

**ENVIRONMENT DIRECTORATE
ENVIRONMENT POLICY COMMITTEE**

GREEN Action Task Force

The environmental effects of COVID-19 related recovery measures in the EECCA region

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This paper assesses the environmental impacts of policy measures in response to the Coronavirus (COVID-19) crisis and draws lessons relevant for greening the recovery in Eastern Europe, the Caucasus and Central Asia (EECCA).

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Key Findings

This paper presents a comprehensive assessment of environmental dimensions of COVID-19 recovery spending in the countries of Eastern Europe, Caucasus and Central Asia (EECCA)¹. Out of more than 300 recovery measures, around 40 spending policies with environmental impact were identified in Armenia, Azerbaijan, Georgia, Kazakhstan, Moldova, Ukraine and Uzbekistan and included in the analysis.

The total funding for the measures identified amounts to almost USD 3.9 billion. The analysis shows that only approximately USD 360 million went to measures with a positive environmental impact. The data also shows that more than USD 1.7 billion was allocated to measures that have a mixed or negative environmental impact- a number almost five times larger than those with environmentally positive impact. Almost USD 1.8 billion was allocated to existing infrastructure or to measures that are unlikely to have a sizeable environmental impact, but perpetuate business-as-usual economic activities and do not contribute to the transformative changes needed to shift to a green economy.

Spending with a positive environmental effect as a share of total recovery packages was found to be highest in Uzbekistan, with more than 14% of overall recovery spending estimated to be green. In Armenia around 3%, in Georgia about 2 % and in Azerbaijan almost 1% of total recovery spending likely contributes to a green recovery. Kazakhstan put together the largest economic stimulus package amongst the seven countries in the analysis. However, measures with positive environmental impact make up less than 1% of total spending. Similar negligible support to greening the economic recovery was found in Moldova and in Ukraine.

The analysis in this paper shows that the opportunity to use COVID-19 related recovery measures to accelerate the transition towards a green and inclusive economy has been used only partially. The analysis finds that many measures under the stimulus packages are not currently aligned with the ambitious carbon neutrality goals and Nationally Determined Contributions under the UNFCCC Paris Agreement in EECCA countries. Instead, it finds that several recovery measures will have sizeable negative impact on climate as well as on the quality of biodiversity, water and air.

The Russian Federation's unprovoked aggression against Ukraine has detrimental impacts on Ukraine and serious repercussions for the whole region. It has also pushed to the forefront concerns about energy security. Despite the double shock of the pandemic and the war, ambition of a green economic transformation, including through better alignment of policy measures with climate targets, should stay high. Measures to accelerate the low-carbon transition can help improve energy security by promoting a diversification of the energy mix and improving energy efficiency. EECCA countries can build on the recovery measures with positive environmental impact identified in the analysis, scale them up and thus harness the opportunities that a green recovery presents. They should seize the moment to accelerate the structural reforms that will help them build back better and achieve the transition towards a green and inclusive economy.

¹ Armenia, Azerbaijan, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Tajikistan, Turkmenistan, Ukraine and Uzbekistan

1. Introduction

1. The aim of the present paper is to help identify how efforts of countries in the Eastern Europe, Caucasus and Central Asia (EECCA) region to recover after the COVID-19 crisis have influenced their green economy plans. By assessing the environmental impacts of policy measures that were put in place in response to the pandemic the paper provides transparency, presents new evidence and allows to suggest ways in which green recovery efforts can be strengthened going forward.

2. The present analysis builds on the work presented in background papers at the Green Action Task Force Meetings in October 2021 (OECD, 2021^[1]) and in October 2020 (OECD, 2021^[2]). The underlying data was shared in late 2021 and updates were provided in early 2022 to EECCA governments for review and corrections. Members of the GREEN Action Task Force from EECCA countries are invited to comment on the present analysis and complement the data where possible.

3. This work contributes to the OECD efforts to collect extensive evidence on the environmental dimensions of announced recovery measures for the OECD Green Recovery Database. The aim of the Database is to provide governments and the general public with a clear overview of announced recovery measures that are likely to have significant environmental implications, whether positively or negatively. The Database tracks measures announced by OECD Member countries and selected large non-OECD countries (44 countries in total plus the EU) (OECD, 2022^[3]). The information on the EECCA countries² contained in this paper complements the OECD Green Recovery Database.

4. The rest of the paper is organised as follows. Section 2 provides the background. Section 3 describes the data. Section 4 presents the main results, including cross-country overviews and comparisons. Section 5 presents conclusions and policy recommendations. The methodology is explained in more detail in Annex A. Annex B contains the specific measures that were identified and assessed in the analysis for this paper.

² Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Tajikistan, Turkmenistan, Ukraine and Uzbekistan

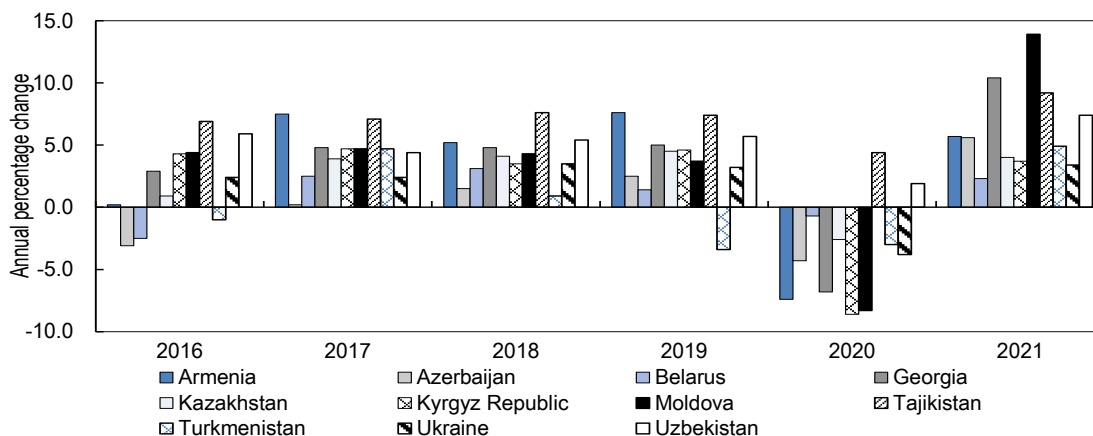
2. Background

5. The combined impacts of the health and economic effects of the COVID-19 pandemic have triggered rapid and extraordinary policy action around the world. The depth of the crisis and the size of the response mean that recovery efforts are likely to have lasting effects on the global economy and society. This in turn will affect emissions and the climate, as decisions taken now on policy measures and investment will have effects on emission trajectories for decades. Exploring the environmental effects of stimulus measures is essential to understand whether the significant sums being allocated will in reality set the stage for countries to “build back better” after the crisis.

6. The COVID-19 pandemic and its consequences caused sharp drops in real GDP across most EECCA countries in 2020. In 2021, the recovery picked up with all countries returning to positive year-on-year GDP growth (Figure 1). The World Bank projected more than 3% GDP growth for the region for 2022 in its October 2021 Economic Update (World Bank, 2021^[4]). After the Russian Federation invaded Ukraine on 24th February 2022, however, growth projections were adjusted and a recession is forecasted now for almost all EECCA countries and could worsen depending on how the conflict evolves (World Bank, 2022^[5]). An average contraction of -0.2% GDP is projected for EECCA countries³, excluding Ukraine, for 2022 and could be downgraded further.

Figure 1. Real GDP growth (Annual percent change)

After the COVID-19 pandemic all EECCA countries returned to positive GDP growth



Source: (International Monetary Fund, 2022^[6])

7. The post-COVID-19 recovery and the war in Ukraine pose additional challenges for the EECCA region including increased commodity and energy prices, concerns about energy security, refugee flows,

³ Calculated based on individual country GDP growth forecasts for nine EECCA countries (World Bank, 2022, p. 36^[5]). Turkmenistan is excluded due to lack of data.

impacts on remittance flows, diminished tourism and risks to access to capital. These challenges come on top of the continued need to advance towards meeting the longer-term goals of the Paris Agreement and the 2030 Sustainable Development Agenda. However, the dual challenges of the pandemic and the war present countries also with a unique opportunity to re-evaluate many aspects of the way they currently run their government, economy and society.

8. Simultaneously, it is an opportune time to look back and assess how countries have been charting their paths out of the COVID-19 crisis. What can we learn from the COVID-19 pandemic? How can we strengthen efforts to recover? How can we use them to achieve sustained, inclusive growth that increases people's well-being well into the future?

3. The data

9. The analysis in this paper is based on one of the most comprehensive assessments of COVID-19 recovery spending for the Eastern Europe, Caucasus and Central Asia (EECCA) region. More than 300 policy measures in response to the COVID-19 pandemic across eleven EECCA countries were tracked and assessed according to their environmental impact. They were included in the assessment if a monetary value and an environmental impact could be identified. In total, around 40 spending policies with an environmental impact were found.

