives where the European Commission, the World Bank and the international community more widely have supported EaP countries in sustainable natural resources management. The work on protected areas builds on the past work by the Council of Europe in the same field; community actions draw largely from the successful activities supported under ENPI-FLEG Programs; while trade promoting activities are closely linked to implementation of the EU Timber Regulation (EUTR). Sustainable forest financing is a precondition for sustainable development in the sector and is therefore widely addressed e.g. at the United Nations Forum on Forests (UNFF).

The overall outcome of the result is improving sustainable management of forests and other land-based resources and improving people's livelihoods derived from forests. Good planning of forest management and utilization supports EaP countries in building inclusive and resilient rural economies.

The Ecosystem services and livelihoods activities will yield the following program-level results:

- Improved management practices for the protection on natural environment;
- Increased livelihood benefits at community level;
- Prevention of illegal trade and promotion of legal trade;
- Systematic approach to forest finance.

Specific activities and outputs are described below.

Output 4.1: A shared network of protected areas involving EU and neighbouring countries launched

Biodiversity constitutes a natural asset that needs to be preserved and handed on to future generations. Its preservation is relying on the protection of natural habitats among other things. The Emerald Network was established within the Bern Convention.¹⁷ It is a network made up of Areas of Special Conservation Interest with the objective of long term survival of the species and habitats of the Bern Convention requiring specific protection measures. The EU has helped partner countries to complete the first two phases in the network's constitution that resulted in the submission of candidate sites for adoption by the Standing Committee to the Bern Convention. In a last stage, support is needed for the planning and implementation of management, monitoring and reporting measures for the sites. This may include activities such as site prioritisation; setting site conservation objectives and performance indicators; setting up protected area management agencies; developing site management plans (including estimation of costs) and defining mechanisms for securing

¹⁷ <https://www.coe.int/en/web/bern-convention/emerald-network>

funding, as well as establishing monitoring systems able to assess progress against objectives.

Extensive communication with the public is necessary to explain Emerald Network objectives and how citizens could contribute. Efforts will be made to promote agri-environment-climate measures and support knowledge transfer to farmers. The network will also enhance climate resilience of natural environments. The action will continue bringing together public authorities and external stakeholders from partner countries and EU Member States to address common challenges and cross-border issues. This will be done also in conjunction with the implementation of the EU Action Plan for nature, people and the economy¹⁸ adopted in April 2017. Management support to individual sites will be provided only after the national adoption of the sites.

Several activities¹⁹ are going to be carried out, resulting in two key outcomes:

- Increased area of designated protected areas under the Emerald Network have systematic management plans under implementation.
- Improved management of existing designated areas.

The Output will consist of two separate activities:

Activity 4.1.1 Country action

- Each country will prepare a national action plan to advance the establishment of the Emerald Network. These will be based on areas adopted by the Standing Committee of the Bern Convention and by national authorities. These action plans will cover necessary steps to make a) existing areas better managed and b) prepare management plans for proposed ones. The Program will finance the implementation of these action plans. If the implementation needs exceed either the financial resources available and/or the project duration, a clear prioritization of actions will be established. A financing plan for those activities that cannot be financed by the Action will be prepared.
- This activity will deliver field implementation in all six EaP countries. Priority areas will be defined as part of the inception phase in consultation with the partner countries and relevant services of the European Commission and the EU Delegations. The selection will be largely based on the preliminary work done by the Council of Europe.

Activity 4.1.2 Regional collaboration and exchange with EU member states; communication and awareness

- Two sub-regional events (one in Eastern Europe and one in South Caucasus) will be organized to share experiences, collect good practices, and raise awareness of the Emerald Network.
- Study tours and cross-border learning with EU Member States organized.
- A website on the Emerald Network will be maintained and updated in coordination with the Council of Europe; other communication and outreach material produced in close collaboration with national authorities.

¹⁸ ec.europa.eu/environment/nature/legislation/fitness_check/action_plan/communication_en.pdf

¹⁹ Activities under Specific Objective 4 will be identified in detail during the inception and mobilization phase in consultation with the participating countries and key stakeholders.

Output 4.2: Community action facilitated

This work will build on examples of community monitoring of illegal logging and actions in support of forest conservation and sustainable use by forest-dependent communities. These actions could be further supported for example, to increase non-timber product production. Good experiences from demonstration activities will be disseminated and community-to-community dialogue fostered to scale-up results. Focus will be on rural job creation (e.g. desirable skilled or semi-skilled employment opportunities), diversification of economic opportunities as well as climate change resilience. These demonstration activities (“good practices”) will support sustainable use of local renewable natural resources both in the target communities themselves and through active dissemination in other communities. The output will both generate new good practices and disseminate and scale-up selected good experiences piloted in previous programmes.

Several activities are going to be carried out, resulting in a key outcome of:

- Improved livelihoods for people in target forestry-dependent communities and general awareness increased in the six partner countries with at least 30 forest-dependent communities benefitting from direct support.

The Output will consist of three separate activities:

Activity 4.2.1 Community baseline mapping

- With EU4Environment support, each of the six participating countries will prepare a national baseline to define strengths, weaknesses, opportunities and threats (SWOT) for community engagement in forest and other natural resource management. These will capture the recent experiences in the countries (including from the ENPI-FLEG Programmes), review of legislation and ongoing government programs and mapping of potential to develop community participation. This mapping will incorporate issues like resource base, current resource use, demographic trends, regulatory environment, and key parameters of what constitutes “improved livelihoods”.
- The mapping will be done mainly by national experts from the government, civil society and/or academia. The process needs to be consultative and engage forest users and their communities. All countries will share, to the extent possible, the same ToR and template for the baseline.
- The activity will result, for each country, in a Community baseline mapping that will give a systematic review on the potential for increased community participation and development options.

Activity 4.2.2 Community action grants

- Each country will issue a *call-for-proposals* for communities (incl. local administration bodies and civil society groups working with communities) to implement demonstration activities based on the SWOT analysis from Activity 4.2.1. These activities will either be targeted to utilize the strengths and opportunities or to overcome the weaknesses and threats identified in the analysis. The main objective is to improve the livelihoods and income level of the bottom 40% of the population in the communities. The activities need to be based on sustainable use of forests and other natural resources, or provide alternatives to unsustainable use. Particular focus will be on energy use and supply, as well as climate change.
- The exact size and number of the community grants will vary across countries. It is expected on average there would be five grants per country. This would allow a relatively notable average size of the grants and reduce transaction costs.

Activity 4.2.3 Impact assessment/lessons learnt

- At the end of the project, all countries would conduct a rapid appraisal of the demonstration activities to collect lessons learnt. The findings will be summarized in an analytical report with operational and policy recommendations. This would also include, if needed, updating the SWOT analysis based on the findings from the activities.
- This activity will deliver six lessons learnt studies. These studies will also make proposals how the lessons learnt could be scaled up and successful models replicated.

Output 4.3: Illegal logging and related cross-border trade limited, and legal trade promoted

Illegal logging has a devastating impact on forests, and on the people who rely on forest resources. It undermines the legitimacy of the forest sector and hinders the efforts of governments to implement sustainable forest management and develop international trade. The EU is the largest consumer of timber products from eastern EU neighbours. Both EU Member State institutions and companies can benefit significantly by lowering the risk of illegal timber entering the EU market. Eastern EU neighbours can develop good governance in the forest sector to secure compliance with the EU Timber Regulation. Building on previously done work, the activities may include: analysis of trends in timber trade and other related aspects; analysis and further improvement of administrative and legislative aspects (documents accompanying trade and related procedures, cooperation with customs, etc.); best practices exchange, including study visits of competent authorities, customs, and other relevant institutions; setting up/using existing networks for information exchange and updates. Cooperation with law enforcement organisations will be strengthened with a focus on the EU Timber Regulation, and electronic and other timber tracking tools.

Cooperation between chambers of commerce and industry associations to inform and mobilise the wood product sector will also be supported. Cooperation with stakeholders such as European associations of private forest owners, public owned forests and industry associations and scientific community can be developed. Involvement of civil society organisations will be ensured.

