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USAID/UKRAINE: MEETING BIODIVERSITY CONSERVATION NEEDS IN 2011-2016

PROSPERITY, LIVELIHOODS AND CONSERVING
ECOSYSTEMS (PLACE) IQC
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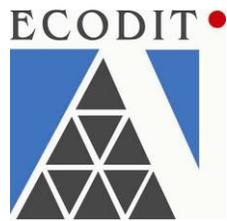
AUTHORITY

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Cover Photo: Prevalskyy Steppe Nature Preserve, Lugansk Oblast; Biodiversity Analysis Team member Dr. Galyna Karpova discussing steppe conservation with Chief of Preserve Protection. Photo by B. Byers.

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ABBREVIATIONS AND ACRONYMS

We have tried to minimize the use of abbreviations and acronyms used in this report, but we use them to save space when they refer to frequently mentioned organizations and conventions, and when commonly used in this field. The full name to which the abbreviation or acronym refers is given the first time it is used in the text.

AIDS	Acquired Immune Deficiency Syndrome
CDCS	Country Development Cooperation Strategy
DIALOGUE	Development Initiative for Advocating Local Governance in Ukraine
DO	Development Objective
ENPI	European Neighborhood and Partnership Instrument
EU	European Union
FAA	Foreign Assistance Act
FLEG	Forest Law Enforcement and Governance
FSC	Forest Stewardship Council
GEF	Global Environmental Facility
GOU	Government of Ukraine
HCVF	High Conservation Value Forests
HIV	Human Immunodeficiency Virus
IBSER	Institute for Budgetary and Socio-Economic Research
IR	Intermediate Result
IUCN	International Union for the Conservation of Nature
LINC	Local Investment and National Competitiveness
LPDP II	Legislative Policy Development Program II
MENR	Ministry of Ecology and Nature Resources
MFSI	Municipal Finance Strengthening Initiative
NECU	National Ecological Centre of Ukraine

NGO	Non-governmental Organization
NTFP	Non-Timber Forest Product
PA	Protected Area
PDP	Parliamentary Development Project
PES	Payment for Ecosystem Services
P3DP	Public-Private Partnerships Development Program
PPP	Public Private Partnership
SAFR	State Agency for Forest Resources
SFC	State Forestry Committee
SOW	Scope of Work
U-Media	Strengthening Independent Media in Ukraine Program
UNDP	United Nations Development Program
USAID	United States Agency for International Development
USFS	United States Forest Service
USGS	United States Geological Survey
UNITER	Ukraine National Initiatives to Enhance Reforms
USPB	Ukrainian Society for the Protection of Birds
WWF	World Wide Fund for Nature

EXECUTIVE SUMMARY

This report builds on the analysis of the “actions necessary” to conserve the biodiversity of Ukraine that were presented in “Ukraine FAA 119 Biodiversity Analysis: Actions Needed for Conservation,” a report prepared by a team of biodiversity specialists under a USAID/Ukraine contract with ECODIT. Here, we discuss the extent to which the actions proposed for support by USAID/Ukraine meet the biodiversity conservation needs of the country.

A review of the draft Results Framework for USAID/Ukraine’s new Country Development Cooperation Strategy and the Mission’s current and planned portfolio of programs shows that although many of the actions to be supported broadly and indirectly address the general thematic areas of “actions needed” for biodiversity conservation, none of the current or proposed activities are targeted specifically enough to do so directly. The Biodiversity Analysis Team believes that there is a large potential for USAID to contribute to meeting biodiversity conservation needs in Ukraine through relatively minor focusing and targeting of its planned strategy and portfolio of programs.

Since USAID/Ukraine is neither implementing nor proposing programs under a strictly environmental objective, the Analysis Team identified what it believes are the most promising opportunities for direct or indirect cross-sectoral linkages with USAID’s planned strategy and programs. In developing our recommendations, the previously-identified actions needed were assessed according to a number of criteria, including:

- relative importance of the action in terms of protecting biodiversity;
- potential for linkage with USAID’s current and planned activities;
- time frame for achieving success;
- availability of successful models for replication or scaling-up; and
- gaps in, or synergies with, support from other donors.

The Analysis Team identified five potential opportunities for cross-sectoral linkages that we think provide the optimum combination of conservation importance, linkage with proposed activities, and the possibility of making a significant and measurable positive contribution within the 5-year time frame of USAID/Ukraine’s next strategic programming period. The Biodiversity Analysis Team recommends that USAID/Ukraine support:

1) **Relevant policy and legal reforms proposed in 2010 *Ukraine National Action Plan for Environmental Protection* and by the Analysis Team:** Many policy and legislative reforms are needed to conserve biodiversity in Ukraine. Focusing some of the efforts of USAID’s LPDP II, UNITER, P3DP, LINC, AgroInvest, and the follow-on to the U-Media project on a few of the most important of these needed policy and legislative reforms, specifically those in the agriculture and forestry sectors, could make a significant difference to biodiversity while working under the general objectives of these projects.

2) **Continued development and implementation of forest management standards and certification through the Ukraine FSC Initiative:** Lack of awareness of the value of forest

biodiversity and reported lack of capacity in the State Agency for Forest Resources, combined with forest management practices, laws, and policies that lack adequate consideration of forest biodiversity, are the main causes of threats to forest biodiversity in Ukraine. This will soon affect the competitiveness of Ukrainian forest products in international markets, where, both in the EU and US, laws now require adequate standards for biodiversity protection in the production of forest products that enter international trade. Targeted support through the LINC, U-Media, UNITER, and P3DP projects could leverage the previous work of other international donors and NGOs, notably the EU's ENPI/FLEG program and WWF, and replicate and scale up already developed models from their work.

3) **The “Save Ukrainian Steppes!” campaign:** The “Save Ukrainian Steppes!” campaign, led by the NGO National Ecological Center of Ukraine (NECU), provides a model of how NGOs, working between the national and local level, can provide access to critical information, build constituencies, and put pressure on the government to change its policies and practices. Cross-sectoral focusing of some of the activities of USAID's AgroInvest, DIALOGUE, LINC, U-Media, LPDP II, and UNITER projects could contribute significantly to conserving currently unprotected areas of steppe vegetation, Ukraine's least-well conserved type of ecosystem.

4) **A national analysis of the potential value of ecosystem services:** A major category of benefits provided by biodiversity are ecosystem services, yet currently there is very little recognition of this concept in Ukraine. Introducing this concept to Ukraine could create new economic incentives for the conservation of natural ecosystems and their biodiversity, especially at local scales. USAID's UNITER, LINC, P3DP, and U-Media follow-on projects, and potentially the Partnership for Cleaner Energy and MFSI, could help in disseminating and replicating previous pioneering work by the WWF Danube-Carpathian Program on Payments for Ecosystem Services (PES).

