

FINAL

**COUNTRY STRATEGY PAPER
NATIONAL INDICATIVE PROGRAMME**

BELARUS

2005-2006

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Introduction

1. This document establishes the strategic framework (CSP, Section I) and the overall planning (NIP, Section II) within which EC assistance will be provided during the period 2005-2006. It is based on the Tacis Regulation (Council Regulation (EC, Euratom) No. 99/2000 of 29 December 1999) and follows the guidelines set out in the ‘Common Framework for Country Strategy Papers’ (SEC 2000/1049). This is the first CSP for Belarus and it builds on the NIP 2000-2003 adopted in February 2001.
2. Section I sets out the EU policy approach, based on an assessment of the political and socio-economic situation of Belarus along with recalling the main parameters of the current EU policy approach to Belarus (in particular the Council Conclusions of 1997) and the European Neighbourhood Policy (ENP) which can provide a new framework for relations with this country.
3. The Indicative Programme for assistance to Belarus (Section II) focuses on the objectives and priority fields of cooperation, along with setting out the main lines of programmes to be developed, establishing the expected results and impact indicators, and spelling out risks and assumptions for execution of such programmes.
4. The Tacis programme 2005-2006 will focus on support to the civil society; education and training; and support to Chernobyl-affected areas. In addition, support to the NCU is foreseen. In terms of the overall priority areas of cooperation laid down in the Tacis Regulation the first two measures correspond to “*support for institutional, legal and administrative reform*”, while addressing the Chernobyl consequences would come under “*support in addressing the social consequences of transition*”.
5. A total allocation of €10 m is foreseen for the period 2005-2006 and it is foreseen to be committed in 2005 subject to availability of funds.
6. This planning may have to be reconsidered if substantive developments were to occur in the internal situation in Belarus and/or in the context of the European Neighbourhood Policy.

I STRATEGY CONSIDERATIONS

1. EU objectives

7. Against the background of the EU enlargement and the EU’s European Neighbourhood Policy, the long-term goals of the EU are that Belarus be a democratic, stable, reliable, and increasingly prosperous partner with which the enlarged EU will share not only common borders, but also a common agenda driven by shared values.
8. For this to happen, the EU has made efforts to help Belarus to embark on the transition towards a stable democracy that can ensure respect for the rule of law, human rights and fundamental freedoms in line with its UN and OSCE commitments. Given the fundamental importance of the CoE and the OSCE in this field, the EU also attaches importance to these organisations being able to maintain smooth relations with Belarus and enjoy favourable working conditions in the country. For that purpose the process of rapprochement between Belarus and the CoE should continue and reach a positive conclusion.

9. Furthermore, subject to fundamental improvement of EU-Belarus relations, the EU would be prepared to provide support in a number of policy areas such as the development of a market economy; enhancing public health; the protection of the environment; beyond the provision of technical assistance.

2. EU-Belarus relations

10. Until today, an authoritarian system of power, introduced by President Lukashenko in 1996/97, is in force. In the current situation, pending any substantive change in the internal situation in Belarus, the 1997 General Affairs Council conclusions¹ on Belarus which restrict EU-Belarus relations remain valid.

11. Following Belarus' independence in 1991, bilateral relations initially progressed well towards the adoption of a Partnership and Cooperation Agreement (PCA, negotiated in 1995) and an interim trade agreement. Both agreements were, however, frozen as a result of the deterioration of the internal political situation in Belarus since 1996².

12. The EU agreed the mentioned conclusions on the basis of the deteriorating political situation in September 1997. Ratification of the PCA and the interim trade agreement was suspended. Bilateral ministerial contacts would be established solely through the Presidency or the Troika. Technical assistance of the Community and MS would be halted, except for humanitarian or regional projects or for directly supporting the democratisation process. Implementation of democratisation programmes should continue in close cooperation with the CoE and the OSCE.

13. In 2001 the OSCE/ODIHR limited observation mission concluded that the presidential election failed to meet the OSCE commitments for democratic elections. It welcomed and acknowledged the emergence of a pluralist civil society, as the foundation for the development of democratic political structures, representing all segments of the population. The observation mission stated that the isolation of the country is not in the best interest of the Belarusian people and is not conducive to strengthening democratic development.

14. A new attempt to improve bilateral relations by proposing a step-by-step process was developed in early 2002. This approach aims at clearly identified steps towards democratisation to be paralleled at each stage by gradual resumption of dialogue with the government and provision of broader assistance, ending with full normalisation of relations.

15. Several contacts at political level have taken place on this basis with a view to bring Belarus closer to European democratic standards. However, increasing restrictions on the media, the difficulties surrounding the OSCE Advice and Monitoring Group (AMG see paragraph 31) and other negative developments have demonstrated Belarus' reluctance to move towards democratic standards.

¹ More information on EU-Belarus relations is available on the European Commission website: http://europa.eu.int/comm/external_relations/belarus/intro/index.htm

² Along with Turkmenistan, Belarus is now the only successor state of the former Soviet Union without a PCA with the EU.

16. Relations became worse during 2002 as the democratic progress remained absent. In support of the continuation of the OSCE activities in Belarus, 14 out of 15 EU Member States decided in November 2002 to prevent the entry into their territories of President Lukashenko and seven other political leaders of Belarus. The visa ban was lifted in April 2003 after the establishment of a new OSCE office in Minsk with a new mandate.

17. In 2002-04 the EU has several times drawn attention in public to the lack of freedom of religious organisations, freedom of the media and freedom of expression and systematic repression of NGOs. A recent OSCE report confirms the negative trend by notably highlighting systematic pressure on the independent media outlets, NGOs and higher education institutions.

18. The European Parliament, in its Resolution of 11 February 2003, called for moving towards a future partnership with Belarus, expressed strong concern at the increasing 'self isolation' of Belarus, and declared its support to the overall approach taken by the Commission and the Council. The resolution also underlined the need for the EU to develop a strategy within the European Neighbourhood Policy framework, to provide greater financial support to NGOs working to strengthen civil society and independent media, and to enhance cooperation in the field of Justice and Home Affairs.

19. The Wider Europe/European Neighbourhood Policy concept (Commission Communication of 11 March 2003), which lays the ground for closer cooperation with the neighbouring countries of the enlarged Union, offers another opportunity for Belarus for improving relations with the EU. Belarus has welcomed the European Neighbourhood Policy concept and suggested specific areas for cooperation without, however, responding on the basic democratic requirements.

20. The Commission has put forward a proposal on relations with Belarus in the context of European Neighbourhood Policy (ENP) strategy package of 12 May 2004. The ENP strategy paper states that under the present situation in the country -which by all accounts is deteriorating – it is not yet possible to offer the full benefits of the ENP to Belarus. The ENP should contribute to encouraging democratic reform in Belarus, notably through further support to civil society, support for democratic parliamentary elections in the Autumn 2004, and raising awareness of EU policies and assistance benefiting Belarusian citizens. Belarus is already eligible to participate in the Neighbourhood Programmes, and will be eligible under the new European Neighbourhood Instrument. The EU will further confirm the perspective of closer relations, including in the framework of the ENP, provided that fundamental reforms are carried out.

21. Trade relations are covered by the Most Favoured Nation (MFN) provisions of the 1989 agreement between the EU and the former Soviet Union which remains in force with Belarus. The EU has unilaterally granted Belarus access to the benefits of the Generalised System of Preferences (GSP). On 29 December 2003, the Commission decided to initiate an investigation into violation of freedom of association in Belarus as the first step towards a possible temporary withdrawal of the GSP from Belarus. Textiles trade is regulated by an agreement first concluded in 1993 and subsequently extended three times (in 1995, 1999 and 2003) so as to now run until the end of 2004.