These activities will result in the key outcome of:

- Illegal logging addressed, use of electronic tools promoted and awareness of EUTR and forest legality requirements among exporters improved in the six partner countries.

The Output will consist of three separate activities:

Activity 4.3.1 Trade control systems strengthened

- Belarus and Ukraine (Moldova tbc) will – in collaboration with EUTR competent authorities from selected EU Members States – assess vulnerabilities in their wood product export value chains to the EU markets.

- Smaller scale activities in the same topic will be conducted in South Caucasus²⁰ (e.g. promotion of sustainable forest management certification based on ENPI-FLEG activities²¹).
- Based on the assessment, the countries will strengthen their export controls and prepare recommendations for forest managers on ways to strengthen exports controls²².

Activity 4.3.2 Innovation, technology promoted

- An innovation competition will be organized to develop mobile apps and online tools to strengthen export and trade controls. The most promising innovations will be provided additional development financing to pilot them in real life conditions.
- Existing innovative technology solutions (e.g. e-timber trade platforms) in EaP countries will be demonstrated in regional event(s).

Activity 4.3.3 Communication, trade events

- Legal timber trade and EUTR requirements will be promoted through awareness raising activities and participation in trade fairs or other relevant events. These could include, *inter alia*, supporting national/regional industry association in developing websites; calls-for-proposals for innovative wood products (incl. supporting collaboration with product designers) and – in limited extent – supporting joint participation in trade fairs;
- Exporters will be trained in EUTR and how to demonstrate legality in the European market; forest managers that have internationally recognized certification of sustainable forest management (SFM) will be supported in utilizing the improved market access provided by SFM certification.

Output 4.4: Strategies for funding natural capital conservation and sustainable utilization defined

Innovative financing schemes for sustainable management of ecosystem services (including good governance) will be identified, developed and, if possible, endorsed by national governments. This would include assessing the role and potential for private financing and – when feasible – financing plans for implementing the land use-related parts of the (I)NDCs²³. The program would develop six financing/investment plans with clear time-bound implementation schemes. These plans would (i) identify the potential that the forest sector provides for national development in terms economic growth, energy security, job creation, climate-smart development, biodiversity conservation etc.; (ii) analyse the

²⁰ The countries in the region have smaller commercial forest sectors and less trade with the EU than the three Eastern European EaP countries.

²¹ <http://www.enpi-fleg.org/>

²² It needs to be recognized that some vulnerabilities will be found in the earlier stages of the wood production value chain, not in export transactions only.

²³ Intended Nationally Determined Contributions (INDCs) identify the post-2020 voluntary national climate targets, including mitigation and adaptation, which countries committed to and which become binding Nationally Determined Contributions (NDCs) when a country ratifies the Paris Agreement. The Paris Agreement (entered into force in November 2016) builds upon the UNFCCC and aims to “strengthen the global response to the threat of climate change in the context of sustainable development and efforts to eradicate poverty” by keeping global temperature rise this century to below 2°C and aim for 1.5°C above pre-industrial levels.

baseline investment needs and sources in each country and calculate the increase in investment (from international financing flows, domestic resource mobilization and private capital)²⁴ that would be required to realize the potential of the forest sector to support green growth; and (iii) identify those areas that both the World Bank Group and the EU – and other donors, e.g. the EU members states – could directly support in their future programming.

These activities will result in the key outcome of:

- Forest governance and financing more effective, transparent and predictable in all partner countries.

The Output will consist of two separate activities:

Activity 4.4.1 Country investment and financing plans

- Standard terms of reference and templates for national investment and financing plans will be developed. These will define the process how countries will approach the development and implementation of their financing plans.
- Each country will prepare a national financing plans for natural capital (incl. forest) conservation and sustainable utilization as defined above.
- This activity will deliver six national financing plans.

Activity 4.4.2 Regional and international collaboration

- One²⁵ international conference/workshop will be organized to share experiences on investment planning. This conference will collect experiences from the six financing planning processes; share experiences with selected EU member states on their financing schemes and policies; and engage with researchers and practitioners working on natural capital economics and payments for environmental services (e.g. the World Bank WAVES-program²⁶). They will also raise awareness about the green finance instruments for the forestry sector (e.g. green or forest bonds).

Result 5: Regional knowledge sharing and coordination

Facilitation of the regional-level knowledge sharing, coordination between different elements of the EU4Environment Initiative and strategic communication are an essential element supporting reforms. Outputs 5.1, 5.2. and 5.3 of the Action will be carried out to ensure the transparency, visibility, and impact of the whole Activity. This will also facilitate exchange of good practices, planning and implementation as well as under monitoring of progress with integration of economic and environmental goals. The Action aims at reaching all targeted government institutions and selected additional stakeholders, carry annual coordination events, and establish mechanisms in place to coordinate action systematically and exchange information as the Communication and Visibility Plan developed for this Action (Annex VI). Monitoring of progress at the economy-environment

²⁴ This would also include innovative financing sources like payments for environmental services (PES), green bonds, forest bonds, etc.

²⁵ If needed, this could also be organized as two separate sub-regional events for Eastern Europe (Belarus, Moldova and Ukraine) and the South Caucasus (Armenia, Azerbaijan and Georgia). In either case, close collaboration with Output 1.2 would be necessary.

²⁶ <https://www.wavespartnership.org/>

nexus will be systematically applied in three countries and pilot use will be implemented in another three countries.

The following key outcome and output targets are set in relation to Result 5:

- Knowledge about EU4Environment's intermediate and final results ensured among government institutions and stakeholders identified in the programme's Communication and Visibility Plan and awareness of Action's main messages promoted amongst at least 10% of the partner countries population;
- Effectiveness and timeliness of implementation strengthened through annual coordination and progress monitoring events and other mechanisms to systematically coordinate and monitor action and exchange information;
- Links to and coherence with relevant initiatives insured;
- Green growth indicators systematically applied in three countries and used in another three countries on a pilot basis thus monitoring the impact of the green transformation in the partner countries.

All Implementing Partners will provide necessary input towards the achievement of these targets and more generally towards implementation of activities under Result 5. OECD will establish clear mechanisms and timelines for input the scope of which will be discussed collectively.

Output 5.1: Ensuring action visibility and strategic communication

Strategic communication is an essential element supporting reforms. Activities will be carried out to ensure the transparency, visibility, and impact of the Activity. This will also facilitate exchange of good practices. This includes ensuring action presence on social networks, maintaining its web page. Presence and visibility at meetings under various Platforms and Panels functioning as part of the Eastern Partnership architecture will be ensured, as well as communication with relevant EU institutions and presence during relevant international fora.

Several activities are going to be carried out, resulting in outputs as described below:

- Annually updating consolidated Action's Communication and Visibility Roadmaps;
- By end of the inception period at the latest, producing adapted and harmonised information templates for the use by Implementation Partners in order to reach a broader public through online communication campaigns, press conferences, social media, and other pertinent communication channels specific of each country;
- Creating and maintaining a Web-based platform on EU4Environment implementation and results;
- Producing quarterly updates on EU4Environment implementation and/or an electronic newsletter as part of the Action's Communication and Visibility Plan;
- Ensuring a coordinated use of own communication channels of the Implementing Partners for posting information of shared value for the programme implementation;
- When relevant, providing contributions to communication campaigns carried out by the European Commission's services or other programmes funded by the European Union;
- Development of factsheets, infographics, country specific profiles and leaflets, podcasts and short video clips on each of the officially released report;
- Ensuring continued presence of EU4 Environment on selected social media networks and development of specific messages per target group following the provisions of the Communication and Visibility Plan developed for the Action.

Output 5.2: Regional coordination and oversight

Under this output, the functioning of planning and oversight mechanisms will be ensured. This is essential for coordination between different elements of the Action. Shared planning tools at the operational level will be used such as list of events and missions, and lists of planned reports or other products. The Regional Assembly (RA) meetings will be organised at least annually, with frequent and regular interactions of the Programme's Co-ordination Board (CB) in between.