5) **NGO initiatives to build constituencies for biodiversity conservation:** The most critical social “action needed” identified in our analysis is the need to develop a public constituency for protected areas and biodiversity conservation in Ukraine. Bringing about this needed social change will be slow, but a key vehicle for doing so will be to create greater opportunities for outdoor, nature-based education, sustainable tourism and recreation. We believe that biodiversity conservation NGOs will be a key driving force in building constituencies for conservation, and supporting their organizational and financial development through links with UNITER activities could make an important cross-sectoral contribution. Also, because building constituencies for conservation works best at the local scale, USAID's projects that assist in the decentralization process, DIALOGUE, LINC, and MFSI, could play a role.

This report concludes by discussing several cautions for USAID if any of its projects directly or indirectly support development of alternative sources of energy or agricultural development in steppe regions, both of which could have some potential negative effects on biodiversity. Wind energy, biofuels, and shale gas development are the main concerns from an energy perspective. From the perspective of agricultural development, any activities that would affect land markets, farm consolidation, or land use in steppe and forest-steppe regions should have protections against contributing to any further loss or fragmentation of steppe ecosystems.

I.0 INTRODUCTION

I.1 PURPOSE

The Foreign Assistance Act (FAA), which authorizes US bilateral foreign aid programs, requires that a Biodiversity Analysis be conducted in conjunction with the development of new foreign assistance strategies and programs. The purposes of this legal requirement are: 1) to provide a summary for USAID of the “actions needed” for conserving the biodiversity of the host country; 2) to inform the development of USAID assistance strategies and programs by identifying ways in which the host country could be supported to conserve its biodiversity; and 3) to assure that US foreign aid does not support activities that harm the biodiversity of host countries. This requirement is predicated on the view that biological diversity provides the foundation for long-term, sustainable social and economic development in any country, and therefore, must be conserved.

Specifically, FAA Section 119 states that: “Each country development strategy statement or other country plan prepared by the Agency for International Development shall include an analysis of-

- (1) the actions necessary in that country to conserve biological diversity, and
- (2) the extent to which the actions proposed for support by the Agency meet the needs thus identified.”

A Biodiversity Analysis team contracted by ECODIT prepared a report for USAID/Ukraine titled “Ukraine FAA 119 Biodiversity Analysis: Actions Needed for Conservation”, which covers the first part of this mandatory analysis. This report addresses the second part of the FAA Section 119 legal requirement. In addition to meeting the legal requirement, however, Biodiversity Analyses have other benefits, according to USAID guidance on the subject (USAID, 2005). They can:

- help USAID missions identify opportunities to contribute to meeting biodiversity conservation needs through direct or indirect cross-sectoral linkages with other programs, projects, and activities in their development portfolio and
- save time and money by giving missions a “heads up” about possible environmental compliance problems that they would face later if they develop a strategy that involves activities that might directly or indirectly threaten biodiversity.

Our Scope of Work for this report focused mainly on the first of these additional benefits, stating that the report,

“ ...will include a brief description of relevant current and planned areas of USAID assistance, an assessment of their potential for meeting the perceived biodiversity conservation needs, and recommendations for incorporating biodiversity conservation considerations in designing new USAID projects and modifying the current ones in Ukraine.

Since USAID/Ukraine is neither implementing nor proposing programs under a strictly environmental objective, the Contractor most likely will be seeking to identify cross-sectoral linkages. For example, there may be local governance or economic growth work with municipalities that may be contributing to conservation needs, or economic policy reform work that may have implications for biodiversity. The Contractor may also identify potential opportunities that could enhance USAID contributions in biodiversity conservation within the context of CDCS for Ukraine. These opportunities could range from influencing policies and programs of the Government of Ukraine (GOU) or donors, to making an additional linkage to conservation that the Mission may not have been aware of.”

We will also discuss some types of activities that could threaten biodiversity in Ukraine, so that USAID can be aware of these in case any of its projects propose directly or indirectly to support such activities.

1.2 METHODS

The starting point for the analysis given here was the list of “actions needed” for conserving biodiversity in Ukraine presented in Report 1. The Analysis Team then reviewed USAID/Ukraine’s current and planned portfolio of activities. This review was done through:

- Review of documents and materials from USAID/Ukraine projects available on the web or given to us by project managers;
- Interviews with USAID staff managing relevant projects;
- Interviews with project staff of several USAID projects; and
- Review of the draft Country Development Cooperation Strategy (CDCS) Results Framework.

We then compared “actions needed” with actions currently supported, or proposed for support, by USAID.

1.3 STRUCTURE OF THIS REPORT

This report is divided into four main sections. Following this Introduction, in Section 2, we analyze the extent to which the actions supported or proposed for support by the Agency meet the biodiversity conservation needs that were identified in Report 1. Section 3 discusses recommendations for adding value in USAID’s portfolio through cross-sectoral linkages with actions needed for biodiversity conservation, and Section 4 discusses several issues that have the potential for negative impacts on biodiversity.

2.0 CONTRIBUTION OF CURRENT AND PROPOSED USAID ASSISTANCE TO BIODIVERSITY CONSERVATION

Our SOW for Report 2 requested “a brief description of relevant current and planned areas of USAID assistance,” and “an assessment of their potential for meeting the perceived biodiversity conservation needs,” which will be discussed in this section. We first summarize available information on current and planned USAID/Ukraine projects and activities, then present the draft USAID/Ukraine Country Development Cooperation Strategy Results Framework that was provided to us, and finally compare “actions needed” identified in Report 1 with these current, planned, and proposed activities.

2.1 RELEVANT CURRENT AND PLANNED USAID PROGRAMS

The projects summarized below appear to the Analysis Team to be relevant to addressing some of the actions needed for biodiversity conservation in Ukraine. USAID/Ukraine is also implementing a variety of other projects, including the Municipal Heating Reform Project, the Financial Sector Development Program, and many in the health sector such as projects on HIV/AIDS, maternal and infant health, and tuberculosis prevention and control. These projects do not appear to contribute to addressing any of the actions needed for conserving biodiversity in Ukraine, so they have not been summarized here. The biodiversity conservation “actions needed” that could potentially be addressed by each of the projects whose general activities are summarized below are identified in Table 2.2.

