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the European Union

EU4Environment

Armenia, Azerbaijan, Belarus, Georgia, Republic of Moldova, Ukraine

EU4ENVIRONMENT VIRTUAL COUNTRY CONSULTATIONS

UKRAINE

Monday, 20 June 2020

Start: 14h Brussels/Paris time - 15h Kyiv time
End: 15h30 Brussels/Paris time - 16h30 Kyiv time

Summary Record

Action implemented by:



Summary record

Item 1. Welcome by the Chair of the meeting

Mr. Johannes Baur, First Counsellor, Head of Sector, Economic Cooperation, Energy, Infrastructure and Environment, Delegation of the European Union to Ukraine (EUD) opened the meeting and welcomed the participants on behalf of the European Commission.

Mr. Baur pointed out the challenges related to the COVID-19 pandemic, especially those related to economic slowdown, impacts on enterprises and employment that affect societies across the world. He mentioned that although the impacts on the environment may have been reduced these were likely to be only temporary. In some countries the environmental situation has not improved. Therefore, there was a need to reinforce the post-COVID-19 recovery measures to ensure that the environmental situation is given adequate attention and response. He emphasised that tackling environment and energy challenges in the post-COVID-19 time has become even more important priority for the European Union. The recently adopted European Green Deal is a unifying programme which drives the EU actions and funding.

He recalled that the objective of the meeting was to present progress in implementing the EU4Environment programme, and discuss plans for the rest of the year. He welcomed this opportunity to discuss with the Government of Ukraine the EU4Environment activities to better align EU4Environment work with the national priorities, including in the current context of the COVID-19 pandemic.

Item 2. Update on in-country situation

Ms. Iryna Stavchuk, Deputy Minister of Environment and Natural Resources of Ukraine welcomed the participants and thanked the EC for support provided through this and other projects, which help to run the reforms and implement necessary environmental policies and changes. She also highlighted:

- Important progress in re-establishing of the Ministry of Environment and Natural Resources, which started in June 2020, the development of an ambitious work plan for the Ministry and setting up a team of responsible deputy ministers and all the Ministry staff;
- Several priority areas for the Ministry, including: 1) in the waste management sector: ongoing approval of the framework law on waste management; establishing Extended Producer Responsibility schemes which will set up rules for business to invest and better manage their waste); 2) in the areas of EIA and SEA: based on the adopted EIA and SEA laws and support from EU4Environment, further developing the EIA and SEA systems, including relevant methodologies, gaining more experience and improving implementation; 3) in the area of biodiversity and nature protection: strengthening the Emerald network, building on expansion of the areas and development of the land cadastre map; 4) in the area of greening economy: work on eco-design, eco-procurement, and other issues together with the Ministry of Economy to integrate environmental considerations into the economic decision-making process;

Ms. Stavchuk pointed also to the Ministry's written comments on the EU4Environment Work Plan for Ukraine submitted prior to the consultations (Annex 1), and the readiness to discuss them with the Partners.

Mr. Alexander Zadorozhny, Deputy Director, Directorate for Industrial Policy and Stimulation of Regional Development, Ministry for Development of Economy, Trade and Agriculture of Ukraine, thanked for inviting the Ministry of Economy, Trade and Agriculture to the meeting. He highlighted:

- Current very challenging situation in the industry after significant drop in economic activity during the first half of the year, especially in the chemical and timber processing industries;
- Measures to maintain and support industrial operations, including establishment of the industrial support programme and the provision of funds by the Government, including tax break for enterprises, exemption from fines, inspections or loans with low interest rate;
- Ongoing process of institutional transformation, including creation of a dedicated Vice Minister responsible for industrial issues and the creation of a separate Ministry of Industrial Policy;
- Development of the Strategy for the Industrial Complex till 2025, which contains several items relevant to the EU industrial strategy adopted in 2020, and strong interest to approximate and align this strategy with the EU developments.