Several activities are going to be carried out, resulting in outputs as described below:

- Ensuring a coordinated implementation of the kick-off and inception activities of EU4Environment;
- Provision of support to the EU4Environment Regional Assembly meetings (organised at least annually) and to frequent and regular interactions of the Partner's Co-ordination Board of the Action in between. This will include defining priorities in consultation with the European Commission, preparation of the draft agendas of the meetings according to the priorities identified in the regional workplan and consultations with the European Commission, the EU Delegations in respective countries and Implementing Partners.
- Preparation and dissemination of the invitation package and meeting documentation at least two weeks in advance of each meeting;
- Provision of logistical support for the meetings, including travel of participants;
- Development of briefing notes clarifying meetings' choreography;
- Preparation of summary of the meetings that identify actions and next steps for the achievement of the agreed results highlighted in the workplans. A complete report of each meeting will be prepared highlighting challenges, conclusions, next steps and responsibilities within three weeks after the meeting at the latest.
- Ensuring communication with the Regional Assembly members on issues relevant for the Programme's governance in between meetings;
- Updating and maintaining coordination tools and mechanisms established within the EaP GREEN programme, including a calendar of events, a list of publications, a list of missions, and contacts and mailing lists;
- Providing assistance to identify relevant donor projects, including those implemented bilaterally;
- Coordinating input on EU4Environment results to the monitoring process of the "20 Deliverables for 2020" and any other input related to the Eastern Partnership architecture;
- Coordinating the preparation of side events, if needed, in conjunction with Eastern Partnership meetings;
- Keeping EU Delegations proactively informed of EU4Environment activities;
- Providing support for an effective functioning of the Coordination Board (see governance section below);
- Ensuring effective liaison with relevant regional and global initiatives.

Output 5.3: Monitoring of progress at the economy-environment nexus

Work under this area will facilitate further monitoring of progress with integration of economic and environmental goals. This will include assistance to identify performance indicators and to set systemic data collection and processing mechanisms. Based on progress achieved under the EaP GREEN, the development of reports based on Green Growth Indicators will be facilitated. This will serve to promote policy debates on green growth and enable progress evaluation, peer review and benchmarking mechanism. The analysis of green growth indicators may also be deepened through specific thematic

reviews. Links will be ensured with the System of Environmental and Economic Accounts (SEEA) and the use indicators that are being developed to measure progress towards SDGs. Coordination will be ensured with the work done by EEA under a Shared Environmental Information System (SEIS) and the ENI SEIS II East project in Eastern partner countries and UNDP and other international organisations' work on SDGs monitoring. In particular, links will be made with the SEIS II East project's efforts for streamlining environmental reporting and promoting the application of environmental accounting in assessments. Coordination will also be ensured with the International Energy Agency that supports indicators work as part of the EU4Energy and any other statistics-related programmes funded by the EU. Such programmes will be identified in consultation with the European Commission.

Several activities are going to be carried out, resulting in outputs as described below:

- Preparation and annual update of brief country profiles using headline indicators and mentioning progress with policy reform. This will be used to monitor impact indicators of the EU4Environment programme;
- Connecting with the European Environmental Agency to build on the efforts in streamlining environmental reporting and the existing networks;
- Support to the development of reports based on Green Growth Indicators in up to three countries that will serve to promote policy debates on green growth and enable progress evaluation, peer review and benchmarking mechanism.
- Preparation of mid-term and final reports on progress with integration of economic and environmental goals in the EaP countries.
- Support for dissemination of collected information, including through international databases;
- Development of policy briefs and organising policy debates around key messages derived from the analysis of Green Growth Indicators.

Indicative timetable of the Action (Results 1, 2, 3 and 5)²⁷

Year of implementation	Year 1												Year 2				Year 3				Year 4			
	Q1			Q2			Q3			Q4			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Quarter/month of implementation	1	2	3	4	5	6	7	8	9	10	11	12	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Result 1: Greener decision-making																								
Output 1.1: Green economy ownership, policy coherence and cross-sectorial coordination boosted																								
Activity 1.1.1																								
Activity 1.1.2																								
Activity 1.1.3																								
Output 1.2: Sectoral investment planning and comparative analysis of costs and benefits supported																								
Activity 1.2.1																								
Activity 1.2.2																								
Output 1.3: Strategic Environmental Assessment (SEA) and Environmental Impact Assessment (EIA) further operationalized																								
Activity 1.3.1																								
Activity 1.3.2																								
Output 1.4: Awareness, education and public acceptance of the Green Economy transition supported																								
Activity 1.4.1																								
Activity 1.4.2																								
Result 2: Circular economy and new growth opportunities																								
Output 2.1: Resource Efficient and Cleaner Production among SMEs scaled up																								
Activity 2.1.1																								
Activity 2.1.2																								
Activity 2.1.3																								
Activity 2.1.4																								

²⁷ This timetable is tentative and can be further adjusted - subject to contract’s signature and coordination among the Partners and with the beneficiary countries. More detailed plan will be produced at the Inception Period.

Year of implementation	Year 1												Year 2				Year 3				Year 4			
	Q1			Q2			Q3			Q4														
Quarter/month of implementation	1	2	3	4	5	6	7	8	9	10	11	12	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Result 3: An environmental level playing field																								
Output 3.1: “Smart” regulation of environmental impacts promoted																								
Activity 3.1.1																								
Activity 3.1.2																								
Output 3.2: Environmental compliance assurance and environmental liability regimes strengthened																								
Activity 3.2.1																								
Activity 3.2.2																								
Activity 3.2.3																								
Output 3.3 Domestic public finance, subsidy reforms and public-private partnerships reinforced and private finance mobilised for green investment																								
Activity 3.3.1																								
Activity 3.3.2																								
Activity 3.3.3																								
Activity 3.3.4																								
Output 3.4 Strengthening administrative capacity for environmental management																								
Activity 3.4.1																								
Activity 3.4.2																								
Result 5: Regional knowledge sharing and coordination																								
Output 5.1: Ensuring action visibility and strategic communication																								
Activity 5.1																								
Activity 5.2				x									x						x				x	
Activity 5.3																								

Indicative timetable of the Action (Result 4)²⁸

Activity	2019	2020				2021				2022	
	Q3/Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Result 4: Ecosystem services and livelihoods											
Output 4.1 A shared network of protected areas involving EU and neighbouring countries launched											
4.1.1 Country action											
4.1.2 Regional collaboration											
Output 4.2 Community action facilitated											
4.2.1 Community baseline mapping											
4.2.2 Community action grants											
4.2.3 Impact assessment/lessons learnt											
Output 4.3 Illegal logging and related cross-border trade limited and legal trade promoted											
4.3.1 Trade control systems strengthened											
4.3.2 Innovation technology promoted											
4.3.3 Communication, trade events											
Output 4.4 Strategies for funding natural capital conservation and sustainable utilization defined											
4.4.1 Country investment plans											
4.4.2 Regional and international collaboration											

²⁸ This schedule is tentative and will be finalized at detailed work planning at inception phase. It will also be revised, as needed, during implementation in consultation with all partners.

4. Methodology

Governance structure

Regional level arrangements

Regional Assembly (RA)

In order to take stock of progress in implementing planned activities, review products and results, and discuss annual work plans for national and regional activities involving the EaP countries, an EU4Environment Regional Assembly (RA) will be set up.

The RA members from the EaP region will be high-level officials (e.g. Vice-Ministers) designated by the Ministers of Environment (or an equivalent) and of Economy (or an equivalent) or other relevant ministries/agencies from each of the 6 Partner countries. Other stakeholder groups will be invited to participate in RA meetings, in particular representative of the EaP Civil Society Forum.

