

Country strategy for development cooperation

Belarus

January 1 2002 – December 31 2004



REGERINGSKANSLIET

UD

17 October 2002

Department for Central and Eastern Europe

COUNTRY STRATEGY FOR DEVELOPMENT COOPERATION WITH BELARUS 2002 - 2004

1. INTRODUCTION

The Swedish Government has decided to adopt a country strategy for development cooperation with Belarus, as with other priority countries in Central and Eastern Europe. The country strategy for Belarus will determine the course of Swedish development cooperation with Belarus during the period 2002-2004. The strategy is based on proposals from the Swedish International Development Cooperation Agency (Sida), supplemented by the Ministry for Foreign Affairs' own considerations, the views of other ministries engaged in development cooperation with Belarus, and the priorities identified in the course of ongoing cooperation with Swedish counterparts.

If the Government decides that there has been a substantial change in the conditions for Swedish development cooperation with Belarus during the programme period, the present strategy may be reconsidered. This could happen if Belarus were to take clear and unequivocal steps towards democracy.

2. POLITICAL AND ECONOMIC DEVELOPMENT

Belarus is among the least reformed of the countries that once made up the Soviet Union. Independence following the collapse of the Soviet Union came to a country that to a great extent lacked an established national identity. The economic crisis that ensued contributed to the development of political populism in Belarus. People demanded simple solutions and security. Alexander Lukashenko was elected the first president of Belarus in 1994. As a result of a number of referendums held in the mid-1990s, the role of the president has been strengthened. The division of power that is a central feature of a democratic society is absent in Belarus. The various referendums and the legitimacy of the new constitution have never been accepted by European institutions. Relations between Belarus and the West have remained

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strained ever since. The democratic opposition in the country is weak and poorly organised.

According to OSCE observers, the most recent elections failed to meet international standards for a democratic poll. The three cooperation organisations in Europe, the EU, the OSCE and the Council of Europe, have jointly formulated four criteria for Belarus: that election laws be brought up to international standards, that all candidates be given equal access to the state-controlled media, that political opponents not be discriminated against and that parliament be invested with meaningful functions and powers.

In its analysis of the presidential election held in the autumn of 2001, the OSCE writes that the electoral process suffered from a number of fundamental flaws. Its main criticism is of the country's election law, which fails to ensure both the independence of election administration bodies and free and fair campaign conditions for the various candidates. Executive structures that allow legislation to be arbitrarily changed by presidential decree create a climate of uncertainty. The Belarusian regime blocks and hampers the efforts of the political opposition. State-controlled media are primarily a mouthpiece for the president and independent media are harassed by the authorities. Human rights organisations also report regular violations of human rights in the country. The OSCE notes, however, that voting on election day took place in accordance with the legal provisions and in an orderly manner.

Belarus is a country with fundamental structural problems due to a failure either to institute reforms or to complete them. Soviet society continues to be viewed in many quarters as something positive and many people yearn for the stability that the country experienced during the Soviet era. The problems are further aggravated by an inefficient and undemocratic constitution. Fear of change is widespread in the upper echelons of the political establishment but also among many sections of the population, especially in rural areas.

In principle, the Belarusian economy is totally unreformed. Industry and many small and medium enterprises (SMEs) are still under state control. The country's industrial structure remains unchanged. There has been little growth in the number of SMEs in the service sector. In contrast to other countries in the region, Belarus has not seen fit to tackle the structural problems created by communist economic planning. Instead, the regime has mainly concerned itself with short-term measures to keep the economy afloat amid the dramatic changes that have taken place in the country's vicinity during the 1990s. The longer Belarus waits to begin work on economic reform programmes, the more difficult they will be to implement. Today, the Belarusian economy is almost totally dependent on the Russian market for the sale and marketing of its goods and on Russia's subsidised supplies of raw materials and energy. Discussion of which economic reforms are needed has intensified in Belarus over the past two years. In Belarusian government circles at present, there is

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talk of economic liberalisation, reforms aimed at improving the business climate, and privatisation. In practice, however, few specific economic reforms have developed and there is a lack of cohesive policy. Inflation was reduced from three-figure levels to approx. 50 per cent in 2001. In September 2000, a system involving multiple rates of exchange was abolished.