Decisions and follow up:

The participants:

- Took note of the difficult economic situation in Ukraine, as in many other European countries, and the importance of

- efficient recovery measures which keep environment issues high on the agenda;
- Agreed to continue ensuring timely communication on the Programme implementation and coordination of the activities to align them with the COVID-19 economic response measures.

Item 3. Update on past and on-going EU4Environment activities and plans for the rest of the year

The participants took note of:

- Updates on the implementation of activities under the Ukraine Work Plan by the Implementing Partners:
 - Result 1 (UNEP, UNECE) – see Slide 2-3;
 - Result 2 (UNEP, UNIDO) – see Slides 4-5;
 - Result 3 and 5.3 (OECD) – see Slides 6-7;
 - Result 4 (World Bank) – oral update.

During the discussion the participants noted:

- Good progress on EU4Environment activities reported by the Implementing Partners;
- Proposals to the Work Plan submitted by Ukraine prior to the meeting (Annex 1), willingness of Partners to better align their activities and invitation by Partners for further bilateral discussions., in particular::
 - Request from Ukraine to consider a new proposal for legislative assistance to amend the Law on SEA under Output 1.3 (SEA/EIA) and suggestion by UNECE to follow up on this bilaterally to assess the nature and scope of proposed amendments and possibility of including this support under EU4Environment; as well as on other proposals (via an online working meeting);
 - Request from Ukraine to clarify the steps related to the promotion of green economy policy and inter-ministerial dialogue, and the implementing institution in particular and the readiness of UNEP to provide further details;
 - Request from Ukraine to the expand waste management work, including a proposal on the Extended Producer Responsibility issues, and an invitations by UNEP and UNIDO for bilateral discussions;
 - Question by Ukraine on eco-labelling, in particular on the types of labels planned to be promoted and their application; and suggestion by UNEP that bilateral consultations could be conducted with the Ministry to better understand needs related to eco-labelling in the country;
- Remarks by the EUD:
 - on the importance of the eco-innovation and eco-labelling issues in the context of the bilateral EU/Ukraine relations, especially the preparations of negotiations on the Agreement on Conformity Assessment and Acceptance of Industrial Products (ACAA).
 - Request to take account of, and collaborate with, new bilateral projects that are being prepared for launch in September: one supporting Ukraine to bring forward the adoption of the waste framework directive; and the other on the implementation of waste management strategies and plans at the regional and local level (APENA II and III).
- UNEP request to share the contact details of responsible persons for these two projects in Ukraine and/or in Brussels for further discussions on the respective work;
- Confirmation of interest by Ukraine in all issues covered by the Results 3 and 5, and a request to share proposals on green bonds and subsidies, including other materials developed in the past; and invitation to the bilateral discussions on the Activity 3.1 (OECD);
- Information by the EUD on the forthcoming bilateral project that includes one component covering administrative capacity building in the Ministry of Environment and Natural Resources, and a call for the OECD to coordinate the actions and find complementary points (although this bilateral project will mainly provide direct support to the Ministry or its subordinated agencies). In this context, the OECD informed about being in contact with the Reform Support Teams and other EU-funded projects, including one implemented by SIGMA.
- EUD remark on importance of the energy subsidies work and, in this context, of keeping contacts with the re-established Ministry of Energy;
- Update by the World Bank on the completion of signing the framework agreement with the EU and the ongoing work on finalization of the EU4Environment-specific contract (targeting September for its signature). The country-specific work plans for Results 4 are developed and preliminary agreed at the working level. Ukraine is invited to provided comments, if any, to facilitate start of the project.

Decisions and follow up:

The Participants agreed to:

- Continue to implement the activities as envisaged in the Work Plan and in line with the agreed timeline, using alternative modes of operation (virtual communications/meetings and engaging local consultants);

- Consider the received proposals by the Partners and to follow up bilaterally on specific activities (as listed above) to integrate them as much as possible in the Work Plan;
- Receive from EUD relevant information and contact details of the bilateral projects related to waste management and administrative capacity development;
- Receive from OECD the requested documents under Result 3 after the meeting (proposals on green bonds and subsidies, including other materials developed in the past);
- Receive further updates from the EC on the status of the EC/World Bank contract (Result 4).