The RA members will also serve as National Focal Points (NFPs) of the EU4Environment. The NFPs will serve the coordination role and represent their respective countries during and between the RA meetings. In case of their unavailability to take part in the RA meetings the National Focal Points may delegate their representatives to attend. The NFPs may wish to delegate day to day coordination role to senior technical officers. The NFPs will work closely with the National Action Coordinators (NACs) and Technical Topic Managers (see below) to disseminate information and coordinate with the national, expert level, contact points under the various Action results regarding the implementation of the activities.

The RA will also consist of the representatives of the European Union's services (including the European External Action Service and EU Delegations as feasible), and responsible Action Managers or other representatives from the Implementing Partners (OECD, UNECE, UNIDO, UN Environment and World Bank). The RA meetings and the Action more generally will involve EU Member States as appropriate at policy and expert level.

The RA will be chaired by the European Commission.

More specifically, the RA will have the following functions:

- Discuss action objectives, related activities and expected results/impacts and advise on the most effective and efficient ways for implementing the Action;
- Provide comments on the annual plan of action, including complementary regional and national work plans;
- Discuss general policy recommendations provided to partner countries;
- Facilitate the Action implementation and support reform of policies in line with recommendations provided within the Action,
- Share information and discuss progress with the delivery of the Action's substantive products and its impact and provide an opinion on the achievements in Action implementation;
- Share information on the EaP countries efforts to reform their policies in line with policy recommendations provided within the Action,
- Discuss impediments in implementation and suggest how they might be addressed;

- Discuss policy recommendations provided to partner countries and partner countries' efforts to reform their policies in line with such recommendations;
- Share information on the other programmes in the region relevant to the Action;
- Discuss how donor and stakeholder coordination more generally be best achieved;
- Discuss issues related to visibility and communication of the Action both within the partner countries and the EU;
- Prepare the ground for the mid-term and final evaluation.

Annual meetings of the RA will be organised in one of the countries of the EaP region, in Brussels, Geneva, or Paris, or in the EU Member State capitals if Member States are willing to host such meetings. Additional meetings can also be called for if justified. Observers, e.g. civil society, private sector, IFIs and relevant international organisations, or any other partners can be invited to attend the EU4Environment RA meetings.

At the first meeting, the RA will discuss the 4-year Action period (based on the prior consultations with the EaP countries, led by the Commission) and the specific annual work plans for the first two years.

The RA meetings may be held back-to-back, when relevant, with high-level events under the Eastern partnership architecture. The Implementing Partners might also be invited to report on progress at EaP Panel on Environment and EaP Ministerial meetings.

Secretariat and organisation of the RA meetings will be provided by the OECD. The associated costs of the meeting venue and the participation of the EaP countries will be included in the OECD budget.

Progress made in the implementation of the Action will be presented by the Implementing Partners to the RA in a standard format, developed by the OECD during the Inception phase in consultation with partners and the European Commission. This will be done in a way to maximally reduce administrative burden on Implementing Partners.

The OECD will ensure the visibility of RA meetings and EU visibility at such meetings and will play a guiding role to ensure coherent communication approach in regard to such meetings. The associated costs will be covered by the OECD budget.

The European Commission will review and provide comments on the draft agenda of the RA meetings developed by the OECD in consultation with other partners. The OECD will be responsible for organising the meeting and preparing summary records, based on inputs from the Implementing Partners. The summary records will be discussed with the European Commission prior to their circulation.

Partners' Coordination Board (CB)

In order to ensure due coordination and follow up at the operational level, a EU4Environment Coordination Board (CB or "Board" hereinafter) of the Implementing Partners will be established. The Board will be composed of relevant staff representing all Implementing Partners: OECD, 3 UN agencies (UNECE, UNIDO and UN Environment) and the World Bank. The European Commission will also have at least one representative sitting at the Board. The Board will coordinate activities (e.g. the scheduling of meetings and missions, communication efforts, etc.), discuss progress and the main challenges and difficulties encountered in the Action implementation and will advise on the way forward. The Board is expected to meet at least 2 times per year (in person or virtually, via video or telephone conferences). Additional meetings are to be coordinated when needed by the request of the Commission or one of the Partners. Meetings of the Board should be held back to back with those of the regional assembly whenever possible.

The European Commission will take lead to initiate the CB meetings and set up the agendas. The OECD will provide secretarial support for such meetings, in particular to prepare the meeting notes and compile the lists of participants.

A consolidated events, missions, and publications calendar will be maintained by the OECD.

All decisions will be taken by consensus.

National level arrangements

National Implementation Committee (NIC)

In each EaP country a National Implementation Committee (NIC) will be established, where feasible as part of Result 1.1. The NIC will be a national coordination body consisting of the designated National Focal Points (i.e. the members of the RA acting as Co-Chairs), relevant co-ordinators of activities in relevant ministries and experts involved in the Action implementation by respective Implementation Partners under Results from 1 to 5 and the National Action Coordinators (see below). Representatives of other relevant stakeholders will be invited to take part in NIC meetings.

The role of the NIC will be to supervise co-ordination and planning country specific activities, monitor progress and ensure the implementation of the Action recommendations. A more detailed Terms of Reference of the NIC will be developed during the Inception Phase.

The NIC should meet on a regular basis for overall and topic specific coordination purposes. In addition, they will provide comments to the work plans and ensure ownership and close collaboration with and between the Action Results.

Where feasible and appropriate the NIC will be closely linked with the activities carried out as part of Output 1.1

National Action Coordinators (NACs) and Technical Topic Managers (TTM)

The permanent national action coordinators (NACs) may be established in each participating country (based on tailor-based approach considering each country's needs and circumstances). The NACs will be qualified individual expert(s) contracted by one or more Implementing Partners. Where relevant, candidates will be identified during the Inception phase and will include local experts who may have participated in studies and activities and/or have performed the function of local co-ordinators for the implementing partners, including under the EaP GREEN, Emerald Network, and ENPI-FLEG projects and/or in other successful international projects. Where feasible and appropriate NAC will engage in implementation activities for Result 1.1 (Output 1.1). The optimal national coordination structures may differ from country to country, depending on local circumstances.

Daily coordination of national activities with the Implementing Partners will be ensured through regular interaction with the National Focal Points and NACs, such as through the NIC, structured regular meetings, conference calls and e-mail exchanges. Country-specific solutions with regard to NACs will be explored with mutual consent between OECD, UNECE, UN Environment, UNIDO and the World Bank during the Inception phase.

Each of the Implementing Partners may appoint their respective Technical Topic Managers (TTM) and additional experts for co-ordination and implementation of their specific activities under each of the Action Results (from 1 to 4). The TTMs may have contractual arrangements with respective Implementation Partners but will be required to contribute to the operations of the National Implementation Committee (see above). The scope and mechanisms of such contribution will be discussed and agreed during the programme's inception phase. The selection of experts will be maximally transparent and based on clear competency profiles and tasks descriptions.

Where required, the Action will be officially registered.

Mobilisation and Inception Phase

The mobilisation phase for all results²⁹ will last three months after the last signature of the last partner contract with the EC (in chronological order). During the months 1 to 3:

- Official letters will be sent at high level to announce the launch of the programme and share its Description of Action. The letters will be prepared in cooperation with Implementing Partners and sent by the European Commission;
- Implementing Partners will confirm resources in-house, involving any additional human resources, if needed to strengthen existing implementation.
- The Implementing Partners may form a joint Inception Team to guarantee close cooperation and communication. An internal Implementing Partner planning workshop, whether virtual or in person, will ensure a coordinated common approach before the outreach into the EaP countries.
- By the end of the 5th month a kick-off meeting will have been organised by the OECD regionally and in each partner country to reconfirm the mutual commitment to this Action according to the premises of this DoA by high level representatives of each EaP country, representatives of the European Commission, and representatives of OECD, UN agencies, and the World Bank. Kick-off meetings will involve all relevant stakeholders. They will clarify and commit to the approach and targets of the Inception phase and clarify and commit to administrative and structural basis requirements to successfully start the Action, such as responsible political, executive and technical experts' representatives, necessity to register the Action in each EaP country.

