

Helpdesk report 19 August 2022

Review of Ukraine's National Recovery Plan

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Sida's Helpdesk for Environment and Climate Change is a government agency collaboration between the Swedish University of Agricultural Sciences (SLU), University of Gothenburg (GU) and Sida to promote enhanced integration of environmental issues and perspectives in Swedish development cooperation.

1. Background

Sida's Helpdesk for Environment and Climate Change was commissioned by Sida on August 11th, 2022, to comment on the draft National Recovery Plan for Ukraine. The plan was launched during the Lugano conference in July, 2022. The responsible officers at the Helpdesk were Erik Wallin, Eva Stephansson and Hanna Wolf.

Date of submission of assessment: August 19, 2022.

An online meeting was held between the Helpdesk and Sida/the Embassy on August 16 to discuss the assignment. Except what was formulated in the ToR for the assignment, it was agreed this first review should focus on providing Sida/the Embassy with a few selected questions, which could guide Sweden's (and other donors) more detailed assessment of the Recovery Plan and its proposed 24 Thematic Areas. Pending the need from Sida/the Embassy, the Helpdesk is available to provide support during the continued development of the Recovery Plan.

Section 2 below provides a summary of the Helpdesk overall assessment of the Recovery Plan, while Section 3 suggests guiding questions for use by Sida/the Embassy.

2. General comments on the National Recovery Plan

The Helpdesk overall assessment is that the foundations for an ambitious integration of environment and climate change issues exists in the Recovery Plan. The Recovery Plan can provide an opportunity to address many of the key environmental problems in Ukraine. Many, if not all, of which can be expected to be aggravated by the Russian aggression and the ongoing war in Ukraine (see box 1 below¹).

To this effect, the Recovery Plan has the potential to contribute to the strategic objectives of Swedish development cooperation in Ukraine, and to Sida's Climate and Environment Policy. The latter specifically states that:

*"Sida contributes to poverty reduction, sustainable development and just transformation in our partner countries by addressing three interconnected crises – climate change, biodiversity loss, and pollution – all of which eroding sustainable development. "*²

¹ The information in the box is a summary based on the Helpdesk Report: Policy Brief on Environment and Climate Change in Eastern Europe, September 2020. The examples in the box are not exhaustive. Typical effects of the war in Ukraine would also include risks of nuclear accidents and radiation, soil pollution, high existence of ERWs, etc. The analysis in the 2020 Helpdesk report also correspond well to the problem description in the Recovery Plan and the specific program targeting "Environmental Safety".

² https://cdn.sida.se/app/uploads/2022/05/30135810/10206291_Sida_Climate_and_Environment_Policy_may-2022_ENG_web.pdf

The framing of the overall objectives of the Recovery Plan provides an excellent starting point for the dialogue with the government of Ukraine and the development partners, in terms of environment and climate change.

- Resilience: Provide economic, social and *environmental* resilience in the marathon to victory
- Recovery: Find efficient solutions for the soonest recovery of the crucial economic and social processes, *and natural ecosystems*
- Modernization and growth: Develop a modernization plan to ensure expedited *sustainable* economic growth and wellbeing of the people

Furthermore, the Helpdesk would like to highlight the key approach of “Build back for Better” in the Recovery Plan, which directly can have a positive impact on its implementation if mainstreamed across the Thematic Areas. The approach aims to promote quality and more advanced and sustainable technologies than the damaged/destroyed assets and align Ukraine's recovery and modernization with the EU principles for Green Transition and Digital Transformation.

Box 1: Environmental issues in Ukraine.