22. The basic figures on trade and investment, including the bilateral relations, are provided in Annex I.

3. Country analysis

Area: 207.600 km ²	Population (2002): 9.950.900	GDP/capita (2001): 1217 USD
Real GDP growth rate: 3,0 %	Real level of 2002 GDP of 1989 GDP: 93 %	Inflation rate (2002): 42,6 %

23. The following analysis (3.1 – 3.6) focuses on those policy areas that are relevant for Tacis planning purposes, in particular the overall political situation and the state of civil society; the social policy sector and higher education/training in particular; environmental issues; the current state in coping with the consequences of the Chernobyl accident; economic policies and Justice and Home Affairs.

3.1. Political situation and state of civil society

Parliamentary system, elections

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

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

26. The next parliamentary elections in Belarus are to take place in October 2004. There are eighteen registered political parties, but a multiparty parliamentary system is not developed. The political opposition is currently almost absent in the national assembly. The EU and relevant international organisations will give in particular attention to the conditions under which opposition parties have to campaign in the forthcoming elections. An early invitation by the Belarusian authorities to ODIHR to observe the elections is expected.

27. Presidential elections will be held in 2006. President Lukashenko has expressed that he may want to hold an early referendum for changing the Constitution again, in such a way as to allow him to run for president for the third time.

Foreign policy

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

29. Belarus has since its independence kept a close relationship with Russia. Not only is there no border demarcation between the two countries and no visa requirement, but both also have a longstanding project of entering Russia-Belarus Union (a treaty concluded in 1999)³. This should be preceded by a currency union for which the target date has repeatedly been postponed, partly due to disagreement on the position which President Lukashenko might take in the Union. Investment in Belarus, though on a low level in absolute terms, is overwhelmingly from Russia.

30. Cooperation in the context of the Commonwealth of Independent States (CIS) may be the next most important component. The main political element is the collective security system within the framework of the Collective Security Treaty. However, economic integration is more often and more visibly referred to, such as by way of repeated commitments to create a full-scale free trade zone, development of multilateral interaction within the framework of the Euro-Asian Economic Community (which includes Belarus, Kazakhstan, Kyrgyzstan, Russia and Tajikistan), and the recently launched project of a “Single Economic Space” between four CIS members (paragraph 63).

31. As regards the EU, Belarus has declared its readiness to build closer relations, especially in the context of the EU enlargement, but there is no recognition of a need to overcome deficiencies in democratic standards. Belarus is aware of its central geographic position as a transit country and claims credit for its efforts to halt illegal migration on its territory, which would otherwise infiltrate the EU.

32. Belarus has been a member of the Organization for Security and Cooperation in Europe (OSCE) since 1992. Relations with the OSCE went through a particularly difficult phase in 2002 when Belarus decided to force the closure of the OSCE Assistance and Monitoring Group (AMG) office in Minsk. The AMG was established in 1998 with the objective of assisting the Belarus authorities to fulfil their OSCE commitments. Due to a lack of confidence in its mandate and activities, Belarus refused renewal of the accreditation of the last remaining OSCE staff in October 2002. A solution was finally reached whereby the AMG was formally closed and a new OSCE office with a revised mandate opened in Minsk as of January 2003. The mandate of the office has been further extended until the end of 2004.

33. Belarus applied for membership in the Council of Europe in 1993, making it the applicant country to have spent the longest time as a candidate. After the political developments in Belarus in 1996/97, PACE (Parliamentary Assembly of the Council of Europe) suspended the special guest status of the Parliament of Belarus. The examination of the membership application is frozen, even if the CoE continues to consider Belarus an applicant state. PACE maintains contacts with all political forces in the country and invites to its sessions and hearings delegations consisting of the members of the national assembly and opposition politicians on an ad-hoc basis.

Media freedom

34. “Reporters Without Borders” has ranked Belarus in 124th place (out of 139 countries) in terms of press freedom index (October 2002). Recent incidents continue to fuel fears about a continued downward trend regarding the freedom of media. Harassment of critical

³ The Russia-Belarus Community was established in April 1996 and was upgraded to a Union by the treaty of 1997. A treaty on a Union was concluded in 1999, but not all institutions provided by this treaty have been formed yet.

intellectuals and journalists has been reported, including withdrawal of accreditation of journalists; hefty fines on journalists for ‘defamation’, transfer of frequencies; re-registration of all Belarusian TV and radio stations; confiscation of equipment; inspections of independent TV stations around the country by the State Control Committee; closures of independent media outlets.

35. Under Art. 5 of the Press Law, a media outlet operation can be suspended or permanently shutdown after two warnings such as for ‘defamation’ of state officials. Further restrictions are to be feared under a new draft media law of October 2003, which gives authorities greater control powers and makes it easier to close down media outlets, along with limiting foreign ownership and diminishing legal protection.

Civil society, Human rights

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

37. Several prominent people have “disappeared” in 1999-2000; but their cases have not been fully investigated by the authorities. Allegations have been made that these “disappearances” had a political background. The work of civil society actors remains under tight administrative control and under constant threat of being interrupted by the government. However, a certain degree of pluralism and the emergence of civil society structures can be noted. There are 2,760 registered NGOs, and many other non-registered ones.

38. NGOs are a vital part of functioning democracy and good interaction with them is crucial for good governance. The recent past has witnessed several closures of NGOs for allegedly minor reasons of technical nature but as suggested by the circumstances motivated by political aims. In October 2003 alone, four NGOs were closed, drawing numerous protests from international human rights organisations. The OSCE has described these incidents as an ongoing governmental campaign against independent NGOs and has pointed out that prominent human rights NGOs are targeted by the authorities. The OSCE has noted that Belarusian legislation is being used against NGOs for political purposes and less harsh ways of addressing possible shortcomings or violations by NGOs must be worked out by the authorities.

3.2. Social issues, higher education

General social policy aspects

39. Due to the fact that a significant economic and social reform process has not started, the social situation in Belarus has remained stagnant compared to other countries in the region.

40. The general life expectancy has decreased from 71,1 years in 1990 to 67,9 years in 1999, although it is now beginning to rise again. The population has declined slightly (0,1% annually), in the period of 1990-2000 the population fell by 221,000 people due to disturbances of ecological, social and political nature. However, this decrease is small in comparison to that experienced in Russia and Ukraine. The number of marriages is decreasing and the number of divorces is rising (4,3% per 1,000 people). As a consequence of the overall ageing of the population 21,3% are now in the retirement age.

41. Social problems such as alcoholism and drug use are partly inherited partly new problems, reaching critical levels mainly in urban areas. The prevalence of HIV/AIDS is among the highest in the Western NIS, affecting 45 cases per 100,000 members of the population. About 80% of the HIV cases are contracted through the use of intravenous drugs. Tuberculosis is spreading among marginal groups.

42. National mechanisms have been put in place to implement a policy for ensuring gender equality and the elimination of discrimination against women. In the work place women are increasingly employed in lower-paid occupational groups and sectors. In 2000, women's average wage was 81% of that of men. Female unemployment remains a serious problem. Women are under-represented in the legislative and executive bodies. The health of women and children is adversely affected not only by difficulties associated with the prevailing economic and social circumstances, but also by the consequences of the Chernobyl accident. Trafficking of Belarusian women abroad remains a serious concern.

43. According to a recent UNDP report, the number of people with disposable income below subsistence level (79,000 roubles, approximately €30) has decreased from 38,4% to 30,5% in 1995-2002, but this poverty figure is still strikingly high. Poverty is lowest in two-member households and highest in large families (with five or more family members). 80% of the poor live in families with only one person's income which is insufficient for a large family. Among the most vulnerable groups are pensioners, single mothers, the disabled, the unemployed, part-time employees, employees of financially insolvent companies, internally displaced people and refugees. Social spending remains a government priority, even if guaranteed, social minimum payments are extremely low, particularly the minimum wage set by the state.