During the Months 3-6 the following activities will be performed:

- Extensive consultations with key stakeholders, including government agencies in EaP countries, EU Delegations and NGOs will be held by all Implementing Partners for all Results. Country needs will be identified and prioritised jointly with key local stakeholders in each EaP country.
- Inception Report will be drafted for each contract by responsible Implementation Partners, containing a brief description of the methodology applied at the Inception phase and planned for the implementation of the Action, a list of key stakeholders identified and of those consulted during the Inception phase, sections presenting the existing situation (institutional set up, legal and regulatory frameworks, local management and expert capacity, information management systems and technical capacity of key beneficiary organizations, as well as fine-tuned baseline and target values of key indicators proposed in the Logical Framework) and the identified needs of each individual EaP country and of the whole EaP region. Lessons learned in previous project will be considered and addressed as part of planning.

Six national implementation plans and one regional work plan (roadmaps) will be developed within the first 6 months. The plans will specify actions to be taken by the partner governments as contribution to implementation. The OECD will be responsible for compiling national and regional plans developed by the other organisations for all the Action Results. Targets per country will be defined.

²⁹ Agreement with the World Bank will be finalized later than for the other partners. Therefore, detailed planning of Result 4 area, its activities and deliverables might take place later than for other result areas.

5. Synergies with other initiatives

Coherence and complementarity of the proposed action will need to be achieved *across several dimensions*: with policy dialogue conducted within the Eastern Partnership framework, with other activities funded by the EU, including through IFIs, with other EU instruments and policies, and with other donors and initiatives. Synergy between regional and bilateral assistance is also important. In this context, several on-going processes need to be taken into account.

As already mentioned, *policy dialogue* is on-going at all levels with the Eastern Partnership. Ministerial meetings provide longer-term political guidance on shared priorities. The 2016 EaP Ministerial on environment and climate is among the high-level events preparing the next EaP Summit in November 2017. The Panel on Environment and Climate Change enables implementation. The Panel has provided useful feedback as concerns past programmes and their effectiveness, and priorities for further work. It will be regularly informed of progress with action implementation. Links to other regional processes (such as "Environment for Europe", for example) and international initiatives will have to be ensured throughout action's lifespan.

Close coordination will be warranted with two *EU-funded regional environmental programmes* that started implementation in 2016 focusing on water resources management and information for evidence-based policy making, namely the EU Water Initiative Plus for Eastern Partnership (EUWI+) programme and the Shared Environmental Information System (SEIS) East Project. Coordination needs to be ensured in relation to marine environment based on the Environmental Monitoring of the Black Sea (EMBLAS) initiative and other programmes on the Black Sea basin. As concerns climate policies, coordination will be ensured with a new EU-funded EU4Climate programme targeting EaP countries.

Links will be sought with *the EU External Investment Plan*, the Commission's *Neighbourhood Investment Platform* (NIP) and other blending mechanisms that are used for complementing loans with various types of support. Environmental investments remain a priority for NIP and the relevant blending facilities.

Synergies will be ensured with regional programmes addressing other Riga Summit priorities, as well as with the EU **Technical Assistance and Information Exchange (TAIEX)** instrument and Twinning projects. Currently, there are environment-related projects supported by TAIEX and Twinning but these instruments are under-used. Only Azerbaijan, Georgia, and Ukraine have on-going Twinning projects related to the environment. The EaP Panel on Environment and Climate Change will serve as a platform for regional-level interaction. If necessary, complementary proposals for TAIEX projects will be prepared for addressing specific issues of convergence with EU environmental legislation.

A close relationship will be ensured with the **SIGMA Programme** (Support for Improvement in Governance and Management), which is a joint initiative of the European Union and the OECD, as well as the **EU4Business and the OECD Eurasia Competitiveness Roundtable**. Further synergies will be forged with the "Supporting SME Competitiveness Reforms in the Eastern Partner countries" project which assists the six Eastern Partnership countries with the implementation of policy reforms based on policy recommendations stemming from a first Small Business Act for Europe (SBA) assessment carried out in 2010-2012.

Synergies will further be ensured with the European Union's "**SWITCH to Green**" flagship initiatives, the Partnership for Action on Green Economy (PAGE), and the 10-Year Framework of Programmes on Sustainable Consumption and Production Patterns (10YFP).

Coordination with *bilateral support programmes* managed by EU Delegations will be ensured through close collaboration with EU delegations. Bilateral cooperation (e.g. in Azerbaijan, Georgia, and Moldova) takes account of environmental challenges too, to the extent demanded

by countries themselves. Besides environment-related programmes, synergies will be ensured with relevant cross-cutting and sectoral initiatives.

Finally, coordination will be ensured with regional and bilateral programmes implemented by *other donors*, including the EU Member States. For example, synergies will be ensured with the Integrated Biodiversity Management in the South Caucasus (2015-2019) Project funded by the German Federal Ministry for Economic Cooperation and Development (BMZ) and the Austrian Development Cooperation (ADC) and the Sustainable Forest Governance in Georgia: Phase II (2015-2019) supported by ADC. Existing platforms will be used to this end.

6. Leverage Effect, Sustainability and Exit Strategy

The work to integrate environmental and economic policies has been driven by demand from countries since its inception and, very often, policy advice was reflected in national legislation or policies within 2-3 years.

The Action will combine regional and national-level activities. The focus will be put on countries where results are likely to have the highest impact, taking also account geopolitical balance and synergies with other projects. The selection of countries for pilot activities will be done as part of the inception period based on the above-mentioned criteria. The European Commission will be consulted in the selection process.

Training, capacity and institutional building activities will aim at ensuring long-lasting sustainability of work and continuation after the Action ends.

Lessons learned from business and industry interaction through the RECP application and demonstration programs will be further promoted to ensure sector knowledge distribution in the countries.

Work with the private sector will be used to inform Governments about more policy needs wherever possible as a direct input or through other activities of Action Partners responsible directly for policy and strategy development under the EU4Environment Program.

A number of the expected results of the Action will be of a long-term nature. In particular, the legislation adopted or amended by the beneficiary countries (e.g. under Output 1.3) is expected to govern their actions impacting the environment for many years to come. The Action activities will be implemented in close cooperation with relevant governmental institutions, and with their active involvement. This will ensure the countries' ownership of the Action outcomes and sustain them after the completion of the Action.

The UNECE Espoo Convention and the Protocol on EIA provides a permanent legal and institutional framework that enables regular reporting on and monitoring of the outcomes of and the follow-up to the Action output 1.3, during and after the implementing period. The national focal points to the Espoo Convention and its Protocol on SEA of the partner countries will be invited to report on progress in implementing and ratifying the two Treaties at each meeting of the Treaty bodies.

Key results of the Action will be disseminated widely through two major global knowledge exchange hubs, namely, Green Growth Knowledge Platform and Global Sustainable Consumption and Production Clearing house.

Sustainability is at the core of every element and every stage of the EU4Environment Action to ensure the long lasting effect and maintain the results after its end. The Action will capitalize on the lessons learned from the EaP GREEN, the European Neighbourhood and Partnership

Instrument East Countries Forest Law Enforcement and Governance (ENPI-FLEG, phases I and II) programs, and, as relevant, continue work on the Emerald Network, as well as growing international experience, on connecting green economy and international, regional and national commitments for a sustainable and inclusive development and growth. The Action is fully aligned with the SDGs and priorities established within the Eastern Partnership.

The Action will ensure sustainability of its results by building and strengthening capacities of government authorities, national technical centres, businesses and business support organizations, academic circles and civil society representatives through trainings, pilot projects, coaching, technical assistance, and the development of policies and tools that can be carried out independently from external support. The establishment of well-developed legislative, regulatory and institutional frameworks will provide a sustainable basis for the subsequent economic development planning supporting activities by the EaP countries at national, subnational and international levels. Demonstrating the application of SEA/EIA, RECP, SPP and other green economy practices and policies will build awareness and experience among authorities and stimulate the development of the business sector in line with established priorities. This will create political support and demand to continue developing the regulatory framework and stimulus packages necessary to drive a change and transformation of the economy to a greener state. All individual activities where approaches and new methods are tested or piloted, will also address scaling up challenges and lessons learnt.