Item 4. Preparation for the EU4Environment Regional Assembly meeting

The participants took note of:

- Update by the OECD on coordination activities, including a round of the virtual consultations with the six EaP countries in May-July 2020;
- Proposal to hold the next Regional Assembly on 22 September 2020 in a virtual form, and consider in-person meeting towards end 2020 – beginning 2021, possibly in Kyiv, subject to lifting of the travel restrictions (Slide 9 of the Presentation);
- Confirmation by Ukraine on availability to take part in the virtual RA on 22 September 2019 and preliminary agreement to host the in-person meeting (with request for additional clarifications on the country contribution to this meeting);
- Clarifications by the OECD that Ukrainian side may be invited to help with the meeting venue and high-level participants, while related costs and other organisational issues will be covered by the OECD and the Implementing Partners;
- Importance of engaging both Ministries of Environment and of Economy into organisation of the next Regional Assembly, if in Kyiv.

Decisions and follow up:

The participants agreed to:

- Keep the dates of the second Regional Assembly meeting on 22 September 2020 in a virtual format; and consider organising the in-person meeting towards end 2020 or beginning 2021, possibly in Kyiv, subject to lifting of the travel restrictions.

Item 5. Communication (Result 5.2) and coordination with other projects

The participants took note of:

- Update by the OECD on communication activities, as shown on Slide 10 of the Presentation;
- Invitation to subscribe to the Newsletter and share with the colleagues.

Decisions and follow up:

The Participants agreed to:

- Continue implementing the communication activities, as envisaged in the Work Plan;
- Continue paying particular attention to comply with the EU's visibility requirements;
- Promote the wide subscription to the EU4Environment Newsletter.

Item 6. Progress on administrative issues (Result 5.1)

The participants took note of:

- Update by the OECD on the Action Registration, National Focal Points (NFP), National Action Coordinator (NAC) and the National Implementing Committee (NIC), envisaged by the provisions of the Description of the Action:
 - **Registration:** OECD recalled that the Programme registration encountered a number of challenges, including a requirement to submit to the Ukrainian authorities the EU4Environment contracts (Special Conditions' part) which was not feasible for some partners, the institutional changes in Ukraine and the departures of the National Focal Points. OECD asked for suggestions on the possible next steps which would enable the final registration of EU4Environment;

- **National Focal Points (NFPs):** OECD indicated that the NFPs appointed in 2019 by the Ministry of Environment and Natural Resources and by the Ministry for Development of Economy, Trade and Agriculture left recently for various reasons, including the recent institutional restructuring. OECD suggested to receive nominations of new NFPs by e-mail from both Ministries.
 - **National Action Coordinator (NAC):** OECD recalled that the NAC is a person hired by the Implementing Partners to help with day-to-day Programme coordination. Following initial short-term arrangements, OECD is now in process of the official selection of the NAC for a longer-term contract (12 months) through the market consultation led by the OECD Procurement Office. Following the call for expression of interest (widely disseminated through the OECD and EUD channels to ensure transparency), a number of applications were received and the OECD is now in process of reviewing candidates - aiming to finalize this process within the next few weeks).
 - **National Implementing Committee (NIC):** OECD explained that the NIC aims to provide feedback on the implementation of the Programme at the national level and can possibly support activities under Result 1 on inter-ministerial coordination and green economy promotion. OECD called for possible proposals on using existing structures which may serve as NIC, such as Ukraine's recently established Working Group on the EU Green Deal.
- Information by Ukraine that the registration is now moved to the Cabinet of Ministries and offer to provide necessary assistance (notably identifying contact points in each ministry);
 - Offer by the EUD to share details of a contact point for the Cabinet of Ministers in the EUD;
 - Information by Ukraine that according to the national legislation, provision of a contact extract (instead of entire contract) may be sufficient for the registration purpose. Ukraine side also signalled another possibility to register by component;
 - Information by Ukraine that the new National Focal Points will be nominated shortly;
 - Request from Ukraine to be informed on the NAC selection procedure;
 - Information by Ukraine that an inter-ministerial working group on green economy does not exist yet, but the Ministries may consider setting up such a group.
 - Confirmation by UNEP that inter-ministerial coordination on green economy component is envisaged under the current work plan and that this dialogue has yet to be established. UNEP asked for guidance from both Ministries on how to move forward.

