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COUNTRY UPDATES SERIES • SPRING 2015



Greening economies in the EU Eastern Partnership countries

UKRAINE

RECENT AND PLANNED ACTIVITIES









The EaP GREEN programme

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

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

The programme is structured around three components:

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

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

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

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



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

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

Governance and financing tools

Key topics:

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

ACHIEVEMENTS

• A Sustainable Public Procurement (SPP) status assessment and a legal review were conducted during the National Prioritisation Workshop held in October 2014. A preliminary list of **priority goods and services for SPP** were also identified. These are detergents, paints and insulation materials for buildings. (UNEP)

• Representatives of government agencies and research institutes were trained on methodologies and tools for green economy assessments at a national workshop in Kiev on 10-11 April 2014. They outlined the way forward for a simulation analysis for priority sectors. The establishment of an inter-ministerial working group and the development of a strategic green economy framework was recommended. (UNEP)

• The **development of a green economy simulation analysis for Ukraine** was initiated in November 2014 in collaboration with the Institute of Green Economics. (UNEP)

• The contents of the National SPP Policy and Action Plan for Ukraine were discussed and agreed upon in December 2014. (UNEP)

• A regional expert meeting titled "Shared environmental information system and green growth" was held in Paris on 10-11 March 2015 with the participation of four delegates from Ukraine. (OECD) http://bit.ly/1erNRQ0

• The development of green growth indicators in Ukraine was discussed also at a national workshop on 16 June 2014. This workshop presented and discussed a draft report on green growth indicators which was prepared by a local thinktank as a pilot study using OECD methodology. (OECD)

RECENT & UPCOMING ACTIVITIES

• A national consultation workshop on the **Green Economy simulation analysis** is scheduled for the first half of 2015; the report of the simulation analysis will be finalised and presented to government representatives and stakeholders in the second half of 2015. (UNEP)

• A Market Readiness Analysis for SPP was conducted by national experts towards the end of 2014. The report is currently being finalised and will be released shortly. The priority products for SPP demonstration projects were identified. (UNEP)

Regional expert meeting on shared environmental information system and green growth (Photo: © OECD)





Governance and financing tools (continued)

Key topics:

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

ACHIEVEMENTS

• A regional expert meeting on "Access to private finance for green investments in EU Eastern Partnership countries" was held on 5-6 June 2014 in Paris to discuss environmental credit lines supported by international finance institutions, and disbursed by local commercial banks. The report "Environmental lending in EU Eastern Partnership countries" was published in October 2014. (OECD) http://bit.ly/1t5JASC

- A follow-up meeting in July 2014 with Ukreximbank and EBRD officials discussed and agreed the project's scope and implementation in Ukraine. This work will be continued by the OECD in the second half of 2015. (OECD)
- An initial **stakeholder workshop** on 18 June 2014 in Kiev discussed policy recommendations **on creating market incentives for greener products.** This work aims to expand the use of economic instruments for better management of environmentally harmful products.

• The 3rd and final national workshop of this country pilot project on economic instruments was organised on 16 April 2015. The policy manual is now available in English and Russian. (OECD) http://bit.ly/1uxzD3q

• A regional expert meeting on promoting better environmental performance of SMEs took place on 12 February 2015 in Kiev. As a follow-up, a national stakeholder workshop of the country pilot project on greening SMEs was held on 13 May 2015.

• The Environmental Policy Toolkit on Greening SMEs in EU Eastern Partnership countries was released and presented to key national stakeholders recently. (OECD) English version: http://bit.ly/1HDpRD8 Russian version: http://bit.ly/1Ke1353

RECENT & UPCOMING ACTIVITIES

• A survey of energy subsidies in the EU Eastern Partnership countries, including in Ukraine, will be launched by the OECD. This will involve reviewing and developing a consistent description of subsidy schemes and providing robust estimates of their volumes. A stakeholder meeting will be organised towards the end of this year to present the results of the analysis. (OECD)

• A review of several environmental credit lines managed by Ukreximbank is expected to be launched in May-June 2015. This study aims to identify optimal ways for strengthening cooperation between the government and the banking sector to improve access to private finance for green investments. (OECD)

Environmental

in the EU Eastern

First edition

Partnership countries

Policy Toolkit for

Greening SMEs

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



Key topics:

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

ACHIEVEMENTS

• Ukraine drafted a new legislation on SEA in 2013, creating the need for stronger and wider integration of SEA into the national and regional planning processes. The law was developed in the framework of another project, but **EaP GREEN supports the promotion of the SEA draft law** among a wide range of stakeholders. (UNECE)