The isolation of Belarus has become increasingly evident and also increasingly untenable. In political terms, the country is deeply dependent on Russia. The plans to establish a union between Russia and Belarus develop and change over the years but at present are concerned primarily with defence cooperation and the coordination of economic policy.

Relations between the EU and Belarus have been strained since the constitutional referendum of November 1996. The General Affairs Council conclusions of September 1997 led to a restriction of bilateral contact between EU member states and Belarus. Discussions on a partnership and cooperation agreement were broken off. Belarus lost its guest status in the Council of Europe and its membership of the OSCE's parliamentary assembly. The OSCE concludes in its observation report from the presidential election of September 2001 that isolating Belarus is not in the interests of the Belarusian people. The EU shares this position. It seems unlikely, however, that contact with the country will improve unless the policies pursued in Belarus take a decisive turn for the better. This applies in particular to the constitutional division of power in the country, to greater freedom of operation for the political opposition and to human rights. Hitherto, there has been little indication that such changes can be expected.

3. COOPERATION TO DATE

In accordance with EU guidelines, Sweden's development cooperation since 1997 has been confined to humanitarian assistance and measures in support of democratisation. During the period 1994-2001, funding amounted to SEK 80m, directed primarily at measures to encourage the development of a pluralist society, human rights, and civil society as a whole.

In general, development cooperation has been confined to projects that are not reliant on central ministries and authorities. Exceptions have been made for projects of a system-opening nature and for programmes relating to local authorities and universities. This includes for instance the projects run in cooperation with the UNDP. Cross-boundary projects have been given greater priority, especially ones that turn to account the experience gained from reform work in neighbouring countries.

Since 1997, the Swedish Government has sought to raise the interest among Swedish organisations and institutions for Belarus. More extensive support to NGOs – via Forum Syd and others – and to organisations associated with

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political parties, has yielded favourable results. Sida and the Swedish Institute have also sought to give Belarusians greater exposure to Sweden and other countries, and to bring Belarusian towns and universities into Baltic cooperation projects. Cooperation via the SI has been instrumental for developing ties and networks in the cultural and educational fields. Today, more extensive information is available about Belarus and Swedes are more involved in the situation there. Accordingly, the prospects for greater development cooperation in the democratic field have improved.

An object of particular concern, however, is the decree issued by President Lukashenko in the spring of 2001, which *inter alia* restricted opportunities for cooperation with NGOs and the media. The decree is not easy to interpret and may possibly lead to problems for Swedish development cooperation with the country.

In all, more than 280 Belarusian journalists from both state-controlled and independent media have taken part in training courses run by the Institute for the Further Education of Journalists (Fojo). Courses have been provided in such areas as radio journalism, local newspaper journalism, social reportage and political reporting. As a result of these projects, Belarusian journalists have acquired an understanding of how newspapers are produced in Sweden. This has had a noticeable effect on the quality of many newspapers in Belarus and has probably been one of the reasons why a number of local newspapers have boosted their circulation and enhanced their financial position in recent times. The decision to include journalists from both state-controlled and independent media on the courses proved sensible and was appreciated in both camps. Antagonism has been reduced.

As in other countries in the region, families with children have been the biggest losers in Belarus, and the number of parents no longer able to take care of their children has grown significantly. This led to a substantial increase in the number of children institutionalised in the 1990s. Sweden's Graduate School for Social Work and Public Administration and the Swedish Society for International Child Welfare/Swedish Adoption Centre have conducted a number of joint training projects in Belarus, in collaboration with the Belarusian State Pedagogical University in Minsk and the Belarusian Ministry of Education. The training has concerned social services and social work and focused primarily on the child and family welfare field. A large number of decision-makers working in support of children and young people have taken part in study visits to Sweden and in seminars in Belarus. These projects have contributed to a discussion on a planned restructuring of the social care service for children and young people in Belarus. The new system is to reflect a greater emphasis on non-institutional care and a desire to view children's problems in a wider perspective.

Other important areas have been projects for the development of local self-government, efforts in the environmental field and security enhancement

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programmes – especially ones relating to the non-proliferation of weapons of mass destruction – as well as cooperation in the migration field.

4. COOPERATION IN 2002-2004

4.1 Objectives and guidelines

The overall objective of Sweden's development cooperation with the countries of Central and Eastern Europe is to promote sustainable development, closer integration and partnership in the Baltic sea region and its vicinity, based on the needs of the partner countries and utilisation of the Swedish resource base.

