

# ICPS newsletter

## Environmental policy needs to be better implemented

*Since 1991, in response to significant environmental deterioration, particularly due to the Chernobyl disaster, much effort has been concentrated on developing Ukraine's environmental policy. Although the scope of Ukrainian environmental legislation is broad, covering most areas of environmental protection and natural resource management, it is largely declaratory in nature and lacks adequate enforcement mechanisms. Environmental procedures developed in Ukraine are not sufficiently transparent and provide little opportunity for the public to get involved in environmental decision making. However, they are anticipated to eventually incorporate applicable international experience. These ideas are put forth in ICPS's research report on "Ukraine's environmental policy", carried out in February 2000 for the Japan Association for Trade with Russia and Central and Eastern Europe (ROTOBO). The report has been published in the new issue of ICPS's Policy Studies journal*

Over seventy years of subordination in a command economy led to irrational resource usage and sustained energy-intensive technological processes in Ukraine, which generated practically one-fourth of the Soviet Union's GDP. With the lack of competitive markets, resources were wasted, modernisation was put off, and very few investment funds were allocated through the planning system for the installation or upgrading of pollution control. As a result, the overall environment in Ukraine is seriously degraded.

Environmental policy was initiated within the country when economic and political reforms were launched in 1991. The main objectives of the national environmental policy in Ukraine are:

- to provide people with a healthy environment and with natural resources necessary to promote economic development, without causing damage to nature, and to preserve the diversity of landscapes and biodiversity, while taking into account economic development, transforming these approaches into a sustainable development strategy; and
- to harmonise and integrate national environmental policy into world policy processes in general, and the European policy process in particular.

The basic principles of the national

environmental policy in Ukraine are confirmed by the Constitution of Ukraine (1996) and incorporated into various environmental legislation acts adopted in 1991–98. These principles are similar to those of EU countries, and of Central and Eastern European countries which are integrating into Europe. With regard to the task of harmonising Ukrainian and European legislation, set out in the Cooperation and Partnership Agreement between Ukraine and the European Union (enacted in 1998), the following principles should underlie environmental decision-making in Ukraine:

### **Precautionary or prevention principle.**

In most cases, environmental damage recovery costs are higher than those outlaid for damage prevention. Therefore, prevention is a more rational method than attempting to solve problems after they have occurred. The precautionary principle must be based on environmental expertise and environmental monitoring activities, since monitoring includes the analysis and forecasting of environmental conditions. Presently, environmental policy in Ukraine does not incorporate these procedures in full.

**"Polluter/user pays" principle.** This principle has been implemented in Ukraine since 1991. However, social and economic losses due to pollution or

inefficient use of resources are only partly covered by polluters/users. Polluters cover the costs of waste treatment and/or emission mitigation, but the payments for resource use are not adjusted for risk of inefficient use.

**Use of best available technologies not entailing excessive costs.** Due to lack of funding, this principle remains a declarative one and is rarely applied.

**Efficient use of natural resources.** This principle maintains that resource use must ensure a balance between environmental and economic development. The approach of natural resources usage guided by the rules of inter-generational economic

### **Next Week**

**Privatisation in Ukraine.** ICPS will host a seminar on "Privatisation as a Reflection of Ukrainian Reforms" on April 11. Presentations will be given by Mr. Olexander Paskhaver, President of the Center for Economic Development, and Mr. Volodymyr Dubrovsky, consultant for the Harvard Institute for International Development.

Seminar participants will discuss the following questions:

- social and economic starting conditions;
- models and approaches to privatisation;
- whether there were any alternatives to these models in terms of time, approaches, scale and order;
- expectations and forecasts versus real outcomes of privatisation.

*Kindly note that participation in ICPS seminars requires a special invitation. To receive an invitation, please contact Ms. Olga Kolovitskova, who is responsible for seminar organisation.  
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efficiency is rather new for Ukraine, and has not been properly implemented yet.

**Partnership and sharing of responsibilities.** This principle is last on the list cited in the 1991 Law of Ukraine "On environmental protection". However, it should be of crucial importance, since doubling responsibilities and lack of co-operation between administrative bodies in the Ukrainian government is a serious obstacle to the successful implementation of environmental policy.

**Free access to environmental information.** This principle is aimed at developing mechanisms of public participation in decision-making processes, and involving people in the formulation of environmental protection policies. The implementation of this principle is laid out in the 1995 Law of

Ukraine "On ecological expertise".