Higher education

44. In 2003 the UNDP human development index (HDI) Belarus is rated as no. 53 in the ranking list (similar to Latvia, on 50th position) and higher than Russia (63rd rank). The high level of enrolments at all stages of education makes a particular contribution on the overall HDI, but while human capital is high, the other elements such as economic, social and institutional capital are low.

45. There are 42 state and 15 non-state higher education institutions (including two theological ones) in Belarus. More than 240,000 students enroll annually, and admission has increased in recent years. Since independence, the offer of education has diversified and new curricula have been introduced; links with academic institutions abroad have been established (but still need further strengthening); a network of regional universities has been created; private universities have also been established, and some notably in Minsk have achieved in a comparatively short time a high quality of standards. Overall, the academic sector is one of the most advanced parts of the society, receptive to new ideas and methods,

and ready to adapt to those that are currently in use. Academic ties with Russia are strong, but so are also ties with the Baltic States, Poland and EU member states.

46. The education system has been recently reformed. Belarus does not yet officially participate in the Bologna process⁴, even if some curricula reforms have been carried out to bring the higher education system closer in line with a two-level system (Bachelor/Masters).

47. Certain regional universities have attained high academic standards (notably Grodno State University). Especially those recently founded, however, still need assistance in order to develop curricula, to improve management, and to build up international contacts. The European Humanities University, which is a non-state establishment, has managed to develop cooperation projects with various international partners and is among the most important private universities in the country. Other private institutions, notably outside Minsk, also need to further develop, strengthen their structure and academic offer, and become financially viable.

48. Against this generally positive background, the negative note stems from the attempt of the government to control these developments and key aspects of academic life, with clear political objectives. Universities became a focus of the government attention after the presidential elections of 2001, when a high proportion of the students voted against the incumbent president. Afterwards, the autonomy of universities has been limited and, in some cases, rectors have been dismissed. In 2003 the president signed a decree re-introducing the Soviet era training in state ideology in the public administration, together with courses in the state ideology at all levels of education.

3.3. Environmental issues

49. Belarus is characterized by a low population density and a high amount of natural landscapes like forests and wetlands. More than 36% of the area is covered by forest. The country has 10,800 lakes and 9,000 bogs and plays an outstanding role as a reserve for rare and endangered species of animals and plants.

50. The environmental policy of the state authorities is focused on rational use of natural resources. However, little progress in respect of environmental issues has been achieved. Aspects of sustainability and environmental protection play an increasingly important role. Belarus has introduced new approaches in order to upgrade the institutional and legal setup of environmental policy (“polluters pay” principle). The country is a signatory of various international treaties (Aarhus Convention on free access to environmental information, Vienna Convention and Montreal Protocol on protection of Ozone layer, Convention on Biological Diversity, Helsinki Convention on transboundary lakes and watercourses).

51. Belarus faces serious environmental problems caused by radioactive contamination, water pollution and soil degradation. It has been more severely affected by the Chernobyl accident than any other country. The government resources are not sufficient to cope with the consequences of the contamination.

⁴ The formal name of the Bologna Declaration (1999) is the European Higher Education Area. The ultimate aim of the process is to establish a European Higher Education Area by 2010 in which staff and students can move with ease and have fair recognition of their qualifications.

3.4. Chernobyl consequences

52. Belarus continues to face problems resulting from the 1986 Chernobyl catastrophe, which affected about 15% of the population and contaminated almost 23% of the territory. Belarus received over 70% of the radioactive fallout originating from the Soviet power plant. In the past years Belarus has allocated a large part of the state budget to Chernobyl related issues.

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

54. Considerable assistance has been given by private and public bodies, though support from public international sources to Chernobyl has declined in the recent years. At the time following the accident the response focused on resettlement, humanitarian assistance and monitoring of the effects of radiation on health. Recently, almost eighteen years after the accident, the focus of the assistance is shifting to address the long-term consequences of the accident and emphasises more issues related to sustainable economic and social development.

55. A new coordination model has been recently set up for the activities related to the alleviation of the Chernobyl consequences. In Autumn 2003, the CORE programme (Cooperation for Rehabilitation), in which the EU is participating, was established with the objective to improve the living conditions of the inhabitants of selected districts by reaching out to the people themselves, helping them to get involved in the development and execution of specific projects. Participatory approach and active involvement of those affected by the Chernobyl accident is emphasized. National and international partners as well as governmental and non-governmental actors operate under the CORE programme.

3.5. Economic situation

56. Belarus was among the richer republics of the Soviet Union, thanks to an extensive and relatively modern industrial base. Following the break-up of the Soviet Union, the Belarus economy, like all other transition economies, underwent a long recession. Although GDP growth remained negative for a longer period than the best-performing transition, the economy restarted growing in 1995, one year earlier than the CIS average. Furthermore, according to official data, Belarusian GDP declined less than the CIS average during the contraction period. Hence, although growth fell somewhat short of the CIS average in the following upswing period, Belarus GDP has reached by 2002, 93% of the 1989 level, much better than most CIS countries. The lack of reform accounts for the relatively good economic reform of Belarus during the 1990's, as costs associated with economic transformation were largely avoided. The main economic indicators are provided in Annex I.

57. The country has not relied on external debt, which is declining and low at 5,7% of the GDP. Lately, the authorities are also making progress on reducing inflation, which has been slowly declining from a 1999 peak of 709,3% (in CPI terms) to 42,6% in 2002.

58. The transition towards a market economy is less advanced in Belarus than in almost all CIS countries. The economy is based on “market socialism”, with a considerable extent of state planning and control in all sectors of economy. This has helped minimise the disruptions associated with transition, but has left Belarus enterprises ill-equipped to face modern foreign competitors. EBRD estimates that the share of GDP produced by the private sector was at only 25% in 2002, the lowest level in a sample of 27 countries⁵. This low score is due to the fact that few of the country’s main enterprises have been privatised and the State retains extensive “golden share” provisions. Another indicator of a slow transition to a market economy system is the large share of administered prices in the CPI, 21% in 2002.

59. The EBRD indicators also indicate a low level of reforms in the infrastructure (there are no independent regulators), in the financial sector (directed credits were eliminated only in 2001), in competition policy (there is no independent competition office) and in the trade and foreign exchange system (the country maintains significant restrictions and is not a WTO member). In this context, it is notable that the country’s trade is still very strongly orientated towards traditional markets in the CIS (trade with non-transition countries amounted to only 21,9% of the total in 2002).

60. With scarce natural resources the Belarusian economy is mainly based on agriculture and industrial processing of imported raw materials. Industrial production represents 37,4 % of the GDP, agriculture 15,3 % and services 47,3 %. Reflecting the slow transition, a large share of the population is still employed in the agricultural sector. Almost half of the territory of Belarus is agrarian. The agricultural sector is in need of reform and investments. State-run farms (kolkhozes and sovkhoses) are main producers of agrarian goods. The food prices are controlled by the state, even if some staple products began to be liberalised in 2001.

61. Many Belarusians have left the country to work abroad (emigrant workers were estimated at 27,4% of the work force in 2000).

62. The above-mentioned Russia-Belarus Union (paragraph 28), including a free trade area and progress towards a customs union, is probably still the strongest single driving factor of Belarus economic policies, although the two countries have partly diverging views on the process towards that union. A single currency (Russian rouble) was planned to be introduced in 2005, but the schedule has been postponed for one year. . The planned currency union with Russia will require from Belarus an adaptation of its current monetary policies. The Belarusian rouble is already now somewhat overvalued, and pressure on prices is still present, although inflation has been declining over the last years. The authorities will have to ensure that, when monetary union takes place, Belarus' trend in inflation is not higher than Russia's, or a further erosion of Belarusian competitiveness would follow.