The Swedish development cooperation shall be informed by three guidelines: to promote systemic change and integration with European cooperative structures, to promote the development of relations with Sweden and the need to adopt a gender equality perspective in all development cooperation.

4.2 General considerations

In Belarus today, only very tentative efforts are being made to create new economic and social structures. The democratic trend has been negative since the mid-1990s. An increasingly authoritarian form of presidential rule has emerged. Belarus has isolated itself from Europe and from the European community of values. As a result, Belarus is today the only country in Eastern Europe that is not taking an active part in European cooperation structures. This isolation is not in the interests of the Belarusian people.

Since 2000, Belarus has been engaged in a tentative dialogue with the World Bank and the IMF. Relations with the EU are still strained. EU policy and guidelines for Belarus provide a framework for the future course of Swedish development cooperation. A number of bilateral donors, especially the US, the UK, Germany and the Netherlands, have to some extent been active in Belarus since 1997. Their efforts have focused primarily on the democratisation of Belarusian society and on support for NGOs.

Belarus is a part of Sweden's geographical vicinity but we have no natural broad areas of contact with the country. While bilateral trade is increasing, it is still limited and no Swedish companies have invested in Belarus to any great extent. Since 1997, however, Swedish organisations are displaying a broader interest in Belarus and the basis for cooperation has grown.

4.3 The scope, form and direction of cooperation

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Cooperation should be viewed in a long-term perspective centring on the modernisation and democratisation of Belarusian society. Even if the time is not yet ripe for major programmes of the kind introduced in Russia and Ukraine, cooperation should seek to pave the way for future reform-oriented efforts. More broad-based measures can be taken in the regional, humanitarian and democracy enhancement fields. For the time being, a substantial part of Swedish cooperation should be directed at supporting the emergence of a democratic and pluralistic society. This should primarily take the form of support for NGOs, for the creation of more independent news reporting and for exchange in the fields of education, research, culture and public life. This may be supplemented by a degree of technical cooperation for the furtherance of know-how, consultancy and institutional development in certain strategic sectors, on condition that sustainable measures can be implemented in an efficient way.

An important aim of Swedish development cooperation is to encourage the development of international contact for Belarusian representatives of civil society, not least vis-à-vis Sweden. The experience gained from reform work in neighbouring countries such as Russia, Ukraine, Poland, Latvia and Lithuania should be put to greater use in the implementation of projects in Belarus.

All development cooperation between Sweden and Belarus must be informed by a gender perspective. When programmes are being prepared, their impact on both women and men must be analysed. Similarly, follow ups and evaluations must consider how the programmes in question affected women and men respectively. Special initiatives may again be warranted specifically targeting women and/or men.

A deep rift has developed between different sections of Belarusian society. This is making a solution to Belarus's structural problems more difficult and leading the country into a political cul-de-sac. To enable and support a dialogue between different sections of Belarusian society, Sweden's aim should be to ensure that representatives of both NGOs and the country's public administration become involved in the various project activities. It is crucial that Belarusian civil servants also be brought into contact with the European community of values.

In certain areas of Belarusian society, the discourse on how reforms should look has altered over the past two years. There is greater awareness of the fact that sustainable development cannot be achieved without fundamental economic and social reforms. In some sectors, reform-minded players are already making efforts – sometimes in trying circumstances – to bring about modernisation and development in the country. Swedish initiatives in these sectors may be motivated. Such initiatives must be continuously followed up. In this connection, it is important to find partners who are closely familiar

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with conditions in Belarus, such as Belarusian NGOs or multilateral organisations represented inside the country.

The six areas of activity for Swedish-Belarusian development cooperation are:

- Common security
- Deepening democracy
- Economic change
- Social security
- Environment
- Education and research

4.3.1 Common security

Recently, cooperation relating to the non-proliferation of weapons of mass destruction has been at a halt, but there are plans to resume talks in this area. Future cooperation is expected to comprise support for government bodies, follow-up of previous initiatives concerning physical safety at the research plant in Sosny, and support for a civil institution for the education of public opinion on the subject of nuclear safety.

Cooperation in the migration field will continue. Special priority should be given to the 'Söderköping process' aimed at developing border and migration cooperation between Ukraine, Poland, Lithuania and Belarus along the EU's future external border. As president of the EU, Sweden took the initiative for this process together with the UNHCR.