**Environmental liability principle.** This principle requires establishing responsibility for any infringement of environmental law. The principle has been applied rather well in the framework of environmental laws in Ukraine.

The scope of Ukrainian environmental legislation is broad, covering most areas of environmental protection and natural resource management. Moreover, Ukraine has joined many international agreements on global environmental issues. However, Ukrainian environmental legislation is largely declaratory in nature, and it lacks adequate subordinate legislation (regulations, guidelines, bylaws, etc.), which constitute the essential enforcement mechanisms for environmental statutes and international agreements.

Due to the legacy of central planning in Ukraine, environmental enforcement mechanisms relied primarily on command-and-control instruments. However, the use of incentive-based instruments is now being expanded. In 1992, a system of environmental charges was introduced in Ukraine. These charges have become a major source of revenue for environmental agencies, and allow them to partly cover monitoring and enforcement costs. Other incentive-based schemes such as tradable permits have not yet been contemplated, nor have alternative approaches to enforcement, such as public participation. This is unfortunate, because increasing environmental awareness among Ukrainian citizens and fostering public participation in the enforcement of environmental laws would contribute to a more efficient and effective enforcement regime. ■

# Bulgaria and Ukraine: Moving together towards the European Union

*A Ukrainian-Bulgarian-American conference titled "Ukraine, Bulgaria, and the Integration Process in Countries of Southern and Eastern Europe", co-organised by ICPS, was held last week in Sofia. Participants examined Bulgarian and Ukrainian experience in integrating into European and Euro-Atlantic structures, and discussed prospects for co-operation between Sofia and Kyiv at European and regional levels*

## Accession to EU and NATO is Bulgaria's priority

Mr. Marion Raikov, Deputy Minister of Foreign Affairs of Bulgaria, declared that Bulgaria has achieved significant progress in the process of European integration and continues to make successful efforts in establishing a functioning market economy. Commitment to EU membership remains high on the government agenda, one of its key foreign policy goals and the major inspiration for internal reform policies. Bulgaria is also continuing its preparations for NATO membership. Its commitment to integration was underlined again during the Kosovo conflict, when Bulgaria firmly supported all EU and NATO actions.

Mr. Dimitar Abadziev, member of the National Assembly of Bulgaria, noted that Bulgaria's foreign policy was aimed at achieving and maintaining stability and security in the region. In order to attain these goals it is necessary to develop a clear European Union strategy regarding countries of Southeastern Europe. Mr. Abadziev emphasised the crucial need for

developing this strategy and said that adoption of a Stability Pact for Balkan Countries would help to stabilise situation in the region.

## Ukraine and Bulgaria: Co-operation towards European integration

ICPS director, Ms. Vira Naniivska, pointed out in her remarks that Bulgaria is not only Ukraine's neighbour, it is also an important partner on the path towards European integration. Ms. Naniivska stressed that co-operation between Ukraine and Bulgaria should be focused on maintaining security in the region, information interchange, and developing an overall basis for foreign trade.

Mr. Yevhen Bersheda, First Deputy Minister of Foreign Affairs of Ukraine, noted that a priority objective of Ukraine's national foreign policy is developing collaboration with countries in their EU accession preparations, in particular with Bulgaria. "Ukraine is not a bridge between Europe and Russia. Ukraine belongs to Europe", Mr. Bersheda added.

Mr. Anrdiy Veselovsky, Head of the Policy Analysis and Planning Department of the Ministry of Foreign Affairs of Ukraine, stated that it is very important for Ukraine to have a regional partner such as Bulgaria—the center of security and stability in Southeastern Europe. Mr. Veselovsky said that "we feel the support of Europe and the US, and we hope for the active support of Bulgaria".

Conference participants concluded that thanks to this meeting, Ukrainian and Bulgarian politicians could perceive a gap in Ukrainian-Bulgarian relations and thus determine the activities needed for further collaboration. Important steps may involve the launching of a Ukrainian-Bulgarian-American initiative (like the Polish-American-Ukrainian initiative cooperation), and the development of projects with the participation of Ukrainian and Bulgarian non-government organisations aimed at implementing a Ukrainian-Bulgarian cooperation program. ■

*The Conference on "Ukraine, Bulgaria, and the Integration Process in Countries of Southern and Eastern Europe" was held on March 26–28, 2000. It was co-organised by the Ministry for Foreign Affairs of Ukraine, the International Centre for Policy Studies (Ukraine), the Atlantic Club of Bulgaria, the Center for Liberal Strategies (Bulgaria), and RAND Corporation (USA).*

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