Decisions and follow up:

The participants agreed that:

- EUD will facilitate in registration by providing the letter to the Cabinet of Ministers ("Request for registration letter") in order to support the EU4Environment project request for registration in the Cabinet of Ministers
- EU4Environment team will contact a person at the Cabinet of Ministers responsible for registration to clarify if the registration of the project is possible in one of options available: i) each component separately to be registered, or ii) the project be registered as a whole excluding details (commercial, etc.) which Implementers (OECD, UNECE, etc.) reject to make official information.;
- new National Focal Points from both Ministries will be nominated shortly and information will be sent to the OECD
- OECD will provide a regular update on the NAC selection;
- Ukraine will consider creating or using an existing body for inter-ministerial dialogue on the green economy, as well as overall EU4Environment programme oversight. Ukraine will provide further suggestions on the NIC to OECD and UNEP.

Item 7. Other issues and closure

- Ms. Iryna Stavchuk and Mr. Alexander Zadorozhny thanked the participants and look forward to cooperation;
- Mr. Johannes Baur briefly summarised the key outcomes of the meeting (good overview on different results areas, agreement to run the virtual RA meeting in September, and possibly in-person in December in Kyiv, hosted by Ukraine; follow up on different administrative issues).
- He thanked the participants for a very good discussion and closed the meeting.

Decisions and follow up:

- OECD will prepare and circulate a draft Summary Record for comments and approval.

Annex 1. Proposal by the Ukrainian Government to adjust the current work plan under the EU4Environment Programme

Activities		Ukraine change
RESULT 1. Greener decision-making		
1.2: Sectoral investment planning and comparative analysis of costs and benefits (UNEP)		
Activity 1.2.1:	Investment needs assessment in priority sectors	X V
<u>proposal</u>	- Preparation of analytical materials on how to provide economic incentives for land and environmental protection in the context of land use regulation in the agricultural and forestry sectors	
Activity 1.2.2:	Development of investment strategy proposals or action plans	X V
1.3: Strategic Environmental Assessment and Environmental Impact Assessment (UNECE)		
Activity 1.3.1:	Assistance for finalizing the legal reforms on SEA and on transboundary EIA	X V
<u>proposal</u>	Development of a draft law on amendments to the law of Ukraine On strategic environmental assessment and support the draft in the Parliament - Q3 2020	
Activity 1.3.2:	Comprehensive capacity and institutional building	V
<u>proposal</u>	<p>Pilot project on SEA – Q4 2020.</p> <p>ToR for SEA database in Ukraine (including information on procedures, a roster of SEA/EIA practitioners, a register of undergoing SEA/transboundary EIA procedures and related documentation, register architecture) – Q3 2020.</p> <p>Methodological recommendations for SEA of urban planning documentation.</p> <p>Sectoral guidelines for the development of SEA reports for state planning documents in the field of energy, agriculture, forestry, fisheries, industry, transport, waste management, water use, environmental protection, telecommunications, tourism (it is proposed to prepare general guidelines recommendations broken down by industry).</p> <p>Training (intensive and practice-oriented) workshops on SEA content and procedure including preparation of textbooks, informational and explanatory materials on the implementation of strategic environmental assessment.</p> <p>Awareness raising event on transboundary EIA and SEA for local authorities (Transcarpathian region).</p> <p>Developing awareness raising materials on SEA and/or transboundary EIA to provide good practice examples.</p> <p>Preparing a video on transboundary EIA and its benefits in English and its translation in Ukrainian.</p>	
RESULT 2. Circular economy and new growth opportunities		
2.1: Resource Efficient and Cleaner Production and eco-innovation among SMEs (UNIDO)		
Activity 2.1.1:	<i>Ministry for Development of Economy, Trade and Agriculture of Ukraine</i>	V
Activity 2.1.2:	<i>Ministry for Development of Economy, Trade and Agriculture of Ukraine</i>	X
Activity 2.1.3:	Promoting Circular Economy – Waste mapping in municipalities <i>(irrelevant Activity)</i>	V X
Activity 2.2.1:	Mapping of existing practices and barriers for existing labelling schemes <i>(reports are ready)</i>	V X
2.4: Use of strategic approaches on waste management (UNEP)		
Activity 2.4.1:	Developing draft action plan for waste management (national or municipal level)	X V
<u>proposal</u>	<ul style="list-style-type: none"> - Provide technical assistance to develop a Draft Resolution of the Cabinet of Ministries of Ukraine on procedure of development and adoption of the regional waste management plan. - Analysis of local and regional conditions for the preparation of regional waste management plans. - Provide technical assistance to development and approval of regional waste management plans (development of regional waste management plans for 5 regions). 	
Activity 2.4.2:	Initiating/assisting the establishment of Extended Producers Responsibility schemes	V
<u>proposal</u>	- Development of the analytical report based on the best practices of Extended Producers Responsibility schemes in EU country (incl. France, Germany, Poland, Austria), economy and financial assessment of the available options in Ukraine and recommendations.	