63. Russia provides considerable support to the Belarus economy, however the level of and conditions for Russian subsidies have started to change, consequently putting more pressure on Minsk to conduct reforms. Russian pressure on Belarus to adopt reforms is especially aimed at launching large-scale privatisation. Despite several announced starts, Belarus has so far not privatised any large enterprises. Major Russian enterprises are interested in buying

⁵ In Turkmenistan too, however, the level is 25%. The next lowest levels indicated are Uzbekistan and Serbia-Montenegro, where however the share is markedly higher (45%). All remaining countries have a share of 50% or more.

Belarusian firms, but relevant agreements with the Belarusian authorities have failed to be implemented. The privatisation of 'Beltransgaz' (the state enterprise controlling the gas export pipelines on Belarusian territory) is a precondition for the continuation of Russian gas supplies to Belarus at subsidised prices.

64. Belarus has actively participated in the long-standing intentions to create a free trade zone in the CIS, as reconfirmed on the occasion of the CIS Summit in Yalta in September 2003. On this occasion, the Single Economic Space project (SES) was also launched together with Russia, Ukraine and Kazakhstan, the objective being to create overtime, though in a "variable geometry" way, to a Free Trade Area, a Customs Union, and ultimately a fully integrated market. Detailed action plans for its implementation are to be worked out during winter 2003/04. However, given the particular reluctance of Ukraine to fully carry out the project, it remains to be seen how far the project can advance in the foreseeable future.

65. Belarus applied for WTO membership in 1995 but the accession process has been slow by comparison with other CIS countries such as Georgia. The WTO Working Party last met in January 2004. A bilateral EC-Belarus meeting on services took place in November 2003. WTO accession must take place on commercially viable terms and in full respect of WTO rules.

66. On top of the slow progress of the negotiations, at a practical level there have been a series of complaints from EU firms about serious problems they have encountered with the Belarusian customs services, leading to shipments being blocked or confiscated at the border.

67. The need for efficient handling of international trade and transit of goods in Belarus in view of the central location of Belarus in Europe has become increasingly important. One of the reasons of the delays and poor administrative customs performance is that the Russia-Belarus customs union is unfinished and this causes practical problems for the international trade in goods in the region (especially on the transit routes Kaliningrad - Lithuania - Belarus - mainland Russia, and Berlin - Warsaw - Minsk - Moscow). The absence of proper border demarcation between Russian and Belarus combined with divergent views of the two administrative structures is problematic. Furthermore, modernisation of the legal framework, customs/border procedures and administrative culture would be necessary.

Trade issues

68. Belarus' trade pattern has little evolved since independence, in terms of trade partners as well as the commodity structure of import and export. Over the years 1997 – 2002, imports from traditional EECCA partners even slightly increased from 67% to 69% of total imports. Imports from Russia – by far the main trade partner - increased considerably over the same period and account now for 65% of total imports (world) and 94% of imports from EECCA. Exports to Russia saw a marked contraction over 1997-2002, from 65% to 50% of total exports (world), as Russian enterprises became more competitive and less inclined to accept barter operations, resulting in a widening trade deficit with Russia.

69. Although Belarus displayed a positive trade balance with non-EECCA countries (accounting for 31% of total imports and 45% of exports), mainly due to increased exports of

oil products, the current overall trade deficit risks to widen further, because of the mentioned structural problems of competitiveness and lack of diversification in export markets.

70. The EU exports almost twice as much to Belarus as it imports, but the latter's importance as EU trade partner remains very limited (67th place in EU ranking or little over 0,1% of EU global trade volume). The structure of Belarus exports remained largely unchanged over 1997-2002, with machines, equipment and vehicles; oil and petroleum products; and ferrous and non-ferrous metals as the main commodity groups. Food products, mineral products, chemical products, mechanical and electrical equipments and components (often intermediate inputs) dominate the structure of Belarus imports.

3.6. Justice and Home Affairs

71. Belarus is a transit country for increasing migration movements (legal and illegal) between Eastern and Western Europe. Belarus borders the new EU MS Poland, Latvia and Lithuania to the west as well as Russia and Ukraine to the east. The system to manage mixed migration flows and provide protection to asylum seekers and refugees as well as stateless persons remains weak. However, a new (third) version of the Law of the Republic of Belarus on Refugees entered into force in 2003. According to the legislation, refugees have the right to employment and social care as well as access to health care and educational institutions. Social integration of refugees still remains challenging for the migration bodies. As of 1 October 2003, 690 aliens have been recognised as refugees in the Republic of Belarus. The participation of Belarus in the Söderköping process⁶ has facilitated better awareness of activities of executive organs of the participating countries in the field of forced migration management as well as exchange of experience accumulated in their work with refugees.

72. The 1997 boundary treaty with Ukraine remains unratified over unresolved financial claims, preventing demarcation and encouraging illegal border crossing. Boundaries with Latvia and Lithuania are partially demarcated. The finalisation of border demarcation on the borders with Lithuania and Latvia is a priority, and Tacis assistance has been provided to this end.

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

74. Belarus is also a transit point for illicit drugs to and via Russia, and to the Baltics and Western Europe. Belarus lacks money-laundering and banking regulations.

75. The authorities recognize and address migration issues and crime. A series of governmental actions and new legislation have been adopted. Belarus is participating in the regional dialogue and information sharing through regional training workshops of

⁶ An initiative launched by UNHCR and the Swedish Migration Board in 2001 to promote a dialogue on asylum and irregular migration problems among the countries situated along the future EU Eastern border

practitioners and politicians in the framework of the Söderköping process. Additional efforts and support to deal with these issues are needed.

76. Although the independence of the judiciary is ensured in the constitution, actual practice is often different. The status of judges and prosecutors would need to be consolidated in order to provide adequate safeguards for the judiciary, from the point of view of appointment, promotion and career. The establishment of an independent, efficient, impartial and well-organised judicial system which is free from corruption is a key factor to fully and impartially investigate all criminal cases (e.g. to clarify forced “disappearances” and to end impunity for persons responsible for killing or injuring individuals). An independent judiciary is also a prerequisite to ensure the rule of law and respect for human rights and civil liberties, as well as to effectively combat crime.

77. Mistreatment of detainees and prisoners is reported. The law gives detainees the right to apply to the court to determine the legality of their detention. In practice, suspects' appeals to have their detentions reviewed by the courts are reportedly frequently suppressed because detention officials are unwilling to forward the appeals. Statistics on the number of persons in pre-trial detention are not available. Conditions in detention facilities and prisons are poor. Detention conditions are not in line with relevant international standards. Detention personnel would benefit from appropriate training.

4. Overview of assistance

4.1. Past and ongoing EC assistance and cooperation

78. Significant Tacis assistance, macro-financial assistance and other type of EC aid was provided in the early years of independence. Over €50 m was allocated directly to Belarus under the national envelopes of Tacis programme in 1991-95. If also multi-country, interstate and regional nuclear programmes are counted, Belarus benefited from about €75 m of Tacis funds in the mentioned period. The national programmes had a focal area of enterprise support and private sector development and covered three priority areas; i.e. food production and distribution, energy, and transport.

79. Following political setbacks in Belarus in 1996, the Tacis IP for 1996-99 was suspended and the planned allocation of €37 m was frozen. In 1997 the Commission established a €5 m programme (CSDP) which focused on media, NGOs and the youth sector. An IP was decided for the period 2000-2003, with a total budget of €10 m. This was made available in two equal *tranches* from the 2000 and the 2003 budget. The IP focuses on support to civil society, education and training and activities related to the effects of Chernobyl.

80. In addition to Tacis resources, Belarus has received €3.2 m in food aid during 1998-2001. ECHO provided €9,2 m to Belarus for humanitarian assistance linked to the effects of the Chernobyl accident.