- **Climate change** is expected to increase risks and severity of natural disasters in Ukraine, through more intense temperatures as well as rainfall patterns, prolonged heat waves, and water scarcity. Agriculture, water resources, energy, transportation, health, the urban environment and forests, and coastal zone management are key adaptation priorities.
- Ukraine's **emissions of greenhouse gases** are substantial mainly due to energy production but also agricultural production, waste management, industrial processes, land-use change and forestry.
- Threats to **biodiversity** include loss of habitat due to agricultural activity, deforestation, urban expansion and infrastructure, and industrial activities.
- High **deforestation** rate combined with poor reforestation practices and illegal logging continues to decrease forest coverage and quality.
- **Agricultural** producers' lack of compliance with agro-environmental requirements and high use of both legal and illegal pesticides.
- Poor **water** infrastructure and significant water losses in the water supply networks. Surface and ground water resources in the country is polluted to a large extent.
- High reliance on the **extractive sector** where damages often result in closure of mines, and with abandoned mines posing an urgent environmental hazard.
- The share of renewable **energy** sources has increased, though it remains low and reform and modernization of Ukraine's energy sector is needed.
- High air **pollution** levels (nitrogen oxides, carbon oxide, sulphur dioxide, and particulate matter) resulting in large number of deaths and health issues.
- Resource-inefficient **waste management** practices are resulting in negative environmental impacts. Major sources of waste generation in Ukraine are mining, chemical and metallurgical, machine building, energy, wood pulp and paper, and agriculture sectors.

Box 1: Environmental issues in Ukraine. The information in the box is a summary based on the Helpdesk Report: Policy Brief on Environment and Climate Change in Eastern Europe, September 2020, see footnote 1.

Other priorities in the Recovery Plan would also be beneficial for environmental and climate change results. These include strengthening transparency and accountability in government systems and rule of law reforms, including anti-corruption efforts.

The Helpdesk also acknowledges the *draft program on "Environmental Safety"* as presented as part of the 24 Thematic Areas to be implemented through the Recovery Plan. While the Helpdesk has not assessed this document in detail, it provides a good starting point for further discussion and prioritisation. Several of the environmental concerns are addressed in the thematic area. Climate change adaptation and mitigation, pollution (air, soil and water), waste and biodiversity loss are issues that partly are included but would need to be addressed and supported with higher ambitions.

The major **risks**, according to the Helpdesk, is that the Thematic Areas/programs developed as part of the Recovery Plan are "siloed" and that the necessary integration of environment and climate change aspects are not fully incorporated in the other areas. Also, environment and climate change should not be regarded as "add-ons" that are addressed (too) late in the process. Further, institutional and professional capacities should be allocated to support the integration of environment and climate change aspects from the outset. That said, the process of developing the Recovery Plan and its Thematic Areas provides an enormous potential for environmental integration into key sectors. A rather quick review suggests that the following areas would be especially important to assess and support from an environment and climate change perspective:

- Industrial Investment
- Construction, urban planning, modernization of cities and regions
- Economic recovery and development
- Education and science
- Energy security
- Healthcare
- Human Rights
- Agrarian Policy
- Recovery and Development of Infrastructure

3. Entry points for Sida's dialogue on the Recovery Plan

This section is aimed at suggesting entry-points for Sida in the dialogue with the Ukrainian Government and other development partners. The Helpdesk understands that the suggested questions are rather generic and need to be adapted to the specific circumstances per the Thematic Areas.

- a) Supporting the overall objectives and principles of the Recovery Plan, how will opportunities for integrating environment and climate change issues, including biodiversity, be identified and addressed?

- b) Supporting the overall objectives and principles of the Recovery Plan, how will environment and climate change issues, including biodiversity risks be assessed and addressed?
- c) What kind of environmental competencies and expertise are needed during the different stages of the Recovery Plan and its Thematic Areas? And what resources need to be allocated in order to sufficiently address the triple crises of climate change, biodiversity and pollution, in the aftermath of the war?

In addition to the above, and considering that the Recovery Plan will need to address both short-, medium- and long-term efforts, timing and phasing of environmental and climate change actions will be critical. The possibility of developing an overall framework for integration of environment and climate change issues should be explored. All with the aim of **“Building back Better and Greener”**.