	<ul style="list-style-type: none"> - Analysis of the situation and economic preconditions for the introduction of the principles of extended producer responsibility in Ukraine in the field of packaging. - Development of proposals for standards for the introduction of extended producer responsibility, in particular the procedure for cooperation between local governments and organizations of extended producer responsibility. 	
RESULT 3. An environmental level playing field		
3.1: "Smart" regulation of environmental impacts		
Activity 3.1.1:	Reforming regulatory regimes for large emission sources, including State Owned Enterprise	X / V
proposal	<ul style="list-style-type: none"> • Training (Integrate permission system) <i>Expected output target:</i> 10-20 government (MENR and its subordinate executive bodies) officials trained (2021) • Expert and legal support to draft General Binding Rules (GBRs) based on EU regulation <i>Expected output target:</i> Develop GBRs for a specific economic sectors: <ul style="list-style-type: none"> - GBR for combustion plants - GBR for waste incineration plants and waste co-incineration plants - GBR for installations and activities using organic solvents - GBR for installations producing titanium dioxide - GBR for Medium combustion plants (MCPs) 	
Activity 3.1.2:	Greening Small and Medium Sized Enterprises (SMEs)	X / V
proposal	<ul style="list-style-type: none"> • Analysis of existing instruments for financing SME greening <i>Expected output target:</i> Detailed analysis of existing instruments for financing greening of SME operations based on best EU practices, pilot projects on Ukrainian SMEs (at least 3 SMEs in different sectors), followed up expert support to set up policies that can promote specific instruments to mobilize finance for SME greening (pilot cases, for example - waste management in restaurants). 	