81. In 1995 a loan of €55 m for ten years was given towards macroeconomic assistance. A first *tranche* of €30 m was disbursed in December 1995, however, the balance remains frozen due to the absence of progress in economic and democratic reform.

82. In addition to the above-mentioned programmes, assistance under the Tacis cross-border cooperation programmes (1997-2003) covered environmental projects, the border crossings

and border demarcation programme (regarding the border with Latvia and Lithuania) and the small projects facility (in total €16,5m).

83. Under Tacis regional and nuclear safety programmes, Belarus has participated in an environmental project and in Chernobyl related projects, including nuclear regulatory assistance projects (in total €6,5 m). In the area of Justice and Home Affairs, Belarus has received considerable support for improving border management (€12,95 m). Other regional project activities cover the fight against trafficking in women, combating drug trafficking and strengthening of the asylum system in Belarus (in total €2,765 m).

84. Various projects in support of democracy development, notably training for journalists, have been financed under the EIHDR (€0,5 m in 1999-2002). In addition, there have been two joint programmes with the OSCE (€1,1 m). The most recent and ongoing programme (2002-2003) includes activities to support education, training and awareness raising in the area of human rights. The implementation of the second programme was delayed due to the temporary absence of an OSCE mission in Belarus.

85. In August 2002 Belarus unilaterally discontinued the application of the Tacis General Rules in relation to taxation and import duties. Since then the lack of tax exemption for EU assistance has seriously hampered the signing of new Tacis contracts. In October 2003 a presidential decree was enacted aiming at specifying the conditions under which tax exemption is granted to all international technical assistance. At the time of writing, written assurances have been received from the National Coordinator that Belarus applies the Tacis General Rules.

Lessons learnt from past EU assistance

86. To date, there have not been country specific evaluations on EC projects in Belarus, and consequently it is not possible to present a systematic overview of achievements of the past EU assistance. It is worthwhile to recall that the EU assistance in Belarus has had a limited scope since the Council decision in 1997. The impact of the past assistance has not been evaluated, but there are plenty of monitoring reports and other information material produced by projects.

Partnership programmes

87. In the period of 1996-99 partnership programmes such as Tempus, Lien and City Twinning delivered sustainable results. Lasting relationships were created between partners despite financial and sector specific constraints. The appropriateness of this type of technical assistance instrument was well demonstrated.

88. Despite a relatively small budget, Tempus has been a highly visible programme which has significantly supported the efforts of Belarus to update the higher education system and contributed to academic exchanges between the EU and Belarus (45 projects have been implemented to date). According to the priorities defined jointly by the Commission and the Belarusian authorities, Tempus action has focused on:

- (a) reform of the university management structures

- (b) curriculum development and university academic staff retraining in areas such as Social Sciences, Economics, Law, Agriculture/Food Sciences, Humanities, European Studies, and Modern European Languages.

89. Tempus assisted Belarusian faculty and university administrators to develop new forms of administration and accountability in the conditions of competitiveness for international recognition, cooperation and economic survival. Tempus helped Belarusian universities to become more international and applying new knowledge and international experience; it assisted educational institutions to cope with, and request more, institutional autonomy and academic freedom and introduced a more entrepreneurial approach towards university developments. The Tempus programme has also been active in supporting projects related to language teaching, European studies and economics.

Support to Civil Society

90. The CSDP (Civil Society Development Programme) has been the main programme in the support of the civil society (budget 1997, implemented in 2000-2003) which covered three components: media (5 projects), NGOs (22 projects) and institutional twinning (1 project). In addition, micro grants were provided to NGOs. The programme managed to obtain good results, even if the projects faced various constraints while executing their activities at grass roots level.

91. The CSDP has motivated and encouraged people to take an active part in the development of civil society, to improve the quality of their work and to professionalize the activities of the third sector in Belarus. CSDP showed the potential of individuals to contribute to the development of democracy in the Belarusian political context. It was shown that the third sector is not only a normal element of a democratic society, but also an indispensable constituent of democracy.

92. Some CSDP projects managed to have a dialogue with local, regional and governmental bodies and to convey their views and values to the public. The results of the programme have been disseminated to various stakeholders in seminars held in Minsk (in 2002) and in Brussels (in 2003). There is strong demand from the NGOs who have been active in the programme for continued EU support.

93. The IBPP builds on the foundations of the CSDP in Belarus. The IBPP is designed to support the development of non-profit organisations from civil society, local and regional authorities and public institutions. Altogether twelve small NGO projects were chosen for financing under the Tacis budget allocation of 2000. The implementation of the projects was delayed due to tax exemption problems until 2004, when these projects were relaunched.

4.2. Other EC assistance and cooperation 2005-2006 and beyond

94. The cross-border cooperation strategy (2004-2006) contains references to border crossings (Belarus-Poland) and training of Belarusian border officials. Under the neighbourhood programmes (up to 2006) Belarus will be involved in the regional Baltic Sea programme as well as in the programmes that concern Latvia-Lithuania-Belarus and Poland-Ukraine-Belarus. A subsequent new Neighbourhood Instrument will be developed to be effective beyond 2006.

95. The nuclear safety IP 2004-2006 contains an option to include Belarus to a limited extent (post Chernobyl activities, illicit trafficking of nuclear materials).

96. The regional cooperation IP for 2004-2006 with regard to Belarus includes justice and home affairs activities on an integrated border management system and cooperation, migration and asylum management as well as combating organised crime and international terrorism including the fight against drug trafficking, trafficking in human beings and money laundering.

97. There are possibilities for funding under other EU budget provisions than Tacis. The inclusion of Belarus under various EU financial instruments and horizontal budget lines is closely coordinated by the Commission. The possibility of integrating Belarus to the indicative programme for anti-personnel landmines programme (2005-2007) is currently under research. An EU programme for financial and technical assistance to third countries in the area of migration and asylum has relevance for Belarus.

98. The Erasmus Mundus programme (DG Education and Culture) is foreseen to become operational in 2004, supporting inter-university Masters Courses and providing EU-funded scholarships for third-country nationals participating in these European postgraduate courses, as well as scholarships for EU nationals studying in third countries.

99. INTAS (under the Framework Programme for RTD) supports applied and basic research and provides grants for research projects, networks, fellowships and innovations for cooperation with NIS countries. Under the 6th Framework Programme for RTD, cooperation with NIS countries has been particularly highlighted and specific measures are being implemented in order to facilitate and foster increased scientific cooperation between research entities of the NIS and the EU. NIS countries benefit from the INCO Programme (International Cooperation) which provides for, inter alia, specific calls for proposals relating to specific problems (health, environment etc.) of these countries as well as financing of their participation into the calls for proposals under all the thematic priorities.

100. Through the International Science and Technology Centre (ISTC)⁷ programme, a strategic scientific cooperation is being carried out aiming at avoiding nuclear and non nuclear dissemination through a specific and ambitious scientific reconversion programme away from the military into civil research with a view to creating a more sustainable economic environment.

⁷ ISTC encompasses Russia, Belarus, Georgia, Kyrgyzstan, Kazakhstan, Armenia and the EU, US, Japan, Korea, Norway and Canada.

101. The possibility of including Belarus under the EIDHR (European Initiative for Democracy and Human Rights programme) as of 2005 should be examined in due course. Such assistance should be complementary to support provided under Tacis.

4.3. EU Member States' assistance

102. Most EU Member States are providing various types of assistance to Belarus. Their activities vary in level and focus, as summarised in Annex IV. The MS assistance follows the common EU policy towards Belarus and is mainly focused on the civil society, independent media, cultural activities, youth and exchanges. The scale of activities is rather limited. It is to be noted that a prominent share of the assistance is provided by private sources (e.g. charities; humanitarian, environmental, cultural organisations).