4.3.2 Deepening democracy

Cooperation between NGOs

The funding for cooperation between Swedish and Belarusian NGOs that has been channelled via Forum Syd has represented the core of Sweden's cooperation with Belarus in recent years. The growing activities of Belarusian NGOs may in time have a decisive effect on the democratisation process in the country. Current cooperation, embracing widely differing aspects of Belarusian society such as human rights, social issues, environment and local democracy, will continue during the strategy period. Projects that also involve Belarusian local or regional authorities should be accorded greater priority. A basic aim of the cooperation programme is to promote greater interest in Belarus among Swedes. To this end, major information campaigns have been conducted in Sweden.

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Cooperation and exchange in culture and public life

Together with the embassy in Moscow and the honorary consulate in Minsk, the Swedish Institute (SI) is planning to launch a number of cooperation projects in the fields of culture and public life in coming years, both in the capital and out in the regions. The main purpose is to generate greater understanding for the culture of democracy, to seek to enhance democratic culture and democratic structures, and to encourage active participation on the part of the citizens. The SI can boost contact between Sweden and Belarus by funding personal exchanges and visits by experts.

The media

In Belarus, the state dominates both the media sector and information channels. Democratic development cannot become a reality without the presence of independent and alternative sources of information. Support for the development of the media sector and of independent media will continue to be a major priority. Local media, in particular, should be prioritised. The Institute for the Further Education of Journalists (Fojo) recently signed an agreement with the independent Belarusian journalists' organisation BAZj and the state university in Minsk. Cooperation will include the training of Belarusian journalists in various fields as well as special measures to improve the journalism courses provided at the university in Minsk. Support may also be provided to the BAZj centre for legal counselling.

Training for politicians

Efforts to encourage popular participation in Belarus's political life should be accorded high priority. Such assistance is primarily channelled through Swedish organisations associated with political parties. Further measures may involve special training for young politicians, support designed to help women to become politically active and special measures to encourage the development of a political dialogue at local and national level.

Local self-government

Decision-making at local and regional level in Belarus derives in all essentials from executive power controlled at national level. While the Belarusian government has made certain statements concerning the need for greater self-rule at local level, there is a lack of real desire to decentralise power and control in present-day Belarus. The efforts of the Swedish Association of Local Authorities in this area have helped increase awareness about the importance of decentralisation and has stimulated the public debate on the need for change, but projects designed to promote greater local self-government cannot be expected to yield any clear results in the short term. Initiatives aimed at strengthening the local level, however, should continue to be given priority. This applies in particular to popularly elected local bodies. Support for the establishment of a national organisation for Belarus's municipal authorities may be intensified in future. If the Belarusian

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government clearly states its desire for greater local self-government, more broad-based support for new legislation and other matters may be forthcoming. If conditions change, the development of city twinning programmes is another desirable goal. In addition, Sweden should encourage the development of tripartite cooperation at local level between Swedish, Lithuanian, Polish, Latvian and Belarusian stakeholders.

4.3.3 Economic change

Small and medium enterprise

In Belarus, SME development has been very slow. The general business climate, the high level of risk and in particular the unfavourable and unpredictable regulatory framework have all presented obstacles for potential entrepreneurs.

The development of SMEs is important, partly because they constitute a fundamental component of the economic structural transition facing the country and partly because entrepreneurs as a group can be expected to press both for the modernisation of Belarusian society and for better opportunities for trade with the outside world. Sweden is supporting the establishment of local organisations for Belarusian entrepreneurs, in cooperation with the International Finance Corporation (IFC), which has been engaged in entrepreneurial training and other projects in Belarus for some years. Other forms of cooperation between Swedish and Belarusian business organisations should also be considered.

Enterprise and economic policy

As noted above, SME development in Belarus has been very slow due to a poor business climate and an unfavourable and unpredictable regulatory framework. According to the Belarusian government, the economy is to be liberalised and conditions for private enterprise are to be improved. So far, however, no clear improvements have been noted.

Besides the support for local business organisations described above, it may also be feasible to bring Belarus into the 'StartEast' programme. It is essential, however, that Swedish SMEs intending to establish themselves in Belarus are clearly aware of the risks, including the complicated rules and regulations and the arbitrary actions of the country's politicians.