Sharing experiences and peer-to-peer learning between outputs of the Action and among EaP countries will help to create a community of practice that will remain in the region beyond the duration of the Action. Raising awareness and knowledge sharing in the private and public sector will be a crucial aspect of sustainability ensuring ownership of the Action and helping to build a broad consciousness on green and circular economy benefits in the community at large. This will be done especially through dissemination events and materials showcasing and promoting the use of Action results. The official documents developed under EU4Environment will be open for access and referenced in thematic resources and on the platforms of implementing partners, relevant government authorities and relevant initiatives at the national, regional and international levels. This will facilitate further dissemination of the green economy concept in the countries and the region.

The EU4Environment program will have a multilayer governance structure. It is expected that some of the structures established – for example the Regional Assembly and National Implementation Committees as well as inter-ministerial coordination mechanism for green economy policy development and implementation – would develop in to long-lasting regional and national platforms for multi-stakeholder dialogue on green economy and sustainable natural resource use that continue their operations even after the program closure.

The goal is to build sufficient human capacity, mobilise internal resources as well as create institutional mechanisms and demand in the countries so that the participating public institutions, local partners, civil society, academia and business support organizations can continue to apply green economy practices with no external support so that they become business as usual and are implemented beyond the duration of the Action. Awareness raising is also crucial to ensure that the demand for green goods and services by new and existing consumers and businesses alike continues to grow.

7. Cross-cutting issues

Economic and environmental sustainability and addressing climate change will be at the heart of the programme. Through energy and resource efficiency at the enterprise level, climate change mitigation goal will be pursued. Maintaining green infrastructure is a crucial contribution to both climate change adaptation and mitigation. Climate-related issues will be addressed in support to SEA and EIA (Output 1.3), investment study (Output 1.2), sustainable public procurement (2.3), waste management (2.4), ecological value chain and production innovation (2.5), as well as integrated into the regulatory work related to emission limit setting and environmental permitting (Output 3.1), compliance promotion (Output 3.2.) and finance (Output 3.3.). The institutional and capacity building activities will support the implementation of the Paris Climate Agreement and the Sustainable Development Goals, including *SDG 12 Sustainable consumption and production patterns* in particular.

The Action will promote a participatory approach thus reinforcing the *role of citizens and civil society*. The Action will take full account of the need for CSOs to be represented in debates and decision-making. Regulatory reforms in the environmental sector will also be shaped up through involvement of CSOs. Promoting access to information and public participation in planning and decision-making, including in a transboundary context, will be key aims of the activities on SEA and EIA. CSOs will play key role for the implementation of

The Action will also contribute towards promoting *good governance* and accountability, by supporting the implementation of transparent green growth policies and enhancing transparency in the planning and decision-making processes across the economic sectors (in particular through the application of SEA); access to public information is to be considered as a cornerstone for transparency and accountability. Efforts will be devoted to the fight against corruption in environmental authorities across the Action activities.

Gender Mainstreaming

Women face greater disadvantages in responding to new economic incentives, because they are more time-constrained but also because of gender differences in the ability to access resources, such as land, credit, networks, education and skills, and infrastructure, utilities and services (for example, health, transport, water, and electricity). There is a high level of gender segregation in the labour force for example in Belarus and Moldova with women concentrated in low-paid, traditional female occupations.

The action will encourage *gender equality*, equal opportunities and the participation of women in all its activities. It will contribute to mainstreaming gender-related issues into environmental decision-making. Special attention will be given to women role in policy development and institutional and human management and women's organisations participation in awareness raising and educational activities. The Action will also contribute to SDG 5 “Achieve gender equality and empower all women and girls”, mainly by providing full and effective participation and equal opportunities to women for all actions to be implemented within the Action.

The overarching principle of the Action is to support a balanced participation of both women and men in the implementation of project activities. Action activities are mainly focused on on-the-ground demonstration activities but also interact at the policy level to promote the creation of an enabling environment. As such, the project will strive to advance women’s participation in the process of policy development and decision-making through targeted consultations. In the areas of practical implementation, specifically for the capacity building and demonstration components of the project the activities will involve participation by both women and men.

The Action will have a positive impact on both women and men. Women, who are exposed to poor quality jobs and harmful substances will benefit from the improvements in working conditions promoted by the Action. They will be preferentially supported to participate in

trainings and capacity building activities and benefit from other supporting measures. The preferential support should aim at ensuring a balanced participation of men and women, i.e. implemented as needed. Targeted assessments in the form of focus group discussions and/or sector level surveys will be carried out at the beginning and at the end of the Action to measure the impact within the sector, with a particular focus on women, to the extent possible. The scope of these assessments will be further defined as part of implementation.

Throughout the Action implementation, gender disaggregated analyses will be carried out to the highest extent possible. Based on an analysis of gender differences, the Action will identify Action beneficiaries disaggregated by sex. Furthermore, the Action will provide evidence of equal and meaningful participation of women and men in the Action activities and help provide sex-disaggregated data. This will be particularly ensured through a benchmark of at least 40% of women participation in trainings and events of the Action. Wherever possible, links with government agencies, NGOs, community based organizations, and women's associations or groups whose work focuses on gender and the specific area of intervention will be established. Initial unanticipated risks and/or negative gender impacts of the Action will be discussed with the relevant groups and mitigating strategies developed, if necessary.

Appendix 1. EU4Environment – Indicative Logical Framework

Results	Indicators	Baseline (2017 or earliest year available)	Target (2022)	Source of information
Impact: Natural capital preserved and people's environmental well-being increased in the six Eastern partner countries in conjunction with Sustainable Development Goals (SDGs) implementation³⁰				
Circular economy promoted	<i>Domestic material consumption per GDP</i>	To be defined	To be defined	<i>International databases, e.g. the OECD Green Growth Indicators (GGIs) database, national statistics, reports on SDGs, and reports on GGIs under Result 5</i>
Resource and energy efficiency of production increased	<i>Energy productivity of the industrial sector</i>	To be defined	To be defined	
Green jobs created	<i>Number of new jobs in the green economy sectors</i>	To be defined	To be defined	
Economic benefits of green economy grasped	<i>Export in the green economy sectors, % of total</i>	To be defined	To be defined	
Policy responses adapted to the needs of a green transformation	<i>Level and structure of environmentally related subsidies</i>	To be defined	To be defined	
Citizens' environmental well-being	<i>Population exposed to pollution levels above World Health Organization's guidelines, %</i>	To be defined	To be defined	
Forests managed sustainably	<i>Rate of net forest cover change</i>	To be defined	To be defined	
Biodiversity preserved	<i>Emerald Network official sites, % of territory</i>	To be defined	To be defined	
Outcome 1: Greener decision-making				
Knowledge, decision-making, and stakeholder interaction mechanisms further aligned with environmental imperatives	<i>Number of countries with a functional green planning and decision-making system that effectively serves for aligning policy, technological, and investment decisions/actions</i>	1	3	<i>Government decisions, summary records of meetings</i>

³⁰ The impact indicators will be further identified and refined as part of the inception phase. Baseline values and targets will be established.