10. The data was collected from the beginning of the COVID-19 crisis in 2020 and up to February 2022. The data gathering tracked recovery measures in all 11 EECCA countries. Those spending measures for which an environmental impact can be found, however, are limited to seven countries namely Armenia, Azerbaijan, Georgia, Kazakhstan, Moldova, Ukraine and Uzbekistan. The present analysis is based on these measures. An overview presented in Annex B, Table 4, also lists the main COVID-19 measures with environmental impact across the eleven EECCA countries for which no monetary value could be identified.

11. The data includes both public budget allocations by EECCA countries and financial resources provided by international cooperation partners such as international financial institutions, bilateral cooperation agencies and UN organisations. Particular efforts were made to include expenditure, i.e. those measures where monetary values could be found. More details on the methodology and the list of measures can be found in Annex A and Annex B respectively.

12. Due to the present study's focus on the recovery, the paper captures measures with a direct COVID-19 angle, i.e. those that have been implemented in response to the COVID-19 crisis. It excludes projects with an environmental impact which had been planned before and/or were launched during the time of the pandemic such as for example the Tutly Solar Plant in Uzbekistan, a 100 MW solar photovoltaic plant located in the Samarkand region (EIB, 2021^[7]).

4. Results: COVID-19 recovery spending with a negative or mixed environmental impact outweighs measures with a positive environmental impact

13. EECCA country governments' responses to the COVID-19 pandemic initially focused on containing the virus and limiting the damages to the economy. The first spending commitments consisted mostly of emergency rescue funding, to shore up health systems, avoid firm failures and minimise widespread job losses. As vaccines were progressively rolled-out, governments drew up ambitious recovery plans with the aim of restarting the economies. Furthermore, several governments issued pledges to 'build back better' and adopted net-zero targets by mid-century across the globe in 2021, including for example Kazakhstan, Ukraine and Uzbekistan (Green Action Task Force, 2021^[8]).

14. Exploring the likely environmental implications of these stimulus and recovery measures is essential to understand whether the significant sums being allocated will in reality deliver on the promise of a green recovery, thereby setting the stage for countries to "build back better" after the crisis.

15. The total funding allocated to recovery measures in the analysis amounts to almost USD 3.9 billion in Armenia, Azerbaijan, Georgia, Kazakhstan, Moldova, Ukraine and Uzbekistan. Of this, almost USD 360 million was allocated to measures with a positive environmental impact. At the same time, the analysis identifies more than USD 1.7 billion that went to recovery measures with a mixed or negative environmental impact (Box 1). It is almost five times larger than funding allocated to measures with a positive environmental impact. An additional around USD 1.8 billion was allocated to existing infrastructure or to measures that are unlikely to have a sizeable environmental impact beyond business-as-usual (see Figure 2.)

16. At the same time, these recovery measures help to perpetuate business-as-usual emissions. While adequate rescue measures to keep systems running are necessary in a crisis, greater parts of the recovery funds need to be directed towards modernising existing infrastructure and making it compatible with climate and energy targets. One can argue that any funding to maintain existing polluting infrastructure is a lost opportunity to develop low-carbon, climate-resilient infrastructure instead.

17. 4.5. Looking at the financial breakdown of measures by sector (Figure 3), the industry sector, closely followed by the energy sector received the largest amount of budget allocations. Ground transport (more than USD 600 million) and the agricultural sector (almost USD 440 million) also received comparatively larger financial allocations. Aviation and waste management are the sectors for which the analysis identified least funding.

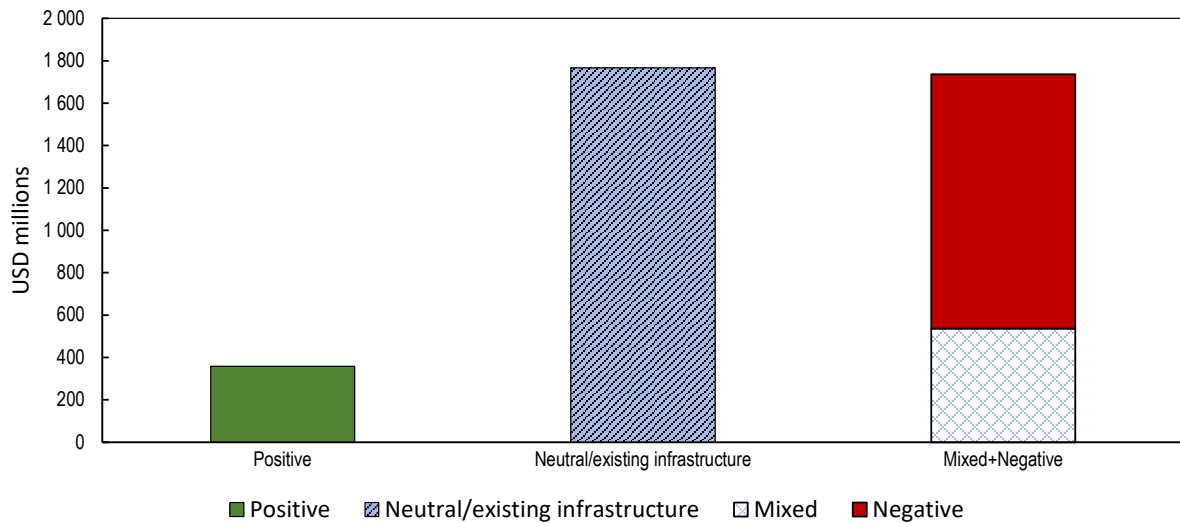
Box 1. Definitions used to describe the environmental impact of recovery measures