AgroInvest http://ukraine.usaid.gov/ukraine_economic.shtml

“AgroInvest will work to develop a competitive agriculture industry that can accelerate economic recovery in Ukraine and contribute to global food security efforts.” The project will:

- support a stable, market-oriented policy environment;
- stimulate access to agricultural finance for small and medium producers;
- facilitate market infrastructure for small and medium producers;
- work with rural landholders and producers to raise their awareness of their land rights;
- facilitate the adoption of legislation needed to lift the moratorium on agricultural land sales;
- establish wholesale and regional markets; and
- strengthen the capacity of producer organizations and industry associations.

Community Connections Program http://ukraine.usaid.gov/ukraine_special.shtml

The Community Connections Program offers practical training opportunities in the United States for entrepreneurs, local government officials, non-governmental organization leaders, and

education administrators, as well as medical, business support, and environmental professionals from Ukraine. Community Connections combines seminars, workshops, site visits and meetings with American professionals with hands-on practical internships. While in the U.S., participants live with American host families. This program could potentially provide practical training opportunities for the leaders of biodiversity conservation NGOs and other conservation professionals from Ukraine.

Development Initiative for Advocating Local Governance in Ukraine (DIALOGUE)

<http://auc.org.ua/en/page/development-initiative-advocating-local-governance-ukraine-project-dialogue>

The goal of the DIALOGUE project is to advance decentralization in Ukraine by fostering an enabling environment for local government reforms that will ensure broad-based support for decentralization from Ukrainian public servants, civil society organizations, and the public at large. DIALOGUE works toward the following four objectives (underlined) by implementing a variety of activities listed (numbered) below each:

- Improved legal framework for effective and transparent local self-governance, through: 1) drafting, and lobbying for legislation for sectoral reforms and decentralization based on local governments needs to be implemented with direct participation of local government officials; and 2) providing expert evaluation of the draft legislation with regard to its conformity to the European Charter of Local Self-Governance;
- Effective policy dialogue between local governments and their partners at the national and regional levels, through: 1) creating and implementing tools for effective policy dialogue; 2) providing local government officials with regular access to the top management of key line ministries, Verkhovna Rada standing committees, and other central government authorities; 3) ensuring participation of local government officials in advisory and consultative bodies set up by government entities; and 4) creating regional advisory boards in all 25 oblasts of Ukraine as a forum for discussions of issues of local importance;
- Increased public support of local government reforms, through: 1) producing and disseminating expert materials and messages to the target audiences – local and central governments, local government support organizations, mass media, and the general public; and 2) building political will for reforms through outreach and communications programs; and
- Improved legal culture and effectiveness of local government bodies, through: 1) providing local government officials with professional consultations and tools for professional development; 2) tracking, and making public, cases of harassment of local government officials; and 3) providing high quality legal defense and counseling.

Legislative Policy Development Program II (LPDP II)

<http://www.iupdp.org/>

LPDP II is USAID's primary programmatic vehicle for achieving improved legislative function and process in Ukraine. Building on the 14-year long experience of the Parliamentary

Development Project (PDP), the current project continues to provide technical assistance to Ukraine's Parliament and extends it to the Presidential Secretariat, the Secretariat of the Cabinet of Ministers of Ukraine and individual ministries. PDP-II focuses on efficient mechanisms of developing legislative policy and institutional capacity building of the legislative and executive branches of power. The project works toward the following three objectives (underlined) by implementing a variety of activities listed (numbered) below each:

- More effective and transparent legislative and policy decision-making in the executive and legislative branches of government through: 1) training of executive and legislative staff on issues related to effective and transparent policy-making and 2) development of streamlined procedures and coordination mechanisms for the creation, development and adoption of legislation;
- Institutionalized staff and organizational development in the Parliament, Presidential Secretariat, and Cabinet of Ministers through: 1) training of staff, MPs, and MP aides and 2) continued support for a competitive parliamentary internship program and extension of the program to the policy-making institutions of the executive branch; and
- Increased civil society access to the legislative process through: 1) procedural improvements that expand and enhance civil society's input into the legislative process; 2) improvements to Parliament's contacts and relations with electoral constituencies, and 3) improved communication with civil society organizations and think tanks to enhance Parliament's oversight capacity of the executive branch.

Local Investment and National Competitiveness (LINC)

http://www.linc.com.ua/eng/about_USAID_Linc/project_description/

LINC is working toward the following three objectives (underlined) by implementing a variety of activities listed (numbered) below each:

- Improve the business enabling environment at national, regional, and community levels by: 1) promoting economic policy reform at the national level; 2) assisting regions and municipalities to develop strategic economic plans; 3) creating an inventory of key public and privately-owned land parcels; 4) introducing procedures for community input into land use decisions; 5) promoting domestic and foreign investment; and 6) supporting the formation of public-private partnerships.
- Improve private enterprise competitiveness to accelerate Ukraine's integration into international markets by: 1) raising awareness of international standards and encouraging their adoption and; 2) assisting economic regions to enhance the competitiveness of their products.
- Improve Crimea's business enabling environment and industry competitiveness by focusing some of the activities listed above in Crimea.

Municipal Finance Strengthening Initiative (MFSI)

<http://www.ibser.org.ua>

The Project helps central and local authorities to:

- improve the legislative and regulatory framework for taxation and municipal creditworthiness;
- promote further budget reform to increase the capacity of local governments to plan and implement realistic municipal infrastructure development;
- develop and implement innovative financing mechanisms for realization of municipal infrastructure development strategies in pilot cities; and
- adapt international best practices and innovative methods for financing energy savings at the municipal level.

Partnership for Cleaner Energy www.eef.org.ua and <http://www.eef.org.ua/index.php?page=catalog&id=123&pid=1&lang=en>

The Partnerships for Cleaner Energy in Ukraine project began in 2010, and is implemented by the East Europe Foundation and partners. The goal of the three-year, \$1 million project in Dnipropetrovsk oblast is to promote energy saving and greenhouse gas emissions reduction by building the capacities of local government and businesses to design, evaluate, implement, and measure community-driven energy-efficiency and greenhouse gas emissions reduction strategies and projects.

The objectives of the Partnership for Cleaner Energy are to:

- assess the oblast's potential for energy saving, greenhouse gas emissions reduction, and renewable energy production,
- build capacity of local governments and businesses,
- develop a long-term energy saving and greenhouse gas emissions reduction strategy in the oblast,
- implement demonstration projects, and
- raise public awareness.

Public-Private Partnerships Development Program (P3DP)
http://www.microlinks.org/ev_en.php?ID=46655_201&ID2=DO_TOPIC

The Public-Private Partnerships Development Program, which began in 2010, is designed to promote the use of public-private partnerships (PPPs) to expand public infrastructure and improve public services for the citizens of Ukraine. It has four primary objectives:

- supporting legal and institutional reforms for effective PPPs in Ukraine;
- establishing a PPP Unit within the GOU,;
- communicating to the public about PPP principles and benefits and building capacity of key institutions; and
- creating a range of PPPs.