Results	Indicators	Baseline (2017 or earliest year available)	Target (2022)	Source of information
Civil servants' knowledge on green economy enhanced	<i>Number of additional civil servants from line ministries able to apply green economy concepts in their work</i>	0	40	<i>Summary records of training course and follow-up survey with trainees</i>
Knowledge on sectoral green economy investment enhanced	<i>Number of additional countries with enhanced knowledge of green economy investment</i>	0	3	<i>Investment assessments and recommendations Dissemination events</i>
SEA and EIA , legislation and practice further enhanced	<i>Number of countries where legislation is fully aligned with the Espoo Convention, the Protocol on SEA, and the EU legislation</i>	2	5	<i>Fully aligned draft pieces of legislation and regulations SEA and EIA reports</i>
	<i>Number of countries where capacities to apply SEA and EIA are adequate</i>	2	5	<i>Assessments of implementing capacities by participants at sub-regional and national event Implementation reports</i>
Public awareness for green economy enhanced	<i>Number of people reached through communication campaigns under EU4Environment</i>	0	4 million	<i>Summary records of events; number of access to/viewers on electronic media; estimation of public exposure to the publicity</i>
Output 1.1 Green economy ownership, policy coherence and cross-sectoral coordination boosted				
Inter-ministerial coordination and policy dialogue on green economy supported	<i>Number of policy dialogue meetings and interministerial and cross-sectoral coordination meetings conducted with EU4Environment support</i>	0	16	<i>Summary records of meetings</i>
	<i>Number of analytical documents produced in support of NPDs</i>	0	To be defined	<i>Analytical reports</i>
	<i>Number of countries where training courses on green economy were introduced</i>	0	To be defined	<i>Summary records of the training courses</i>

Results	Indicators	Baseline (2017 or earliest year available)	Target (2022)	Source of information
Output 1.2 Sectoral investment planning and comparative analysis of costs and benefits supported				
Sectoral evidence-based investment needs identified	<i>Number of additional assessments of green economy investment needs</i>	0	3	<i>Investment Assessments</i>
Output 1.3 SEA and EIA in a transboundary context operationalized				
Assistance for finalizing legal reforms provided	<i>Number of countries receiving legal drafting support</i>	0	4	<i>Analytical reports; legal and regulatory proposals, including sector specific proposals</i>
Adoption of legislative changes promoted	<i>Number of national events related to legal reform promotion</i>	0	6	<i>Summary records of the events</i>
	<i>Number of participants at the events</i>	0	120	
Relevant decision-support tools developed	<i>Number of sectoral or issue specific guidelines on SEA produced</i>	0	6	<i>Guidelines available on-line</i>
Practitioners in environmental and sectoral authorities further trained	<i>Number of additional training workshops on SEA application</i>	0	12	<i>Summary records of the training events</i>
	<i>Number of additional participants at the trainings</i>	0	240	<i>Training materials</i>
Hands-on training for SEA application provided	<i>Number of additional pilot projects implemented</i>	0	5	<i>SEA reports; summary records of meetings and training events</i>
Efficiency of the national SEA systems enhanced	<i>Existence of a model for a SEA database</i>	None	Designed	<i>Model for a SEA database available for download from the UNECE website; summary records of meetings to support the roll out of the database.</i>
The application of SEA (and transboundary EIA) promoted	<i>Number of additional public awareness raising events</i>	0	6	<i>Summary records of awareness raising events</i>
	<i>Number of additional participants at the events</i>	0	120	

Results	Indicators	Baseline (2017 or earliest year available)	Target (2022)	Source of information
	<i>Video on transboundary EIA</i>	None	Released	<i>Video (available online)</i>
Information exchange and peer-to-peer experience sharing facilitated	<i>Number of additional regional events organized to facilitate exchange of experience</i>	0	2	<i>Summary records of awareness raising events</i>
Output 1.4 Awareness and public acceptance of the Green Economy transition increased				
EU4Environment Green Economy courses (on-line and lecture series) are delivered	Number of countries participating	0	3-6	<i>Summary records of training courses</i>
Awareness raising campaign conducted	<i>Number of countries undertaking campaigns with EU4Environment support</i>	0	3	<i>Activity reports of campaign</i>
Outcome 2: Circular economy and new growth opportunities				
Increased capacity and sustainability performance for sustainable consumption and green economy innovation of business sector	<i>Number of Micro, Small and Medium Enterprises (MSMEs) applying Sustainable Consumption and Production practices with EU support</i>	0	200	
Governments are able to develop GE/circular economy policies through EU4Environment (for example, in the area of sustainable public procurement, eco-labelling)	<i>Number of new policies, strategies, and plans developed with EU4Environment support</i>	0	4	
Waste management practices introduced in the region	<i>Number of municipalities that improved waste policies with EU support</i>	0	2	<i>Progress reports Web sites of municipalities</i>
	<i>Amount of resources saving generated by demonstration companies involved in the project (% saved from baseline in terms of water, energy and raw material)</i>	0		<i>Report on RECP assessments of companies</i>
Output 2.1 Resource Efficient and Cleaner Production among SMEs scaled up				
RECP Clubs are further spread in the region	<i>Number of new RECP clubs of enterprises established</i>	0	12	<i>Progress reports Web sites of municipalities</i>

Results	Indicators	Baseline (2017 or earliest year available)	Target (2022)	Source of information
RECP assessments of production SMEs are conducted	<i>Number of SMEs assessed</i>	0	60	<i>RECP Assessment reports; progress reports; success stories leaflets</i>
Eco-industrial parks concept introduced in the region	<i>Number of regions benefitting from preparatory work to establish eco-industrial parks</i>	0	2	<i>Progress reports</i>
Use of “waste maps” is promoted in the region	<i>Number of “waste maps” introduced in the selected municipalities of the region</i>	0	3	<i>Progress reports</i>
Output 2.2: Concept and tools of the EU Single Market for Green Products (SMGP) initiative introduced and promoted				
SPMG concept and tools introduction in the region	<i>Number of stakeholders trained</i>	0	60	<i>Progress reports; training reports</i>
Testing international labelling practices and benefits of LCA	<i>Number of industries introducing PEF methodology</i>	0	10	<i>Progress reports Success stories leaflets</i>
Output 2.3 Green Public Procurement and complementary tools operationalized				
Pilot public tenders launched for sustainable product groups with support from EU4Environment	<i>Number of new pilot tenders</i>	0	At least 20	<i>Reports Tender document including sustainability criteria</i>
Advisory service provided to establish national eco-labeling or align with EU labels	<i>Number of countries</i>	0	2	<i>Assessments Progress reports Roadmaps</i>
Training workshops on SPP and eco-labelling/certification	<i>Number of additional companies and authorities received trainings</i>	0	At least the same number as part of EaP GREEN	<i>Summary records of workshops List of participants</i>
Output 2.4 The use of strategic approaches on waste management enabled				
Draft Action Plan for national waste management developed through assistance provided by EU4Environment	<i>Number of national action plans</i>	0	2	<i>Draft action plans</i>
Technical assistance provided to establish	<i>Number of countries</i>	0	3	<i>Analytical reports</i>

Results	Indicators	Baseline (2017 or earliest year available)	Target (2022)	Source of information
Extended Producers Responsibility (EPR) schemes for identified priority product groups under EU4Environment				<i>Summary of records of meetings</i>
Output 2.5 Reforms in priority green economy sectors supported				
Technical assistance for developing enabling policies in support of GE transformation of priority sectors	<i>Number of countries</i>	0	3	<i>Progress reports</i>
Output 2.6 Ecological value-chain and product innovation facilitated				
Training workshops to enhance the governments' and companies' 'capacity on eco-innovation under EU4Environment	<i>Number of countries</i>	0	2	<i>Summary records of the training events Training materials</i>
Analyses of eco-innovation policies and policy instruments conducted	<i>Number of countries</i>	0	2	<i>Analysis</i>
Assistance provided to SMEs to evaluate and identify innovative solutions to strengthen companies' market positions and competitiveness	<i>Number of new assessments for SMEs</i>	0	15-20	<i>Assessment reports</i>
Outcome 3: An environmental level playing field promoted				
Governance and regulatory frameworks designed to provide incentives for better environmental performance while not compromising productivity and competitiveness	<i>Number of countries with functional systems to ensure an environmental level playing field</i>	0	6	<i>Analytical reports Sector-specific policy and legal proposals Summary records of relevant meetings Web-sites</i>
	<i>Number of countries with differentiated regimes to regulate environment impacts of large emission sources as in the EU Industrial Emissions Directive (2010/75/EU – EU IED) and in SMEs</i>	0	4	