103. The EC Delegation in Kiev through its Tacis Branch Office in Minsk has close contacts with MS embassies in Minsk. The officials and experts (including NCU) in charge of Community assistance and information dissemination inform each other and meet frequently. Technical assistance is discussed in the meetings of MS Heads of Missions. The donor community meets at least four times a year to discuss issues of common interest. These general meetings are organized by the UN resident coordinator. The representatives of donor organizations regularly involve their colleagues from other organizations into various activities such as visits from the HQ, joint/thematic missions, workshops, seminars and discussions on programmes and strategies.

Joint EC project activities have been carried out with UNDP (JHA projects on anti trafficking in women and drugs) as well as with OSCE/ODIHR (EIDHR).

4.4. Other donors' activities

104. EBRD portfolio in Belarus totalled € 59,9 m in 2002 consisting of lending mostly to the financial institutions and infrastructure sectors. Until sufficient progress is made on a number of political and economic benchmarks, the EBRD will focus on the monitoring of existing projects and developing business initiatives in the private sector. The EBRD new strategy for Belarus for 2004-2006 contains the possibility of investing in specific Belarusian factories and economic sectors.

105. WB has lent to date USD 192.8 m to Belarus mainly in the environment and social protection sectors. The Country Assistance Strategy (adopted in 2002) aims to advance cooperation with Belarus in critical areas to help the country open up its economy and society, to minimize social and environmental risks, with a special focus on Chernobyl after-effects, to address global public goods concerns, such as the spread of HIV/AIDS and tuberculosis. Public participation is seen as an important element to achieve the objectives of all suggested programs and promote public-sector transparency and accountability.

106. UNDP supports economic and social policy reform at the national and local levels. It builds dialogue in society and provides access to information. Among the main sectors of work are the environment; efficient energy use, alleviation of the consequences of the Chernobyl catastrophe and the fight against HIV/AIDS. UNDP has a small grants

programme offering support to civil society organisations in sectors such as social services, health and environment. In cooperation with a WB team, UNDP is assisting the government to develop a national poverty alleviation strategy.

107. UNDP and the EU have implemented jointly a project on the strengthening of the Belarusian-Ukrainian border. In 2003 UNDP and EU agreed to implement two projects funded by the EU: a regional project for Belarus, Ukraine and Moldova to combat illegal drug trafficking and a project to combat trafficking in women. Another example of cooperation is the joint work on Chernobyl within the CORE programme.

108. USAID has provided support particularly to the civil society, but also to political parties, independent media, private sector development, health and education. The annual budget in 2003 was USD 9,5 m.

109. "GLOBAL FUND to fight AIDS, Tuberculosis and Malaria" has provided a grant of USD 17 m for the prevention and treatment of HIV/AIDS in the country.

5. EU response strategy

110. EU would like to have Belarus as a democratic, stable, reliable, and increasingly prosperous partner with which the enlarged EU would share not only common borders, but also a common agenda driven by shared values. The development of a European Neighbourhood Policy shows potential scope of such an agenda. In the current situation, however, pending any substantive positive change of the internal situation in Belarus, the 1997 General Affairs Council conclusions on Belarus, which restrict EU-Belarus relations, remain valid. Within the scope of these conclusions, the EU will continue to make efforts to help Belarus to embark on the transition towards a stable democracy that can ensure respect for the rule of law, human rights and fundamental freedoms in line with its UN and OSCE commitments.

111. The EU assistance activities set out in the Indicative Programme (Section II) will support the realisation of these objectives, within the limits imposed by the current political constraints. Civil society is an important factor in the development of a democratic pluralistic society and creation of greater awareness of European democratic values and human rights standards. The reform of higher education and training is a key in the transition towards democracy and market economy. The problems caused by the Chernobyl catastrophe still call for support from the international donor community.

112. The activities financed during recent years have achieved good results. The indicative programme for 2005-2006 will therefore have the same focus as the preceding IP: assistance to the civil society and democratisation, support to reform and international connections in the higher education sector, and helping to cope with the Chernobyl consequences. The overall budget forecast for the period 2005-2006 allows an increase in the amount available for the Tacis national programme for Belarus. Cooperation in the three areas mentioned above may therefore, if appropriate, be broadened and diversified beyond straight-forward extension of existing approaches, such as the new interdisciplinary and regionally focused project of donor coordination (CORE, paragraph 54).

113. The national programme will continue to be complemented by the substantial EC assistance provided to Belarus under respectively the Tacis cross-border, regional and nuclear safety programmes. The aim of the activities financed by these programmes in Belarus will be coherent with the objectives of this CSP. They will also continue to aim to further cooperation in issues of mutual interest to the EU and Belarus, as neighbours.

114. In order to promote the overall aims of EC assistance to Belarus, new activities should seek to involve local and regional authorities more actively than in the past, especially in projects related to Chernobyl. In general, government experts at working level may, when appropriate, be more closely associated with the implementation of projects, including those where NGOs are otherwise the main beneficiaries.

115. Member States are increasing their activities in Belarus, with a focus on support to civil society. Increased attention shall therefore be paid to the coordination of activities with MS as well as international organisations and the International Financial Institutions. Good coordination and cooperation between donors, MS and other key actors has already been established under the umbrella of the CORE programme on Chernobyl related issues. Continuous contact inside the donor community should be maintained in order to avoid duplication and overlap of activities.

116. In implementing the activities of the programme, more attention should be paid to the increasing knowledge and understanding of the EU as well as to enhancing EU visibility and dissemination of the results of EU assistance in Belarus. Wider involvement of the population in the activities would also be helpful, in particular to assist the public to have a better understanding of the EU. Information on EU related issues in local languages should be made more easily accessible eg. via info points, MS embassies, Tacis Branch Office in Minsk.

117. In the present political situation, the need for a coherent EU policy for relations with Belarus is self-evident. It is therefore essential that all EC assistance activities in the country are planned, designed and implemented with full attention taken of the overarching aims of our relations with the country as well as of the changing political circumstances. Close dialogue between the EC services involved are thus particularly necessary.

II TACIS NATIONAL INDICATIVE PROGRAMME 2005-2006

1. Indicative budget

Tacis assistance to Belarus (2005-2006) will focus on two priority areas of cooperation, i.e. “support for institutional, legal and administrative reform” and “support in addressing the social consequences of transition”. An allocation of €10 m foreseen for the period of 2005-2006 under the budget article “Assistance to Partner Countries in Eastern Europe and Central Asia” (190601) is broken down as follows:

<i>Cooperation area</i>	<i>Allocation (€m)</i>
1. Support to civil society and democratisation <ul style="list-style-type: none">• NGO support• Capacity building• Awareness raising on EU matters• Support to the alignment with international conventions	4,7
2. Education and training <ul style="list-style-type: none">• Support to higher education	1,9
3. Support to Chernobyl affected areas <ul style="list-style-type: none">• Grass root level support• Other support projects	2,8
4. Support to the NCU	0,6
Grand total	10,0

2. Proposed Tacis actions

2.1. Support to civil society and democratisation (€ 4,7 m)

Background and justification

Civil society is an important factor in the development of a democratic pluralistic society and creation of greater awareness of European democratic values and human rights standards. NGOs can play an important part in social transition and address at community level social problems that might otherwise be overlooked. NGOs can also provide checks and balances on the activities of the Government. They can seek to establish working links and dialogue with authorities where possible.

There is an emerging NGO community with 2,760 registered organisations. Even if various donors provide funding, many local NGOs lack financial resources and know-how on how to carry out their work in the current legal and institutional framework. They would benefit from closer contacts and cooperation with other national and international NGOs.

European and Belarusian project partners can effectively build lasting relationships and thus increase the level of mutual understanding. Furthermore, especially in the light of the EU enlargement, there is a need to support dissemination of EU information via organising events, providing information campaigns and setting up information points accessible to various target groups in all regions.