Project-supported PPPs are designed and selected to create jobs, improve infrastructure, and introduce greater transparency in procurement to target sectors.

Strengthening Independent Media in Ukraine (U-Media Project)

www.umedia.kiev.ua

The U-Media Project supports a wide range of activities with national and regional media-supporting non-profit organizations through a flexible granting mechanism. The project works with partners to improve their ability to address key media-development issues such as:

- improving journalism and ethical standards;
- undertaking comprehensive media monitoring;
- fostering investigative reporting and programming;
- supporting new-media development and citizen access to it; and
- providing focused technical assistance to partners to address more complex issues such as effective media literacy promotion and use of new media technologies and digital conversion.

“Grants will support media and civil-society partnerships with Kyiv-based organizations and with a range of institutions across the country to develop media capacity and support for democratic development. Partner media-support institutions will (1) improve institutional capacity through focused projects to strengthen organizational structures and systems and (2) build strategic operating plans and address critical core competencies needed to ensure their sustained growth and long-term viability.”

Ukraine National Initiatives to Enhance Reforms (UNITER) <http://uniter.org.ua/>

The UNITER Project carries out a range of activities to build the capacity of Ukrainian NGOs at the national, regional, and local level to advance national and local level advocacy through:

- conducting organizational capacity assessments;
- providing capacity-building grants to selected NGOs;
- providing training and technical assistance in organizational and financial development to selected NGOs;
- improving the legal and financial enabling environment for NGOs;
- increasing the financial viability of NGOs by cultivating a culture of corporate philanthropy that will expand local funding sources for civil society actions;
- supporting the formation of NGO networks that mobilize multiple civil society stakeholders and enable diverse groups to identify shared objectives, design common solutions, and build constituencies around particular actions; and
- strengthening advocacy initiatives to enable NGOs to convincingly present their case to influence policy makers.

2.2 DRAFT RESULTS FRAMEWORK FOR USAID/UKRAINE COUNTRY DEVELOPMENT COOPERATION STRATEGY

The Analysis Team was asked to use a draft Results Framework for the USAID/Ukraine Country Development Cooperation Strategy to identify proposed areas of assistance that have the potential to contribute to addressing some of the biodiversity conservation needs of Ukraine. We have done so, recognizing that this document is a draft, and has not been approved by Mission management at this time.

The draft CDCS Results Framework has three Development Objectives (DOs):

- DO 1: Transparent and Accountable Government Processes Improved,
- DO 2: Broad-Based, Resilient Economic Growth, and
- DO 3: Increased Use of Targeted Health Practices.

One Special Objective, Support for the Chernobyl Shelter Fund, is also included. A review of the Intermediate Results determined that many of the Intermediate Results (IRs) listed under the first two objectives could be relevant to meeting Ukraine’s biodiversity conservation needs. IRs under the Health Practices DO are not directly relevant. Table 2.1 presents the relevant sections of the draft CDCS Results Framework.

Table 2.1: Draft USAID/Ukraine CDCS Results Framework (DO 1 and DO 2)

Development Objective (DO)	Intermediate Result (IR)	Sub-Intermediate Result
DO 1: Transparent and Accountable Government Processes Improved	IR 1.1 Improved enabling environment for transparent governance in line with European standards	IR 1.1.1 Mechanisms to ensure the transparency and inclusion of policy development processes improved IR 1.1.2 Government policies reflect best practices IR 1.1.3 Transparent government procedures reduce opportunities for corruption
	IR 1.2 Improved citizen oversight and engagement in governance processes	IR 1.2.1 Availability of quality information increased IR 1.2.2 Increased engagement of citizens on issues of public interest IR 1.2.3 Ability of NGOs to represent and advocate for citizens’ interests increased IR 1.2.4 Increased capacity of NGOs to hold government accountable IR 1.2.5 More accountable and representative political processes
	IR 1.3 The GOU is more accountable to its citizens	IR 1.3.1 Citizen awareness of rights improved

		<p>IR 1.3.2 Increased access to mechanisms for the redress of grievances</p> <p>IR 1.3.3 Increased capacity of courts to impartially enforce the law</p> <p>IR 1.3.4 Increased judicial independence</p>
DO 2: Broad-Based, Resilient Economic Growth	IR 2.1 Investment Increased	<p>IR 2.1.1 Legal and regulatory framework improved</p> <p>IR 2.1.2 Financial sector more diversified</p> <p>IR 2.1.3 Improved MSME access to finance</p>
	IR 2.2 More competitive private sector	<p>IR 2.2.1 Market-oriented policies implemented</p> <p>IR 2.2.2 Labor employed more productively</p> <p>IR 2.2.3 Improved business services</p>
	IR 2.3 Local economic governance decentralized	<p>IR 2.3.1 Local government more financially independent</p> <p>IR 2.3.2: Local government resources managed in an effective, transparent and accountable manner</p> <p>IR 2.3.3: Municipal services improved</p>
	IR 2.4 Cleaner and more efficient energy sector	<p>IR 2.4.1 Improved energy policies</p> <p>IR 2.4.2 More competitive energy markets</p> <p>IR 2.4.3 Increased energy efficiency</p> <p>IR 2.4.4 Clean energy technologies promoted</p>

2.3 POTENTIAL FOR MEETING BIODIVERSITY CONSERVATION NEEDS

A review of USAID’s current and planned portfolio shows that although many of the actions supported by the Mission broadly and indirectly address the general thematic areas of “actions needed” for biodiversity conservation, none of the current and planned programs, nor CDCS IRs and sub-IRs, are targeted specifically enough to do so directly.

The Biodiversity Analysis Team believes that there is a large potential for USAID to contribute to meeting biodiversity conservation needs in Ukraine through relatively minor focusing and specific targeting of its current and planned portfolio.

In the table below, we list current and planned (2011-2016) USAID/Ukraine projects and Intermediate Results from the draft CDCS that have a potential to support some of the “actions needed” for biodiversity conservation in Ukraine. As discussed in Report 1, “actions needed” are those actions that address, reduce, or remove the social, political and institutional, and economic causes of the direct biophysical threats to biodiversity. The actions needed, listed below, are a subset of a longer list of actions discussed found in Report 1. They were selected

from that longer list because of the potential opportunities they appeared to present for linkage with USAID’s current and planned programs.