• A training workshop was organised as early as October 2013 to support the practical application of SEA, to provide step-by-step guidance of its use in the process of strategic decision-making, and to strengthen SEA implementation. (UNECE)

• A joint pilot project on post-project analysis of the exploitation of the Khotislavskoye quarry was implemented in close collaboration with the national authorities of Ukraine and Belarus during the period of April 2013 – April 2014. (UNECE) http://bit.ly/1wFgJr4

• The report and the draft recommendations on improving post-project analysis were discussed at a task force meeting in Minsk in December 2013. Further to this, a public consultation workshop was held on 21 February 2014 in Malorita. The evaluation of the pilot project and the recommendations were released in April 2014. (UNECE) http://bit.ly/1zfsNUo

• The study tour in the Czech Republic on the application of Strategic Environmental Assessment at national level in the urban planning, waste management, and energy sectors took place on 1-5 December 2014. National experts learned about the Czech SEA system and discussed challenges and success factors. (UNECE) http://bit.ly/1t5IoyJ

RECENT & UPCOMING ACTIVITIES

• Three events will be held back-to-back on 10-12 June 2015 in Kiev. First, a seminar for planning and sectoral authorities providing an introduction to strategic environmental assessment and its benefits (10 June); second, a half-day high level round-table discussion on implementing SEA procedures (11 June); and third, a full day workshop on the role of the environmental authorities in the SEA process (12 June). The events are organised in co-operation with the Ministry of Ecology and Natural Resources of Ukraine. (UNECE)

• A sub-regional conference for exchanging experiences on drafting SEA and EIA legislation and bylaws is planned for 19 October 2015 in Georgia. Delegates from Ukraine will also be invited to attend. (UNECE)

• A train-the-trainers workshop on SEA is planned to take place in Georgia on 20-23 October 2015. Ukrainian delegates are invited to participate. (UNECE)

• In 2016, Ukraine will host a **regional conference on the lessons learned** from the practical application of SEA in EaP GREEN countries. (UNECE)

Study tour in the Czech Republic on the application of SEA at national level (Photo: ©UNECE)



Demonstration projects

Key topics:

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

ACHIEVEMENTS

• Two workshops were organised in April and December 2014 to raise awareness on opportunities linked to trade in organic agriculture, and to share knowledge among national level government agencies, farms, companies and business associations in Ukraine. (UNEP) http://bit.ly/1wyifjL

• A regional market assessment study, identifying EU market potential for Ukrainian organic products was presented and discussed among experts in December 2014. Interactions between lighthouse farms, companies and international experts were facilitated and producers were prepared for their participation at the organic trade fair Biofach 2015. (UNEP) https://www.biofach.de/en

• EaP GREEN provided support to Ukrainian producers to participate in the Biofach organic trade fair which was held in February 2015. They exhibited their products in a Ukrainian Pavilion which was co-organised with FiBL, the Swiss Research Institute for Organic Agriculture, and co-financed also by the Swiss Government. During the trade fair, Ukrainian producers were matched with potential buyers from the EU. (UNEP) http://bit.ly/1FGUuET

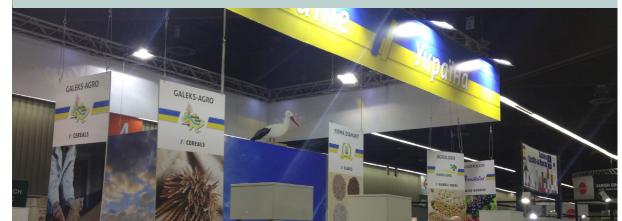
RECENT & UPCOMING ACTIVITIES

• EaP Green was one of the main sponsors of the **5th International Conference on Organic Sector Development in Central/Eastern European and Central Asian countries** held on 16-17 April 2015. A **break-out session** dedicated to organic agriculture and green economy featured speakers from Ukraine, Armenia, Moldova, Georgia, Azerbaijan and Belarus. The session discussed strategies for organic market development, organic agriculture as a tool for greening the economy, and organic legislation development in the region. (UNEP) http://bit.ly/1PRWkdu

• Success stories illustrating the access of regional producers to the international organic market will be compiled in the course of 2015. (UNEP)

• Following the **finalisation of the National Sustainable Public Procurement (SPP) Action Plan**, demonstration activities for SPP will be initiated in spring 2015. These activities include **training workshops and technical support** for the effective application of SPP and eco-labelling. (UNEP)

The Ukrainian pavilion at the Biofach Organic Trade Fair 2015 (Photo: © FiBL)