Belarus is not a member of CoE and it has not joined a number of key international conventions on human rights, including the European Convention on Human Rights. Technical assistance could be provided in order to contribute to the alignment of Belarus with CoE membership requirements and the adoption of human rights conventions.

Objectives

- To support the NGOs and other civil society actors working on various themes and contributing to the building of a democratic society.
- To strengthen the capacity of civil society actors and independent media to work in their areas of specialisation.
- To widely disseminate information on EU matters and to provide better access to information sources in Belarus.
- To accelerate the process of meeting CoE membership requirements.

Orientations for the programme development

- NGO support: EU assistance may include support to civil society organisations in the fields of human rights, media and communication, youth and children, social issues, women, vulnerable groups, migration, refugees, environment, local governance, culture, economic activities, EU information, etc.
- Capacity building for NGOs, other grass root actors and independent media could be envisaged by supporting regional NGO resource centres and by other means. Confidence building projects involving NGOs and Belarusian authorities may be started, aiming at a constructive dialogue while jointly working on issues of mutual interest.
- Awareness raising on EU issues among specific audiences (academics, students, SMEs/business people, journalists, members of youth and women organisations, trade union members, teachers, politicians, parliamentarians, judiciary representatives, etc.) in Belarus and in the EU could be envisaged. Participation in relevant Community Programmes in sectors such as youth, culture and media could be envisaged as appropriate.
- Support to the alignment with international conventions could be provided by organising training sessions, expert meetings and other joint activities on relevant subjects between authorities, key national and international players and representatives of the CoE and the OSCE.

Expected results and indicators

- Civil society organisations will successfully carry out their work, reach their objectives and consequently contribute to democratic development of the society. Long-term

partnerships between EU and Belarusian organisations are created and existing ones are reinforced.

- The NGOs will improve their organisational capacity to carry out grass roots activities.
- The EU and its policies in specific fields will be more widely known by target groups. More EU information will be made easily available. The level of knowledge on EU matters will improve and there will be more discussion in the local and national media on the EU.
- Belarus is better prepared to join CoE and makes progress regarding the membership requirements.

Risks and assumptions

It is assumed that civil society will stay interested in the EU and its funding possibilities and will have the capacity to fulfil the project application and reporting procedures. The legal and administrative framework will not subdue civil society initiatives. The atmosphere in the society will remain open to international cooperation and EU related matters will be of interest to the target groups. Belarus shows interest and commitment in working towards CoE membership.

2.2. Education and training (€ 1,9 m)

Background and justification

The reform of higher education and training is an important factor in transition towards democracy and market economy. The university system reaches the young generation in the process of forming their views of the world and society before entering the labour market. These institutions are feeding economic and social development by offering research data.

All higher level institutions lack funding for international contacts and only few of them have succeeded in establishing exchange or research programmes with foreign partners. Both state and private universities would benefit from wider international cooperation. Private universities are especially keen on building closer relationships with international partners. Regional cooperation aspects and involvement of institutions located outside of centres is important.

Objectives

- To support democratisation in Belarus via support to higher education and training.
- To enhance the capacity of the higher education system to respond to labour market needs through better integration between higher education and working life.
- To support the development of international relations with EU higher education system.

Orientations for the programme development

- Cooperation may include academic exchanges and cooperation activities between EU and Belarusian higher education institutions (involving students, young academics, professors, intellectuals), especially with higher education institutions having a policy reform focus. Establishment and improvement of curricula (especially in academic subject areas which were not taught before and where a demand exists on

the labour market), strengthening of university management and universities' contribution to training could be key support actions. Other possible areas could include language/cultural training; establishment of joint study programmes; increase in the use of ICT in higher education; involvement of civil society stakeholders and social partners in higher education.

- Actions could include enhancing the capacity for strategic planning and institutional development of national bodies dealing with national reform as well as helping them to build up international relations; support the development or the implementation of a national strategy, action plan or legislation to develop a specific aspect of higher education; supporting the spread of the results of sustainable cooperation actions and which support national reform in higher education, decentralisation of the higher education system; measures that will enable Belarus to adhere to the Bologna process.
- In particular private higher education institutions which depend on their own financing sources would benefit from closer linkages with EU institutions and are given priority in the programme development.

Expected results and indicators

Expected results include the provision of improved curricula, enhanced management skills, wider selection of courses and training opportunities, increased number of exchanges for students and academic staff, better access to information sources and joint study programmes with EU higher education institutes as well as visible national reform. As a result of joint projects implemented by Belarusian and EU institutions, in addition to the defined project results, the level of understanding and knowledge regarding each others' operating environment will improve.

Indicators such as number and quality of new and/or upgraded curricula and training materials of higher education institutions; quality of modern management techniques introduced in higher education institutions; number of higher education institutions involved in long-term cooperation with EU partners; number of students/staff members involved, the number of external partners of the academic community involved in the cooperation projects and degree of decentralisation as well as degree of adherence to the Bologna process objectives could be applied.

Risks and assumptions

Higher education will be supported on the one hand on the basis of a bottom-up approach at institutional level, and on the other hand by a top-down approach at national level. The number of applications and their quality will very much depend on the input from the applicant institutions and active involvement of the Ministry of Education. It is assumed that the Belarusian higher education institutions and authorities will have an interest and sufficient institutional and organisational capacity to participate in the projects. The overall atmosphere in the society must remain conducive to international academic cooperation.

2.3. Support to Chernobyl affected areas (€ 2,8 m)

Background and justification

The tackling with problems related to Chernobyl affected regions remains a challenge to the international donor community. The consequences of the catastrophe hamper the everyday life of the people living in these contaminated regions. The EU is the major donor contributing to the alleviation of after-effects of the Chernobyl catastrophe (in Belarus and Ukraine). The previous NIP 2000-2003 referred to a grant disbursing mechanism to finance actions in support of civil society and local initiatives as well as to support the Chernobyl Committee in order to assist in relieving the various effects of the catastrophe.

The CORE programme, in which the EU is participating, has the objective to improve the living conditions of the inhabitants of selected districts by reaching out to the people themselves, helping them to contribute to formulating specific individual and common project proposals. Participatory approach and active involvement of those affected by the Chernobyl accident is emphasised. The CORE programme covers four regions: Bragin, Chechersk, Slavgorod and Stolin. Projects will be developed and implemented in the priority areas within an integrated approach. National and international partners as well as governmental and non-governmental actors operate under the CORE programme.

A Commission study focusing on the needs assessment in the health sector in the Chernobyl affected regions, with attention paid to the problem of cancer and possible need of medical equipment, will be launched in 2004.

Objectives

- To alleviate the consequences of the Chernobyl catastrophe
- To contribute to the living standards of the people living in the contaminated areas

Orientations for the programme development

- Grass root level support: NGOs, local authorities, communities and other actors (local, national, international) will be invited to present their project ideas for project selection. The projects will be based on needs assessed by the project initiators (including local inhabitants). A variety of topics will be covered by the projects, including social and economic development, public health, education and culture. The needs of the civil society actors to enhance their project management skills and organisational capacity will be taken into account by providing training.
- Other support projects: In addition to the financing of small scale activities in close coordination with the CORE programme, larger projects could be considered for funding. Relevant themes for such cooperation would include health, social and economic issues, research and monitoring on radioactivity as well as radiation protection measures in the contaminated regions.
- Technical assistance linked to the World Bank programme on the improvement of the livelihood of local people, economic activities and small scale business development

could be considered. The World Bank is considering a loan scheme to support local rehabilitation.

Expected results and indicators

The financed activities will have a positive impact on the quality of life of people living in the affected areas in terms of improved social, economic, environmental, health situation, etc. “Bottom-up” initiatives are fostered and people will have a possibility to act on fields that they deem a priority for the development of their local community. There will be more reliable data on the radioactivity situation in the regions. Means for small-scale income generation will be provided.