Results	Indicators	Baseline (2017 or earliest year available)	Target (2022)	Source of information
	<i>Number of countries that reformed administrative mechanisms for environmental management</i>	0	5	
Output 3.1 “Smart” regulation of environmental impacts promoted				
	<i>Number of regional seminars on specific aspects of environmental regulation of large emission sources</i>	0	2	<i>Analytical reports Sector-specific policy and legal proposals Summary records of relevant meetings Web-sites</i>
	<i>Number of countries where General Binding Rules (GBR) are developed</i>	0	3	
	<i>Number of sets of GBR conditions for sectors (or groups of sectors) that have been identified as being of environmental concern</i>	0	3	
	<i>Number of countries where specific actions that promote lowering environment impact of SMEs are included in the SME Development Strategies</i>	0	3	
	<i>Number of regional seminars to review the results, exchange experience and disseminate good practices</i>	0	2	
Output 3.2 Environmental compliance assurance and environmental liability regimes strengthened				
	<i>Number of compliance assurance systems reviewed</i>	0	6	<i>Analytical reports Sector-specific policy and legal proposals Summary records of relevant meetings Web-sites</i>
	<i>Number of reviews of criteria for identifying, classifying and selecting installations for compliance monitoring and use of risk-based tools for inspection planning</i>	0	3	

Results	Indicators	Baseline (2017 or earliest year available)	Target (2022)	Source of information
	<i>Number of coordinated inspection campaigns</i>	0	3	
	<i>Number of reviews of management practices, capacity building and financing of enforcement authorities</i>	0	3	
	<i>Number of reviews of the systems of administrative sanctions, monetary payments and penalties for non-compliance</i>	0	3	
	<i>Number of countries where legislation regulating damage compensation, including those covered by the provisions of the EU ELD, in developed</i>	0	3	
	<i>Application of cross-agency trainings to enhance administrative capacity for compliance assurance</i>	0	6	
	<i>Number of regional meetings reviewing best practices and progress in implementing reforms of compliance assurance systems</i>	0	3	
Output 3.3 Domestic public finance, subsidy reforms and public-private partnerships reinforced				
	<i>Number of additional priority green economy-related public investment programmes costed</i>	0	2	<i>Analytical reports Sector-specific policy and legal proposals Summary records of relevant meetings Web-sites</i>
	<i>Number of trainings for government officials to improve capacity for planning green budget programmes</i>	0	2-3	
	<i>Number of trainees involved in follow-up programme implementation actions at the national level as part</i>	0	150	

Results	Indicators	Baseline (2017 or earliest year available)	Target (2022)	Source of information
	<i>of transposing their new knowledge into practice</i>			
	<i>Number of national public funding entities' practices and capacities for providing and mobilising green finance</i>	0	2-3	
	<i>Number of reviews of approaches to blending public and private resources in a national context and leveraging private sector capital in a cost-effective way can help stimulate more demand for green investments.</i>	0	1	
	<i>Pilot application in the partner countries of a tax expenditure reporting methodology</i>	No	Yes	
	<i>Number of additional analysis of the impact of reforming selected major fossil-fuel subsidy schemes on energy affordability</i>	0	1	
	<i>Number of national-level analysis and discussion of the best ways to support green investment</i>	0	3	
	<i>Number of regional conferences to take stock of recent initiatives, policy developments and financial vehicles in the EaP countries</i>	0	2-3	
Output 3.4 Administrative capacity development				
	<i>Number of analytical reports with analysis and assessments of existing and required administrative capacity in the environmental sector in all EaP countries against benchmarks and</i>	0	5	<i>Analytical reports Sector-specific policy and legal proposals Summary records of relevant meetings Web-sites</i>

Results	Indicators	Baseline (2017 or earliest year available)	Target (2022)	Source of information
	<i>comparisons with other countries</i>			
	<i>Number of plans for administrative strengthening, including development of sustainable and targeted training mechanisms</i>	0	4-5	
Outcome 4: Ecosystem services and livelihoods				
	<i>Number of additional hectares of protected areas that improved management with EU support</i>	0	To be defined	<ul style="list-style-type: none"> • National statistics • Programme reporting
	<i>Number of additional beneficiary communities</i>	0	To be defined	
Output 4.1 A shared network of protected areas involving EU and neighbouring countries launched				
	<i>Number of national action plans to advance the establishment of the Emerald Network</i>	0	6	• Same as above
	<i>Field implementation on-going in at least half of the partner countries</i>	No	Yes	
	<i>Number of additional sub-regional events and study tours</i>	0	6	
Output 4.2 Community action on ecosystem services facilitated				
	<i>Number of countries that conducted baseline mapping form community involvement</i>	0	6	• Same as above
	<i>Number of community grants provided</i>	0	30	
	<i>Number of lessons learnt studies</i>	0	6	
Output 4.3 Illegal logging and related cross-border trade limited and legal trade promoted				
	<i>Number of additional countries that assessed vulnerabilities in their wood product export value chains</i>	0	2	• Same as above

Results	Indicators	Baseline (2017 or earliest year available)	Target (2022)	Source of information
	<i>Number of countries that strengthened export controls</i>	0	2	
	<i>Innovation competition to develop mobile apps and online tools</i>	No	Yes	
	<i>Number of additional participants in trade fairs</i>	0	To be defined	
	<i>Number of additional people trained</i>	0	To be defined	
Output 4.4 Effective strategies for funding natural capital conservation defined				
	<i>Number of national financing plans prepared</i>	0	6	• Same as above
	<i>Number of regional events to share experience</i>	0	1	
Outcome 5: Knowledge sharing and coordination				
Innovative policies and practices diffused through regional interaction; improved metrics and monitoring of green economy and policy reform.	<i>Well-established and systematically applied mechanism of coordination</i>	No	Yes	<ul style="list-style-type: none"> • Analytical reports • Sector-specific policy and legal proposals • Summary records of relevant meetings • Web-sites
Number and diversity of stakeholders reached	<i>Number of countries where all targeted government institutions and selected additional stakeholders reached</i>	0	6	
Frequency and quality of coordination	<i>Annual coordination events, mechanisms in place to coordinate action systematically and exchange information on a quarterly basis</i>	No	Yes	
Increased use of green growth indicators	<i>Number of countries where application is systematic</i>	0	3	
	<i>Number of additional countries with pilot use</i>	0	3	
Output 5.1 Action visibility and strategic communication ensured				
	<i>Number of updates of consolidated Action</i>	0	4	• Analytical reports

Results	Indicators	Baseline (2017 or earliest year available)	Target (2022)	Source of information
	<i>Communication and Visibility Roadmaps</i>			<ul style="list-style-type: none"> • Sector-specific policy and legal proposals • Summary records of relevant meetings • Web-sites
	<i>Number of harmonised information templates for the use by Implementation Partners</i>	0	Upon request	
	<i>Number of Web-based platform providing links to the different Actions and its results</i>	0	1	
	<i>Number of quarterly updates on EU4Environment implementation and/or an electronic newsletter</i>	0	14	
	<i>Development of factsheets, infographics, country specific leaflets, podcasts and short video clips on each of the officially released report</i>	0	On as needed basis	
Presence of EU4 Environment on social media networks	<i>Number of additional users reached</i>	0	7 million	
Output 5.2 Regional coordination and oversight				
	<i>Number of EU4Environment Regional Assembly meetings</i>	0	4	
	<i>Number of Programme's Co-ordination Board meetings</i>	0	8	
Output 5.3 Monitoring of progress at the economy-environment nexus carried out³¹				
	<i>Number of brief country profiles (using headline indicators and mentioning progress with policy reform)</i>	0	24 (6 per year)	
	<i>Number of additional reports based on Green Growth Indicators</i>	0	3	

³¹ Logical framework indicators for Outputs 3-5 are to be confirmed by the relevant implementing partners in line with the Action Document indicators estimated in November 2017.

Results	Indicators	Baseline (2017 or earliest year available)	Target (2022)	Source of information
	<i>Number of reports on progress with integration of economic and environmental goals in the EaP countries</i>	0	2 (mid-term and final)	