Table 2.2: Comparison of Actions Needed for Biodiversity Conservation with Current and Planned USAID Programs in Ukraine

Actions Needed	USAID Programs Implementing Relevant Actions	USAID Draft CDCS Relevant Planned Intermediate Results
<u>Social</u>		
<ul style="list-style-type: none"> • NGOs, the media, and government agencies at all levels need to engage in increased media coverage and social marketing campaigns to increase awareness and knowledge of threats to biodiversity and the values and benefits of biodiversity among the general public and government officials at all levels. 	DIALOGUE U-Media UNITER	IR 1.2.1 IR 1.2.2
<ul style="list-style-type: none"> • NGOs, the media, and government agencies at all levels need to develop educational materials in a diverse range of media (popular books, textbooks, radio, TV, film, internet media, magazines, newspapers) to increase awareness and knowledge of the diversity of values and benefits of biodiversity (products, ecosystem services, and non-material benefits) and about threats to biodiversity and the need and methods for its conservation. 	DIALOGUE U-Media LPDP II	IR 1.2.1 IR 1.2.2
<ul style="list-style-type: none"> • NGOs and government agencies at all levels need to develop a public constituency for protected areas and biodiversity conservation through greater opportunities for outdoor, nature-based education, sustainable tourism and recreation. 	DIALOGUE UNITER LINC P3DP	IR 1.2.2 IR 1.2.3 IR 1.2.4 IR 1.2.5 IR 2.1.1 IR 2.1.2 IR 2.1.3
<u>Political/Institutional</u>		
<ul style="list-style-type: none"> • GOU needs to provide adequate staff and resources to the Ministry of Ecology and Nature Resources (MENR) agencies, and the Academy of Sciences, to effectively carry out the responsibilities for monitoring, management, conservation, and enforcement with which they are charged by national law, and by Ukraine’s participation in international treaties to which they are a party (CBD, CITES, the Bonn Convention, etc.). 	LPDP II	IR 1.1.2 IR 1.1.3

Actions Needed	USAID Programs Implementing Relevant Actions	USAID Draft CDCS Relevant Planned Intermediate Results
<ul style="list-style-type: none"> • GOU and NGOs need to conduct a national assessment of the impact and threat of climate change to the biodiversity of Ukraine, which at present is completely lacking. 	LPDP II UNITER	IR 1.1.2 IR 1.2.1
<ul style="list-style-type: none"> • GOU needs to develop and implement a comprehensive policy and legislation regarding non-native invasive species. 	LPDP II UNITER	IR 1.1.2
<ul style="list-style-type: none"> • GOU and regional governments need to reform forest policy, law, and forestry practices to recognize the value of forest biodiversity and conserve it. 	LPDP II U-Media UNITER LINC	IR 1.1.2 IR 1.1.3 IR 2.1.1
<ul style="list-style-type: none"> • GOU and regional governments need to reform agricultural policy, law, and practices to recognize the value of biodiversity and conserve it; this is especially critical in steppe and forest-steppe zones. 	AgroInvest LINC LPDP II U-Media UNITER	IR 1.1.2 IR 1.1.3 IR 2.1.1
<ul style="list-style-type: none"> • GOU and regional governments need to develop mechanisms for increased public participation in environmental planning and decision making. NGOs need to advocate for such mechanisms. 	DIALOGUE LPDP II U-Media UNITER	IR 1.1.1 IR 1.1.2 IR 1.1.3 IR 1.2.2 IR 1.2.3 IR 1.2.4 IR 1.2.5
<ul style="list-style-type: none"> • GOU and regional governments need to make more environmental and biodiversity information that they hold available to NGOs and the public, especially now, in electronic form and accessible online. 	DIALOGUE LPDP II U-Media UNITER	IR 1.2.1 IR 1.2.2
<ul style="list-style-type: none"> • GOU needs national legislation to protect endangered species outside of protected areas. 	LPDP II UNITER	IR 1.1.2 IR 2.1.1
<ul style="list-style-type: none"> • NGOs need to develop a national network or coalition/clearinghouse of NGOs focused on biodiversity conservation. 	UNITER	IR 1.2.2 IR 1.2.3 IR 1.2.4 IR 1.2.5
<ul style="list-style-type: none"> • GOU and regional governments need to develop sustainable management plans for the harvesting/hunting/fishing of commercially and/or recreationally valuable species and enforce hunting and fishing laws. 	LPDP II LINC UNITER P3DP	IR 1.1.2 IR 1.1.3 IR 2.1.1 IR 2.2.1

Actions Needed	USAID Programs Implementing Relevant Actions	USAID Draft CDCS Relevant Planned Intermediate Results
<ul style="list-style-type: none"> National or regional government energy policies or laws concerning or promoting unconventional (e.g. shale gas) or renewable (e.g., wind, hydro, solar, biomass) energy sources need biodiversity safeguards. 	DIALOGUE LPDP II LINC U-Media UNITER Partnership for Cleaner Energy	IR 2.4.1 IR 2.4.4
<u>Economic</u>		
<ul style="list-style-type: none"> National and local governments, NGOs, and the private sector need to develop and implement programs to promote sustainable nature-based tourism and recreation (“ecotourism”) in and around protected areas of diverse types. 	LINC UNITER LPDP II P3DP	IR 2.1.1 IR 2.1.3 IR 2.2.1 IR 2.2.2 IR 2.3.1 IR 2.3.2
<ul style="list-style-type: none"> National and local governments, NGOs, and the private sector need to develop and implement programs to promote sustainable harvesting of medicinal plants, NTFPs, and fish; link with increased economic opportunities and competitiveness within European and global markets. 	LINC LPDP II P3DP UNITER	IR 2.1.1 IR 2.1.3 IR 2.2.1 IR 2.3.1 IR 2.3.2
<ul style="list-style-type: none"> National and regional governments need to develop and implement programs of economic incentives and disincentives to conserve steppe vegetation. 	AgroInvest LPDP II P3DP UNITER	IR 2.1.1
<ul style="list-style-type: none"> State Agency for Forest Resources (SAFR) and NGOs, supported by donors and public-private partnerships, need to continue to promote forest certification, increased economic competitiveness in EU and global markets, and strengthen public-private partnerships to promote sustainable forestry. 	LINC UNITER P3DP	IR 2.1.1 IR 2.2.1
<ul style="list-style-type: none"> National, regional, and local governments, and NGOs, need to conduct studies of the economic value and potential of ecosystem services (such as hydrological/watershed services, nutrient cycling, carbon sequestration, natural pest control, pollination) at the national and oblast/regional level for use in planning and decision-making. 	MFSI LINC U-Media UNITER P3DP	IR 1.2.1 IR 2.1.1 IR 2.1.2 IR 2.2.1 IR 2.3.1 IR 2.3.2 IR 2.3.3
<ul style="list-style-type: none"> GOU and regional governments need to continue the development of strategies and plans for adequate and sustainable financing of biodiversity conservation. 	MFSI LPDP II U-Media UNITER	IR 2.1.1 IR 2.2.1 IR 2.3.1 IR 2.3.2