The estimated likely environmental impact of recovery measures in this analysis is classified as positive, neutral/ existing infrastructure, negative, mixed or indeterminate. **Positive** measures are those expected to have clear positive environmental impact for one or more environmental dimensions, while not having major negative impacts on other environmental dimensions. The category of “**neutral/ existing infrastructure**” captures those measures with little net change on the environment. Although the longer run environmental implications of measures in the “neutral/ existing infrastructure” category are negligible or inexist, they are included in the analysis because they help continue emissions and other environmental impacts along business-as-usual scenarios. **Negative** measures are those likely to have clear negative impacts on one or more environmental dimensions. “**Mixed**” measures are those that have clearly discernible positive and negative impacts. They can either i) have a clear positive environmental benefit on one dimension, but clearly significant negative impacts on at least one other dimension; or ii) be very broad measures that contain some elements that will have strong positive implications but other elements that are likely to have clear negative implications (whether along the same environmental dimension or across several environmental dimensions). Measures marked as “**indeterminate**” are those that do not have clearly identifiable environmental implications from the high-level assessment of measures. These measures are not the focus of the database, and have been excluded from the analysis of aggregate impacts. The categorisation follows the methodology used in the OECD Green Recovery Database for measures with clear positive, negative or mixed environmental impacts and for indeterminate measures.

Seven **environmental dimensions** of recovery measures were considered (up to three per measure) drawing from climate change mitigation, climate change adaptation, air pollution, biodiversity, water, waste & recycling and plastics.

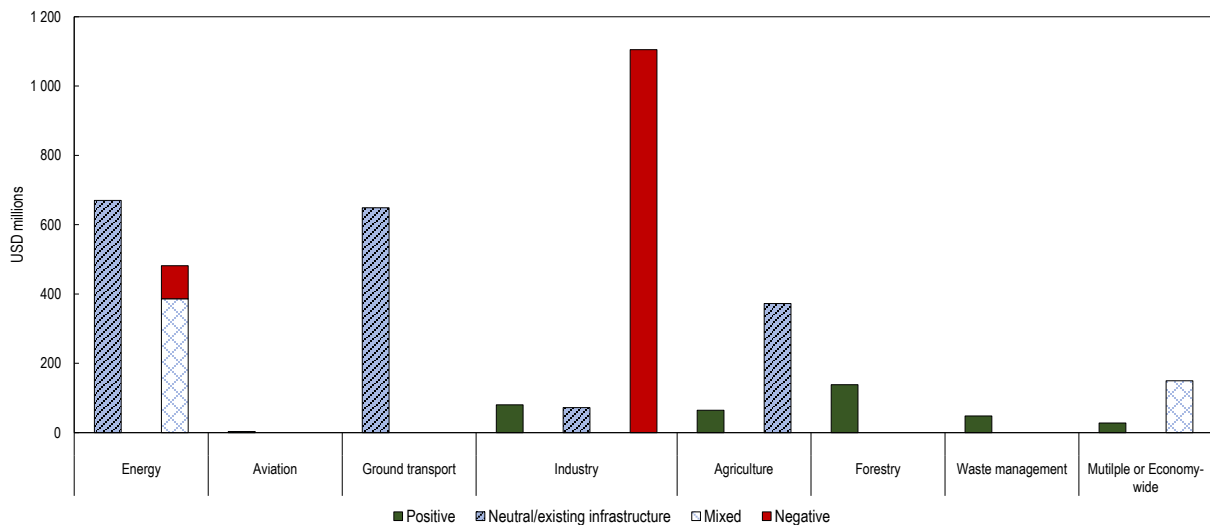
18. The large volume of measures (USD 1.8 billion) that went to support neutral activities or existing infrastructure also shows that stimulus packages overall still lean heavily towards business-as-usual activities, rather than the transformational investments required to achieve the Paris Agreement climate targets and the Sustainable Development Agenda. Broken down by sector (Figure 3), many such measures supported the energy industry (USD 670 million), the ground transport sector (almost USD 650 million) and agriculture (over USD 370). The likely longer-term environmental impact of such support will be negligible because the measures eased liquidity constraints of existing utilities, energy providers or agricultural producers and were not used to build new power plants or increase agricultural production substantially, for example, or went to repair existing roads. In short, they did not support the building of additional infrastructure.