Risks and assumptions

The CORE programme is in the process of establishing its structures and adopting its function as a donor coordination mechanism. The EU assistance will be implemented in close cooperation and exchange of information with the CORE structures, but also regions outside the scope of the CORE programme will be taken into account when selecting the target areas. It is assumed that local actors have an interest to actively generate project ideas (and once their project is selected for financing), they are committed to the implementation.

2.4. Support to the NCU (€ 0,6 m)

Orientations for the programme development

The National Co-ordinating Unit (NCU) has an important role to play in balancing aid requests of the line ministries on the one hand, and improving co-ordination between the Commission and Belarus at programming and implementation level on the other hand, while facilitating co-operation between both parties.

Objectives

- To further improve the delivery of EU assistance by a strengthened NCU, as measured by the time needed to take decisions and procedural simplifications (Financing Agreements, utilisation of funds etc.).

List of acronyms

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

General	Social
Area (square km): 207.600 km ²	Adult literacy rate %: 99,7
Population (2002): 9.950.900	Primary enrolment rate %: 95.4
Population growth rate: -0.3%	Secondary enrolment rate %: 79
Urban population: 69,3%	Infant mortality: (2001) (per 1,000 live births): 17
Life expectancy (1999): 67,9 years	Under 5 mortality (2001) (per 1,000 live births): 20
Human Development Index (rank) in 2002: 53	Access to essential drugs %: 50-79
	Access to safe water %: 100
	Tuberculosis cases: 57 cases per 100,000 people
Economy	HIV/AIDS: 45 cases per 100,000 people
Nominal GDP 2002 (€) 15 billion	Population per doctor: 218
GDP per capita (USD) 2001: 1217	Rate of unemployment: 3,0 %
GDP Breakdown by sector value added <ul style="list-style-type: none"> • Agriculture 15,3% • Industry 37,4% • Services 47,3% 	% of population living on less than 1USD day:< 2
Real GDP growth rate: 3,0%	Internet users (per 100 people): 4,2
Estimated real level of 2002 GDP as % of 1989 GDP: 93	
Gen. government expenditure/GDP (2001): 31,3 %	
Gen. government surplus or deficit: -0,2 %	
Gen. government expenditure on social objectives/GDP: 14,2%	
Inflation: 1999 709,3% 2002 42,6%	
External debt stock (USD)(2001): 930	
External debt: 5,7% of GDP	
Current account balance (2002): -0,4	
FDI inflows (2001) m €: 84 (0,7% of GDP)	
Exports of goods and services (2002) m €: 7,683	
Imports of goods and services (2002) m €: 9,917	
Main trade partner (2002): Russia, 65% of world imports and 50% of world exports	
Exports to EU (2002) m €: 865 (or 11% of world exports)	
Imports from EU (2002) m €: 1,500 (or 15% of world imports)	
Trade balance with EU (2002) m €: - 635:	
EU trade partner ranking (2002): 67 th place, < 0.2% of global EU trade volume (turnover)	

Sources: UNDP Human Development Report (2003); UNDP Human Capacity of Belarus; EBRD Transition Report 2002; IMF Art. 4 report March 2003; Eurostat; Ministry of Statistics and Analysis of Belarus

Annex II Summary table of EU assistance to Belarus in million €

	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Tacis National Programme	8,92	14,63	9,0	7,0	12,0	0	0	5,0	0	5,0	0	0	5,0
Tacis Nuclear Safety ⁸	0,3	0	1,5	0	0,6	0	1,1	0	0	0	0	1	2
Tacis Cross-Border Co-Operation (CBC) ⁹						1,34	2,8	4,7	2,31	8,15	0	11,2	35 ¹⁰
CBC SPF ¹¹						0	0,6	0,2	0,4	0	0,9	0,2	N/A ¹²
Tacis Interstate/Regional Programme ¹³	5,4	4,6	5,1	2,6	3,3	6,5	6,3	4,6	1,7	2,0	3,9	2,2	7,4
ECHO ¹⁴	0	0	0	0,56	2,73	1,73	0,952	0,34	1,99	0,69	0,2	0	0
INTAS ¹⁵	0	0,015	0,9	0,5	0,1	0,6	1,2	0	0,4	0,8	0,5	0	N/A
Macro-financial Assistance	0	0	0	0	30,0	0	0	0	0	0	0	0	0

⁸ Estimated based on the proportional share for Belarus

⁹ Allocations for Belarus (without CBC Border Management Supervision Unit)

¹⁰ All CIS countries

¹¹ Small Projects Facility / Estimated on the basis of projects approved for financing

¹² Results of the Call for Proposal not yet available

¹³ Estimated based on the proportional share for Belarus

¹⁴ ECHO phased out in 2002

¹⁵ Granted for Belarus participating teams

Annex III Summary table of Member States and EC's funding

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

Summary of Member States' assistance in Belarus

Austria's support to Belarus was €4,2 m in 2000 on humanitarian aid through a cancer clinic for children in Minsk.

Denmark's support is mainly concentrated on the Danish Democratisation Fund (DDF) plus legal counselling initiatives for NGOs and environmental programmes (Brest region). NGOs dealing with natural protection, information on environmental protection, etc. are supported (€0,7 m per year). DDF allocates €3 m on support in all and is planning to step up the financing. There are plans to build up NGO networking, capacity building in democracy, legislation etc. and to connect democracy with civil society in Belarus.

Finland: Grass root projects through the Finnish Embassy in Vilnius are carried out. These projects are mainly directed to media and NGOs (e.g. journalist training programmes in Finland). Finland intends to increase the budget for media and NGO projects up to €0,02-0,03 m per year.

France has no bilateral co-operation agreement with Belarus following the events of 1996/1997. France allocates €0,5-0,7 m annually on activities in the areas of cultural, educational/linguistic, university, scientific and technical co-operation. There are "filiales" in Belarusian universities co-operating with French universities. Some French cities have partnerships with local counterparts.

Germany's support to Belarus is €4,5 m; and in addition private initiatives amount to €20 m. Germany's actions focus on civil society issues, private sector, support of education, and rural development.

Greece has provided assistance for a total amount of €0,2 m in the period 1997-2002. The sectors covered by the assistance were education, public administration, humanitarian aid, social coherence and tourism.

Ireland is supporting an orphanage through a grant of €0,065 m. The project is implemented through Chernobyl Aid Ireland.

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

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

Sweden mainly supports the fields of deepening democracy, economic change, social security, common security and provides cultural and academic exchange programmes. There is an extensive NGO support programme, and an emphasis is placed on training of

journalists in Sweden, support to the independent Union of Journalists and training of young local politicians. Sweden also participates in the strengthening of local independent business associations, which in turn unite a large number of SMEs in a project with IFC. Assistance is given to the National Cadastre Agency aiming at creating a property market. Sweden supports efforts to restructure social care services for children and young people in a project with the Ministry of Education. Support is given to a project on young people against drugs. Sweden supports fight against trafficking in women in a project with IOM and the Ministry of Internal Affairs. Sida allocates €2,5 m on an average per year to the Belarusian programme.

UK actions in Belarus are divided into two parts: (1) Small grant schemes managed from Minsk, budget € 0,045 m in the sector of social and health area, and small partnerships scheme through an external programme management, budget € 0,045 m for health and social care; (2) Projects funded by the Foreign and Commonwealth Office 2001/2002 with a budget of £ 420,421 supported democracy building, independent media, legal development, human rights, trade unions, and scholarships.

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

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

Among the new MS, Lithuania and Poland have cooperation projects with Belarus in the sectors of NGO support, mass media and youth organisations as well as local administration.

Annex V Map of Belarus



See NC2230 (R01143) 9-97