3.0 RECOMMENDATIONS FOR ENHANCING BIODIVERSITY CONSERVATION THROUGH PLANNED ASSISTANCE

Our SOW for Report 2 requested “recommendations for incorporating biodiversity conservation considerations in designing new USAID projects and modifying the current ones in Ukraine.” Our recommendations are presented in this section. In Section 2, above, we discussed potential opportunities for USAID to contribute to meeting biodiversity conservation needs in Ukraine through relatively minor focusing and specific targeting of its current and planned portfolio. In this section we prioritize and focus those potential opportunities into a handful of more focused recommendations.

3.1 PRIORITIZATION CRITERIA

A large number of actions will be needed to conserve the biodiversity of Ukraine. As noted in Report 1, the GOU developed the *National Action Plan for Environmental Protection in Ukraine for 2011-2015* in 2010 which listed 27 actions that are relevant to biodiversity conservation. The Biodiversity Analysis Team presented its view of “actions needed,” listing three “social,” 21 “political/institutional,” and six “economic” types of actions. Many of these “actions” are large in scope and may require a decade or more to achieve. In developing recommendations for USAID/Ukraine, it was clear to the Analysis Team that some means of prioritizing the many actions needed would be useful. Any methodology for prioritizing actions must be based on objective criteria, such as:

- relative importance of the action in terms of protecting biodiversity,
- potential for linkage with USAID’s current and planned activities,
- time frame for achieving success,
- availability of successful models for replication or scaling-up,
- gaps in, or synergies with, support from other donors,
- institutional scale of the action needed, and
- manageable interest of the institution proposing to carry it out.

We reviewed the list of actions needed for biodiversity conservation in Ukraine that were identified in Report 1 according to these criteria. Based on that analysis we developed recommendations for USAID under five themes, presented below. Linkage with USAID’s “actions proposed” is a key criterion in this case, and so our recommendations involve those actions that are within USAID/Ukraine’s manageable interest to carry out, through its current and proposed portfolio of projects.

3.2 OPPORTUNITIES FOR CROSS-SECTORAL LINKAGES IN PLANNED USAID/UKRAINE ASSISTANCE PORTFOLIO

The Analysis Team identified five opportunities for cross-sectoral linkages that we think provide the optimum combination of conservation importance, linkage with proposed activities, and the

possibility of making a significant and measurable positive contribution within the five-year time frame of USAID/Ukraine's next strategic programming period – the first three criteria above – as well as the other criteria we considered. It should be recognized, of course, that many actions needed for biodiversity conservation cannot be accomplished in five years.

The Analysis Team believes that there are ample opportunities for USAID/Ukraine to support “actions necessary” for biodiversity conservation through its proposed portfolio of activities, but that it will not happen automatically. Rather, taking advantage of the relatively easy cross-sectoral opportunities will require some deliberate, proactive focusing of certain activities of current and planned projects. We summarize below some ideas for how current and planned projects could be focused in small ways to provide added cross-sectoral value to biodiversity conservation.

3.2.1 SUPPORT RELEVANT POLICY AND LEGAL REFORMS

Our analysis identified many key policy and legislative reforms needed for biodiversity conservation, including:

- GOU and regional governments need to reform agricultural policy, law, and practices to recognize the value of biodiversity and conserve it; this is especially critical in steppe and forest-steppe zones;
- GOU and regional governments need to reform forest policy, law, and forestry practices to recognize the value of forest biodiversity and conserve it;
- GOU needs to develop and implement comprehensive policy and legislation regarding non-native invasive species;
- GOU needs legislation to protect endangered species outside of protected areas; and
- National or regional government energy policies or laws concerning or promoting unconventional (e.g. shale gas) or renewable (e.g., wind, hydro, solar, biomass) energy sources need biodiversity safeguards.

Several of the Intermediate Results identified in the draft CDCS Results Framework are directly relevant to these needs, especially IRs 1.1.2, 1.1.3, 2.1.1, 2.4.1, and 2.4.4.

The Analysis Team recommends that the LPDP II make one or more of these needed policy reforms the explicit focus of some of its legislative policy development work, even if only to take the simple first step of preparing informational materials or organizing briefings on these topics. We believe that the U-Media project could also explicitly focus some of its support, such as fostering investigative reporting and programming, on one or more of these themes.

We believe that the development of a national NGO network or coalition focused on biodiversity conservation, not only on more general environmental issues, will be needed to provide the level of advocacy necessary to push the Verkhovna Rada and Government of Ukraine to make and implement the needed policy and legislative reforms listed above. UNITER could explicitly support the development of such a network, or help build the capacity of one or more leading biodiversity conservation NGOs to enable them to lead such a network. We believe that such an NGO network can help bring about the creation of a strong national constituency for biodiversity conservation that will be needed to create the political will to make reforms happen, thus

providing positive feedback in the LPDP II process. AgroInvest and LINC may also be able to provide support to selected policy and legal reforms on the list above.

3.2.2 SUPPORT CONTINUED DEVELOPMENT AND IMPLEMENTATION OF FOREST MANAGEMENT STANDARDS AND CERTIFICATION THROUGH THE UKRAINE FSC INITIATIVE

The lack of adequate consideration of forest biodiversity issues in current Ukrainian forest policy, law, and practice, combined with a reported lack of awareness and capacity in the State Agency for Forest Resources, are the main causes of threats to forest biodiversity. This will soon affect the competitiveness of Ukrainian forest products in international markets, where, both in the EU and US, laws now require adequate standards for biodiversity protection in the production of forest products that enter international trade. Work described in Report 1 by the ENPI-FLEG project, WWF, the NAUU Institute of Forestry, and SAFR provides a viable model for replication and scaling-up. A practical manual for identifying areas of forest that should be protected and not logged, the High Conservation Value Forests (HCVF) Toolkit, has been developed specifically for Ukrainian conditions. A group of forest scientists and foresters is now trying to launch an NGO-led initiative to promote the use of Forest Stewardship Council (FSC) certification in Ukraine.

Several of the Intermediate Results identified in the draft CDCS Results Framework are directly relevant to this recommendation, especially IRs 1.1.2, 1.1.3, 2.1.1, and 2.2.1.