Belarus still has much of its economic transition period to go through. The experience gained from the transition work undertaken in other parts of Central and Eastern Europe is of considerable interest. If possible, support for the transfer of know-how and for exchanges of information and experience relating to economic policy should be considered, perhaps in cooperation with some of Belarus's neighbouring countries.

Land surveying

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A fundamental part of the transition to a market economy is the creation of a market for property (real estate) and the enablement of investment by means of loans secured by property. This is a lengthy process involving both the development of legislation that defines and protects private ownership and the registration of property and property rights. The development of laws and the building up of registers provide a basis on which a property market and an efficient mortgage system can be established. In Belarus, this process is only just beginning and political willingness to pursue reforms is limited, especially with regard to the privatisation of farm and forest property.

Recently, however, some positive initiatives have been taken with a view to creating a property market. In Minsk in particular, the prospects for developing a more detailed property register are good. If this process continues in the right direction and the requisite political decisions are taken, support can be provided for the further development of the cooperation established between Swedesurvey AB, the Belarusian Land Reform Association and the Belarusian authorities in the land surveying sector. The cooperation established between the Royal Institute of Technology in Stockholm and the state university in Polotsk is crucial to the task of creating a resource base in Belarus with a broad-based future land reform programme in mind.

4.3.4 Social security

The social sector in Belarus is largely unreformed, but certain efforts have been made to develop the country's social services. The Graduate School for Social Work and Public Administration in Stockholm and the Belarusian Ministry of Education recently embarked on a sizeable joint project in support of efforts to restructure social care services for children and young people in Belarus. The new system will place greater emphasis on non-institutional care and will seek to view children's problems in a wider perspective. A regional network of socio-educational centres is to be built up to improve the authorities' chances of conducting case investigations and helping children and parents in socially disadvantaged situations. The project will be partially based on what has been learned from similar activities in Lithuania.

A reform of the health sector has begun with funding from the World Bank. The principal aim is to strengthen primary healthcare services and to streamline the financing of healthcare. Sida may support efforts undertaken as part of a prospective World Bank project in the health sector. Of particular importance in this respect are projects aimed at preventing the spread of tuberculosis and HIV/AIDS.

Trafficking in human beings

Efforts to reduce and combat trafficking in human beings should be accorded high priority. Special attention should be given to preventive measures.

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Efforts in the judicial field relating to human trafficking and to the repatriation and rehabilitation of the victims of trafficking may also be of interest. It is essential that the problem as a whole be addressed in terms of both prevention and intervention and that a regional perspective be adopted. Sweden, for example, contributes to the regional programmes against human trafficking run by the International Organisation for Migration (IOM). The work shall be pursued in accordance with the relevant international agreements.

In order to improve the situation of the disabled, programmes should be based on the UN's standard rules for assuring people with disabilities of both equality and community participation. Measures aimed at improving the situation of children and young people should be based on the UN Convention on the Rights of the Child and the UN document 'A World Fit for Children', adopted at a special General Assembly session for children in the spring of 2002.

4.3.5 Environment

Increased cooperation can be expected in the environmental field during the period 2002-2004. The aim should be that Belarus's involvement in relevant cross-boundary or regional projects becomes increasingly active and constructive, e.g. in the case of the Nemanus/Njemen and Daugava/Western Dvina cross-boundary river projects and in the case of integrated water conservancy programmes.

Efforts to boost environmental awareness and commitment, environmental information and monitoring, further professional training in the environmental field, the development of local Agenda 21 programmes for sustainable development and measures to improve civil radiation protection (in industries, hospitals, research and housing) may be given assistance during the period.

4.3.6 Education and research

Graduate and postgraduate exchange

There is a growing interest among Swedish institutes of higher education in establishing cooperation with Belarus in the fields of education and research. The need for greater cooperation with Sweden has also been emphasised by the Belarusian side. The number of scholarship applications from Belarusian students has increased from year to year and this trend is expected to continue. At present, cooperation is limited to some extent by an inadequate command of English. Increased exchange is also expected at adult education and upper secondary level, both in project form and more particularly in the form of individual scholarships. Funding for Swedish language tuition will continue.

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Cover: Editorial Office, The Ministry for Foreign Affairs

Printed by XBS Grafisk service, 2002

Article no: UD 03.038