Annex 2. Agenda

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|---------------------------|---|---|
| 14:00-14:05
(5 min) | 1 | Welcome by the Chair of the meeting <ul style="list-style-type: none">○ Mr. Johannes BAUR, First Counsellor, Head of Sector, Economic Cooperation, Energy, Infrastructure and Environment, EU Delegation to Ukraine |
| 14:05 - 14:15
(10 min) | 2 | Update on in-country situation <ul style="list-style-type: none">○ Short presentations on the current situation by the country representatives, the post COVID-19 recovery plans and their potential impacts on greening the economy<ul style="list-style-type: none">● Ministry of Environment and Natural Resources of Ukraine● Ministry for Development of Economy, Trade and Agriculture (TBC) |
| 14:15 - 14:55
(40 min) | 3 | Update on past and on-going EU4Environment activities and plans for the rest of the year <ul style="list-style-type: none">○ Presentations by Implementing Partners (see a PPT presentation)<ul style="list-style-type: none">● Result 1 (UNEP and UNECE)● Result 2 (UNIDO)● Result 3 and 5.3 (OECD)● Result 4 (World Bank)○ Reactions from the country representatives after each result: feasibility of using alternative modes of operation (ex. virtual meetings, web-based trainings, use of local consultants), and maintaining/postponing/advancing activities. More in-depth discussions could be carried out on a bilateral basis after the consultation. |
| 14:55 - 15:05
(10 min) | 4 | Preparation for the EU4Environment Regional Assembly meeting <ul style="list-style-type: none">○ Presentation of the proposed options by OECD (see a PPT presentation)<ul style="list-style-type: none">● Maintaining the planned date for the Regional Assembly in the week of 21 September 2020 (suggested 22-23 September) as a virtual meeting by Zoom (e.g. 3 hour morning sessions over two days)● an in-person meeting after travel restrictions are lifted, possibly November-December in Kyiv, Ukraine○ Reactions from the country |
| 15:05 - 15:15
(10 min) | 5 | Communication (Result 5.2) and coordination with other projects <ul style="list-style-type: none">○ Presentation by OECD (see a PPT presentation)○ Reactions from the country |
| 15:15 - 15:25
(10 min) | 6 | Progress on administrative issues (Result 5.1) <ul style="list-style-type: none">○ Presentation by OECD on the Action Registration, National Action Coordinator and the National Implementing Committee○ Reactions from the country |
| 15:25 - 15:30
(5 min) | 7 | Other issues and closure <ul style="list-style-type: none">○ Mr. Johannes BAUR, First Counsellor, Head of Sector, Economic Cooperation, Energy, Infrastructure and Environment, EU Delegation to Ukraine |

Annex 3. List of participants

Government representatives		
Ministry of Environment and Natural Resources	Ms. Iryna STAVCHUK Deputy Minister	
	Ms. Maryna SHYMKUS Head of CEO Office	
	Ms. Tetyana TEVKUN Waste Management Expert	
Ministry for Development of Economy, Trade and Agriculture	Mr. Alexander ZADOROZHNY Deputy Director Directorate for industrial policy and Stimulation of Regional Development EU4Environment National Focal Point	
Ministry of Energy and Coal Industry of Ukraine	Ms. Oleksandra KOZLOVSKA Deputy Head of Department of European Integration and International Cooperation	
National Action Coordinator and Partners' focal points		
	Mr. Andrii VORFOLOMEIEV Director Resource Efficient and Cleaner Production Centre	
	Ms. Liudmyla MUSINA UNIDO Focal Point in Ukraine	
European Commission and EU Delegation		
EU Delegation in Ukraine	Mr. Johannes BAUR First Counsellor, Head of Sector Economic Cooperation, Energy, Infrastructure and Environment	
	Mr. Oleksander KLITKO	
EC/DG NEAR	Mr. Joakim FRENDIN	
Implementing Partners		
UNEP	Ms. Rie TSUTSUMI Project Coordinator	
	Mr. Alex LESHCHYNSKYI Technical Officer – Eco-innovation	
	Ms. Irina DAVIS Project assistant	
UNECE	Mr. Leonid KALASHNYK Project Coordinator	
	Ms. Elena KASHINA Programme Management Assistant	
UNIDO	Ms. Carolina GONZALEZ MUELLER Project Manager	
	Ms. Tatiana CHERNYAVSKAYA Project Coordinator	
United Nations in Ukraine	Ms. Yulia SVAVOLYA Coordination Officer	

OECD	Mr. Krzysztof MICHALAK Senior Action Coordinator	
	Ms. Irina BELKAHIA Assistant Action Coordinator	
	Mr. Jonathan WRIGHT Project Assistant	
	Ms. Nelly PETKOVA Policy Analyst	
	Mr. David SIMEK Policy Analyst	
	Mr. Guy HALPERN Policy Analyst	
	Ms. Olga OLSON Policy Analyst	
	Ms. Isabella NEUWEG Policy Analyst	
World Bank	Ms. Madhavi M. PILLAI	
	Ms. Oksana RAKOVYCH	
Interpreter	Mr. Serhiy SARZHEVSKY	