Because the LINC Project has as one of its main objectives to improve private enterprise competitiveness to accelerate Ukraine's integration into international markets by raising awareness of international standards and encouraging their adoption, the Analysis Team believes that the issue of FSC and other international forestry standards is a perfect issue for some level of explicit attention by LINC. P3DP could also foster needed private sector involvement in this needed action. The Analysis Team recommends that the U-Media project consider supporting investigative reporting and programming on the topic of forest biodiversity and forest management in Ukraine. Because the Ukraine FSC Initiative is trying to form as an NGO and take on the leading advocacy role for forest standards and certification, they could certainly benefit from assistance by the UNITER Project. The Analysis Team believes that exposing Ukrainian foresters to international best practices that do take the value of biodiversity into account will be critical in changing the culture and practice within the SAFR, and the Community Connections Program could provide a mechanism for giving such international exposure to Ukrainian foresters.

We also see this issue as ideally suited for possible collaboration between USAID/Ukraine and the USFS International Programs Office. Given previous donor investments and NGO involvement in this work, described in Report 1, USAID would be creating synergies in supporting the scaling-up of an already-developed model if it provided targeted support to the Ukraine FSC Initiative and the use of the HCVF Toolkit through any of the linkages with current and proposed projects mentioned above.

3.2.3 SUPPORT “SAVE UKRAINIAN STEPPES!” CAMPAIGN

The “Save Ukrainian Steppes!” campaign, led by the NGO National Ecological Center of Ukraine (NECU), provides a model of how NGOs, working between the national and local level, can provide access to critical information, build constituencies, and put pressure on the government to change its policies and practices. As discussed in Section 3.2.1 above, one of the critical policy reforms needed to protect biodiversity in Ukraine is to develop an agricultural policy and laws that prevent further loss and fragmentation of natural steppe vegetation.

Several of the Intermediate Results identified in the draft CDCS Results Framework are directly relevant to this recommendation, especially IRs 1.1.2, 1.1.3, and 2.1.1.

The Analysis Team has identified a number of linkages between this civil society initiative and USAID’s development portfolio, including:

- Although NECU is one of the two leading biodiversity conservation NGOs in Ukraine, its capacity is seriously limited by staffing and financial limitations, and it could benefit greatly from the capacity-strengthening activities of UNITER.
- Because NECU has worked at the oblast and more local levels in key steppe regions, with both NGOs and regional and local government partners, some of the activities of the DIALOGUE project link clearly with the needs for steppe conservation being addressed in the Save Ukrainian Steppes Initiative.
- NECU is working to develop maps of land use and vegetation in steppe regions, and the LINC Project should collaborate with NECU as it develops its proposed inventory of key public and privately-owned land parcels, and introduces procedures for community input into land use decisions.
- Many of the land-use changes that are leading to loss of steppe are not transparent, and many may be illegal. Such land-use changes need attention by the independent media, such as through investigative reporting supported by the U-Media Project.
- Both AgroInvest – which is likely to be active in steppe regions – and LINC should engage in close collaboration with NECU in order to avoid taking any actions that could directly or indirectly lead to further loss or fragmentation of steppe habitat.
- LPDP II could support national policy and legislation to protect steppe biodiversity.

3.2.4 SUPPORT A NATIONAL ANALYSIS OF THE POTENTIAL VALUE OF ECOSYSTEM SERVICES

Report 1 pointed out that a major category of benefits provided by biodiversity is ecosystem services, and noted that there is very little recognition of this fact in Ukraine. We also noted that the WWF Danube-Carpathian Program has been a pioneer in introducing the concept of ecosystem services in the region and developing models for Payments for Ecosystem Services (PES) mechanisms. Introducing these concepts to Ukraine could create new economic incentives for the conservation of natural ecosystems and their biodiversity. In Report 1, we identified the need for an analysis of the potential value of ecosystem services in Ukraine. Biodiversity conservation NGOs, or the NGO network mentioned above, could be a leading voice in advocating for this kind of national analysis to the government, and this action needed could also benefit from targeted actions by the UNITER Project. Awareness of the topic could be raised through the U-Media Project, and at the local level through MFSI, which conducts

scientific and practical conferences, roundtables, and seminars for the purpose of the expert discussion of topical issues in the area of socio-economic development, and develops and implements public awareness campaigns. PES mechanisms for many kinds of ecosystem services work best at more local scales, and such mechanisms could provide new, unconsidered sources of municipal financing. Several of the Intermediate Results identified in the draft CDCS Results Framework are directly relevant to this recommendation, including IRs 1.2.1, 2.1.1, 2.1.2, 2.2.1, 2.3.1, 2.3.2, and 2.3.3. LINC, P3DP, as well as the Partnership for Cleaner Energy, could also potentially contribute to meeting this need.

3.2.5 SUPPORT NGO INITIATIVES TO BUILD CONSTITUENCIES FOR BIODIVERSITY CONSERVATION

The most critical social “action needed” identified in our analysis is the need to develop a public constituency for protected areas and biodiversity conservation in Ukraine. Bringing about this needed social change will be slow, but a key vehicle for doing so will be to create greater opportunities for outdoor, nature-based education, sustainable tourism and recreation. Such opportunities, we believe, will be much more effective at creating a committed conservation constituency than developing educational materials or increasing media coverage and social marketing campaigns, although such actions will be needed also. Experiencing nature first-hand is by definition a “decentralized” process; the need is for greater public access to, and use of, protected areas throughout Ukraine. Protected areas managed at the oblast or local level, Regional Landscape Parks and Zakazniks, are ideally-suited, the Analysis Team believes, to provide this access and use. A hopeful model comes from our site visit to Mizhrichenskyy Regional Landscape Park near Kyiv, where young volunteers organized by the Kyiv-based NGO Eco-Club “Green Wave” are assisting the park’s staff with construction of basic infrastructure for nature education and tourism.

Several of the Intermediate Results identified in the draft CDCS Results Framework are directly relevant to this recommendation, including IRs 1.2.2, 1.2.3, 1.2.4, 1.2.5, 2.1.1, 2.1.2, and 2.1.3.

Because building constituencies for conservation works best at the local scale, the Analysis Team finds natural linkages between this need and the activities of both MFSI and DIALOGUE, which are designed to work at decentralized levels. We also believe that NGOs will be a key driving force in building constituencies for conservation. Supporting their organizational and financial development through links with UNITER Project activities would contribute to meeting the actions needed for biodiversity conservation in Ukraine. Finally, the Analysis Team believes that in some regions of Ukraine, nature tourism and outdoor recreation have the potential to grow into significant sources of revenue, and even draw international visitors. LINC could, if it focused on nature tourism in selected pilot regions, help to develop its economic potential through activities such as promoting domestic and foreign investment and supporting the formation of public-private partnerships. P3DP may also be able to make a contribution to meeting this need.