Demonstration projects (continued)



Key topics:

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

ACHIEVEMENTS

• In Ukraine, UNIDO demonstration projects focus primarily on the sector of construction materials which has yet a considerable development potential. (UNIDO)

• One cycle of **classroom training and expert coaching in RECP methods and their application to SMEs** took place during springsummer 2014. (UNIDO)

• A round-table discussion on RECP at enterprises in the construction materials sector took place on 6 August 2014. The event was co-organised with the Ukrainian League of Construction Materials Producers. Representatives of local industrial enterprises, including technical managers and experts, and participants from research institutions and scientific journals attended. (UNIDO) http://bit.ly/1wy4i4Q

• As part of the **IV International Energy Forum** held in Zaporizhzhia on 10 September 2014, **UNIDO's RECP Centre in Ukraine organised a side event** on RECP at the enterprises in the construction materials sector which was attended by over 70 experts, policy-makers and regional enterprises. International project experiences and examples of demonstration projects were discussed. (UNIDO) http://bit.ly/12u0sfi

• The second training of RECP national experts was conducted on 22-23 December 2014 in Kiev. This training was devoted to feasibility analysis, generation of RECP options (for energy, materials, water, waste and chemicals) and mainstreaming RECP methodologies into the daily practice of enterprises. (UNIDO) http://bit.ly/1GTmgTp

RECENT & UPCOMING ACTIVITIES

• The preliminary **scoping of technology support activities** will be undertaken in the first half of 2015. (UNIDO)

• A national consultative dialogue on RECP will take place on 20-22 May 2015 in Kiev. This multi-stakeholder event aims at discussing the adaptation of the RECP terminology to the national language; and tailoring the RECP methodology to the overall business environment including the identification of resource constraints. (UNIDO)

The RECP team of Ukraine visits concrete plant (Photo: ©UNIDO)



Recent and upcoming publications

• OECD: **Creating Market Incentives for Greener Products** (Available in English and Russian) http://www.oecd.org/env/outreach/economic-instruments.htm

• OECD: Environmental Lending in EU Eastern Partnership Countries (Available in English and Russian) http://www.oecd.org/environment/outreach/regionalmeeting-june-2014.htm

• OECD: Environmental Policy Toolkit for Greening SMEs in EU Eastern Partnership countries (Available in English and Russian) http://www.oecd.org/environment/outreach/Greening-SMEs-policy-manual-eng.pdf

• UNEP: Regional Report - **Resource Efficiency Economic Outlook** (Available in English and Russian) http://www.grid.unep.ch/products/3_Reports/REEO_for_EECCA.pdf

• UNEP: **Fact sheet organic on agriculture in Ukraine** - prepared for the Biofach Trade Fair 2015 (Available in English in the EaP GREEN resource library) http://www.green-economies-eap.org/resources/Organic-agriculture-Ukraine-UNEP-summary.pdf

• OECD: Inventory of Energy Subsidies in EU Eastern Partnership Countries (Forthcoming in 2015)



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

On the calendars

Save the Date

• UNECE: Three events on SEA and EIA are organised back-to-back on 10-12 June 2015 in Kiev.

- 10 June 2015 - Introduction to strategic environmental assessment and its benefits: **Seminar for planning and sectoral authorities**;

- 11 June 2015 - **High level round-table discussion** on the **benefits of the strategic environmental assessment** and the role of sectoral authorities in SEA process;

- 12 June 2015 - Practical application of strategic environmental assessment: **Role of the environmental authorities in the SEA process.**

• EaP GREEN Partners: 18 June 2015 - **EaP GREEN Annual Steering Committee Meeting** (Chisinau, Moldova)

• UNECE: 19 October 2015 - Regional conference to exchange experience in drafting SEA / EIA legislation and bylaws and barriers on adoption of the legislation (Georgia)

• UNECE: 20-23 October 2015 - Regional train the trainers workshop for the practical application of SEA in EaP countries (Georgia)

Planned international meetings in 2015 - 2016

• UNEP: Second Eastern Europe Regional Meeting on the 10 Year Framework of Programmes on Sustainable Consumption and Production Patterns (10YFP) - Second quarter of 2015

• OECD: Environmental Action Programme (EAP) Task Force meeting -

7-8 October 2015 (Tashkent, Uzbekistan)

• UNIDO: Global RECP Networking Conference - 12-15 October 2015 (tbc), Switzerland

• EaP GREEN Partners: Participation in the **8th Environment for Europe Ministerial Conference** - 8-10 June 2016 (Batumi, Georgia)

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