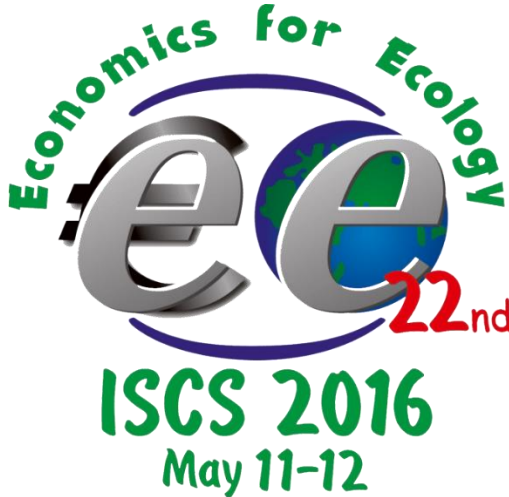


Ministry of Education and Science of Ukraine
Sumy State University
Oleh Balatsky Academic and Scientific Institute of Finance,
Economics and Management

22nd International Scientific Conference
"Economics for Ecology"
ISCS'2016



Економіка для екології

Матеріали
XXII Міжнародної наукової конференції
(Україна, Суми, 11–12 травня 2016 року)



Суми
Сумський державний університет
2016

KYIV ENVIRONMENTAL SAFETY FINANCING: PROBLEMS AND WAYS OF THEIR OVERCOMING

Anna Obikhod, Alla Omelchenko

*Public Institution «Institute for Environmental Management
and Sustainable Development of the National Academy of
Sciences of Ukraine», Kyiv, Ukraine*

Inna Illiashenko

Taras Shevchenko National University of Kyiv, Kyiv, Ukraine

The state of natural-technogenic and environmental safety of Kyiv is extremely complicated. The natural component of the hazard is caused, primarily, by the complex relief. Thus, among natural threats and risks are landslide processes, flooding, complex meteorological phenomena, etc. The relatively small territory of the city is oversaturated with complex engineering structures and production (radiation, chemical, hydrodynamic, explosion fire hazard) and has one of the highest population density. At the risk of emergency situation (ES) there will be a few million people in the affected area. According to the State Service of Emergencies of Ukraine, during 2014 the death toll as a result of emergencies accounted for 3 people and 33 people suffered. In 2013 there were 7 ES, the number of sufferers and dead were 95 and 3 people, respectively.

The volume of material losses was significant; moreover, funds were attracted to overcome consequences of emergencies. The implementation of preventive measures in supporting natural-technogenic and environmental safety of Kyiv is funded mainly within the framework of the state and region target programs of civil protection. However, during 2014 funds for these measures were not allocated. In addition, capital investment and operating costs for the protection and rational use of natural resources for Kyiv were unstable and ranged from 223 million (2014) to 1.374 billion USD (2013), and the share of government expenditures of these amounts was about 10%.

Today, due to the accumulated problems of organizational and systemic chronic underfunding of prevention measures of pollution, regions and cities have actually lost the leverage to limit the environmental threats and risks. At the same time, active work on approximation of the environmental legislation in compliance with EU Directives on Environmental Protection requires search for new, alternative forms and

instruments to obtain funds for prevention of security measures. Along with the “horizontal” directives, an important instrument for regulating relations in the field of prevention of pollution within Europe is the Cohesion Fund, the costs of which can be distributed among countries whose GDP is below 90% of the average EU GDP. The countries preparing to join the EU get assistance through the fund “Instrument for Structural Policies for Pre-Accession» (ISPA) to finance environmental and transport projects.

According to the statute of the Cohesion Fund, 63.4 billion euros is allocated for investing projects in a number of categories, including: support of the development of low carbon projects; promotion of climate change adaptation, risk prevention and management, including investment projects to address specific risks, ensuring stability, as well as development of disaster emergency management systems; environmental conservation and protection and increase in efficiency of use of resources by promoting sustainable operation of transport and elimination of deficiencies in key network infrastructures.

Using investment grants, subsidies, tax incentives and compensations as main mechanisms, for the period 2007-2014 the Cohesion Fund money supported 20 programs in 14 European countries. Most of them were co-financed (including ERDF), and related TEN-T optimization or development and infrastructure in the country with observance of requirements of environmental protection. The effectiveness and success of the development fund is measured by a set of taken indicators, among which are indicators of the environmental state, development of recoverable energy and climate change, the state of the transport network. For the period 2014-2020 the Cohesion Fund aims to promote development and optimization of the environment in Bulgaria, Croatia, Cyprus, Czech Republic, Estonia, Greece, Hungary, Latvia, Lithuania, Malta, Poland, Portugal, Romania, Slovakia and Slovenia. Unfortunately, Ukraine today does not have a legal possibility to fully use the money to fund projects of risk prevention and overcoming threats to the population and territory of the border regions, even under condition of common-funded cross-border programs with one of the EU countries. The issues of this direction of cross-border cooperation are revealed in of Ye. Matviishyn’s works, where the author analyzes the causes of poor activeness of border regions communities in projects preventing environmental pollution or overcome its consequences.

Any economic activity and especially the one that is on the densely populated areas can cause appearance and distribution of ecological and natural-technogenic threats and dangers. Therefore, special attention in the implementation of hazardous economic activity for Kyiv should be paid to observance of a number of principles, including: prevention, due diligence, compliance with international environmental laws and so on. Today enterprises of large cities is a potential source of contamination for the territories of Ukraine and neighboring countries as a result of a number of economic, technical, technological, organizational and other reasons. Our own funds and reserves for prevention are unfortunately not enough (it is confirmed by underfunding the leading state target programs to prevent risks and dangers of emergencies).

The EU structural funds have an organizational and economic potential (which is not yet available for Ukraine) in solving the above problems and especially, the Cohesion Fund that provides investments for overcoming territorial disparities, including the environmental field through the whole system of mechanisms. Given the intensification of the interaction policy “Ukraine-EU”, a priority in the future should be both state support of strategies for regional and urban development taking into account ecological component (including Kyiv) and extension of powers of local authorities to identify and finance joint international environmental projects with the active involvement of local authorities in the development and implementation of policy documents in the field of environmental protection.

FEED-IN TARIFF LIKE AN INCENTIVE INSTRUMENT TO ENLARGE RENEWABLE ENERGY USING BY HOUSEHOLDS

Tetyana Pimonenko, Olexii Lyulyov, Yana Us
Sumy State University, Sumy, Ukraine

The ongoing economic situation in Ukraine, the energy dependence from Russia, the prices increasing for the energy resources and as the consequences the snowballing increasing for the household's utilities bills are actualized the developing of renewable energy. Moreover, the experts declared that the fossil fuels age had already died. That is why it is