4.0 RECOMMENDATIONS FOR AVOIDING NEGATIVE IMPACTS ON BIODIVERSITY

4.1 ENERGY SECTOR DEVELOPMENT AND BIODIVERSITY

Any type of energy development and energy infrastructure, even if renewable and “green,” has significant potential to negatively affect biodiversity. With careful environmental impact assessment, however, such negative impacts can often be avoided or mitigated. The Analysis Team recommends that USAID become informed about potential biodiversity impacts of, especially, the development of wind and hydroelectric facilities, biofuels of all types, unconventional gas development, and electrical transmission lines and oil and gas pipelines. An “action needed” identified in Report 1 is that national or regional government energy policies or laws concerning or promoting unconventional (e.g. shale gas) or renewable (e.g., wind, hydro, solar, biomass) energy sources need biodiversity safeguards. In USAID/Ukraine’s draft CDCS Results Framework, IRs 2.4.1 and 2.4.4 are directly relevant to meeting this need.

Wind: The Analysis Team understands that a wind farm is already functioning on the coast of the Azov Sea. We were unable to find any information on whether or not biodiversity impact assessment studies were conducted before siting this facility. The steppe regions of eastern and southeastern Ukraine are also relatively high in wind energy potential <http://ws2-23.myloadspring.com/sites/renew/countries/ukraine/profile.aspx#Wind> and development of wind turbine farms on some of the unprotected steppe sites could have significant negative effects on steppe species and habitats unless biodiversity-sensitive siting guidelines are followed. Sources of information on this topic include:

- Wind-Wildlife Impacts Literature Database (WILD) <http://www.nrel.gov/wind/wild.html>
- National Wind Coordinating Collaborative. 2010. Wind Turbine Interactions with Birds, Bats, and their Habitats: A Summary of Research Results and Priority Questions. http://www1.eere.energy.gov/windandhydro/pdfs/birds_and_bats_fact_sheet.pdf
- USFWS Wind Turbine Guidelines Advisory Committee http://www.fws.gov/habitatconservation/windpower/wind_turbine_advisory_committee.html
- Mabey, S. and E. Paul. 2007. Impact of Wind Energy and Related Human Activities on Grassland and Shrub-Steppe Birds: Critical Literature Review: <http://www.nationalwind.org/assets/publications/IMPACTOFWINDENERGYANDRELATEDHUMANACTIVITIESONGRASSLANDANDSHRUB-STEPPEBIRDS.pdf>

The last document also discusses potential impacts of oil and gas extraction.

Biofuels: Any development of biofuels, whether crops or wood-based, needs to consider the potential to create incentives for steppe conversion, forest conversion (to plantations) or for unsustainable forest management. In the steppe regions of Ukraine, the main threat to biodiversity would come from conversion of steppe to cropland for growing rapeseed http://en.wikipedia.org/wiki/Brassica_napus. Rapeseed oil is used in the manufacture of

biodiesel, which can be used in pure form in newer engines without engine damage, and is frequently combined with fossil-fuel diesel in ratios varying from 2% to 20% biodiesel. Rapeseed oil is the preferred oil stock for biodiesel production in most of Europe, accounting for about 80% of the feedstock. The majority of European cars and trucks run on diesel fuel and an estimated 66% of total rapeseed oil supply in the European Union is expected to be used for biodiesel production in the 2010-2011 year.

Shale Gas: The Analysis Team learned that Ukraine has some potential for shale gas development. Because this topic is largely outside the scope of an FAA-119 analysis, we did not seek information about this topic. In the US, a great deal of research is currently underway on the potential effects of shale gas development on biological diversity and human health. A recent conference on the topic reviewed much of what is known at this time: <http://www.pinchot.org/gp/EffectsofMarcellusShale> If the US Government, or USAID, contemplates providing assistance to Ukraine regarding the development of its unconventional gas resources in the future, US best practices for environmental impact assessment should be used, and the potential effect on biodiversity should be considered.

4.2 AGRICULTURAL SECTOR DEVELOPMENT AND STEPPE CONSERVATION

As discussed above, a key “action needed” is the reform of agricultural policy, law, and practices in Ukraine, especially in steppe regions, to recognize the value of biodiversity and conserve it. Furthermore, national and regional governments need to develop and implement programs of economic incentives and disincentives to conserve steppe vegetation. As discussed, a growing European market for rapeseed oil for biodiesel production creates a potential economic incentive to convert steppe vegetation to cropland.

The Analysis Team is aware that the USAID AgroInvest project will likely be working in steppe regions, and we recommend caution regarding any activities that have the potential to either directly or indirectly stimulate steppe conversion or fragmentation. According to USAID’s website, AgroInvest will “... stimulate access to agricultural finance and facilitate market infrastructure for small and medium producers. In particular, AgroInvest will work with rural landholders and producers to raise their awareness of their land rights and facilitate the adoption of legislation needed to lift the moratorium on agricultural land sales. It will focus on increasing agricultural lending to small and medium producers, establish wholesale and regional markets, and strengthen the capacity of producer organizations and industry associations.” Given the current absence of effective policies, laws, and practices to protect steppe in Ukraine, USAID should proceed with caution.

In terms of agricultural land rights and markets in steppe regions, one of our key informants said: “A serious problem on the way for developing the network of protected areas is land privatization which until now is yet in a transitional phase. Under such circumstances, administrative mechanisms for creating new protected areas act very poorly, whereas new mechanisms, first of all economic (tax bonanzas, subsidies etc.) are hardly developed.” Many areas of steppe are still not protected and are vulnerable to conversion to crop land in the absence of controls. Another key informant told us: “Small farmers now grow food around their houses. There are “mini-econets” around village dwellings, and some Red Data Book steppe species

survive in the borders of private plots and around villages. But the rural population has decreased 10% in the last 10 years, and there will be pressure to sell these small farms to large agricultural companies when the moratorium on land sales is lifted. Big agricultural companies are interested in the “extinction” of small farms, and want large-scale agriculture, for profit.”

The potential consolidation of small farms into larger, purportedly more economically “efficient” farms, in part through land titling and development of a land market, could lead to further steppe loss and fragmentation. Any agricultural development program should have a clear policy of “no steppe conversion,” and would do well to support a GIS-based study of land use versus land cover, to map the remaining/existing fragments of steppe, and ensure that this map is used in planning where to support any land titling, sale, and agricultural support.