Figure 2. Total recovery funding allocated in EECCA: by environmental categorisation



Source: OECD EECCA Green Recovery Database (OECD, 2021^[8])

Figure 3. Total recovery funding allocated in EECCA: by environmental categorisation and sector



Source: OECD EECCA Green Recovery Database (OECD, 2021^[8])

19. Recovery efforts with a positive environmental impact supported projects and measures in the industry, agriculture, forestry and waste management sectors and across the economy. Examples include energy efficiency improvements in industry in Uzbekistan, restoration of degraded lands for sustainable dryland agriculture in Azerbaijan and Uzbekistan, greening SMEs in Moldova and financing Micro, Small and Medium Enterprises (MSMEs) that are particularly innovative and green in Georgia, large-scale tree planting in Kazakhstan and the building of new sewerage facilities in Uzbekistan, for example. Annex A lists the specific measures.

Box 2. Examples of recovery measures with positive environmental impact

In **Armenia**, the Caucasus Nature Fund provided a grant to finance national parks, forest state reserves and biosphere complexes as support to mitigate the impacts of COVID-19.

In **Azerbaijan**, a recovery measure financially supported sustainable land management in salt-affected areas in the Absheron Peninsula. The project aims to support national targets on land degradation neutrality through effective land management, leading to sustainable dryland agriculture and farming.

In **Georgia**, the programme budget for support to Micro, Small and Medium Enterprises (MSMEs) that are particularly innovative and green was increased by 400% in 2020.

In **Kazakhstan**, large-scale tree-planting efforts started in 2021 with the aim of two billion new trees by 2025 .

In **Moldova**, grants were issued for women-headed households, women entrepreneurs and rural communities to build resilience to climate change and implement environment-friendly practices.

In **Ukraine**, a recovery measure supported capacity building for green hydrogen.

In **Uzbekistan**, credit lines to commercial banks provided finance to exporters and small and medium-sized enterprises to improve the energy efficiency of their businesses.

20. A large driver of the negative environmental impact in the industry sector (Figure 3) comes from almost USD 1 billion allocated to the implementation of new cotton and textile clusters in Uzbekistan. Both cotton and textile industries are highly water-intensive and polluting. Without additional measures to address pollutants and increased drought-risks from irrigation the environmental impact is likely to be negative. At the same time, the project presents an opportunity to implement measures to make the planned cotton and textile clusters adapted to the risks from climate change and avoid environmental degradation.

21. The agricultural sector plays an important role in many EECCA countries. Government subsidies were provided to agricultural producers in Kazakhstan and Georgia as recovery measures, for example. Included were subsidies for diesel, mineral and chemical fertilizers and pesticides. Again, one cannot claim that these subsidies will increase emissions or environmental degradation from the agricultural sector because they were aimed to help existing agricultural producers. At the same time, however, they could have been complemented with measures to raise awareness of the consequences of intensifying agriculture and the environmental impacts of using chemical and mineral fertilizers. In Kazakhstan the Government seems to have introduced subsidies for private insurance for agricultural producers in 2020, for example (Prime Minister of the Republic of Kazakhstan, 2021^[9]). More of such measures are needed to help agricultural producers adapt to the impacts of climate change. Green recovery efforts should help increase resilience of the agricultural sector in EECCA countries to the effects of climate change by supporting sustainable farming businesses such as for example drip-irrigation, resilient and diversified crops, organic farming and encouraging the use of agricultural insurance schemes.

4.1. Most green recovery measures in EECCA are grants or loans

22. Different types of recovery measures were identified using the following broad categories: tax reduction or other subsidy (not research and development (R&D)); grant or loan (including interest-free loans and guarantees); regulatory change; skills and training; R&D specific subsidies. Most measures are grants or loans (Table 1). The next most frequent category is tax reduction or other subsidy. Only two measures fall into the category of regulatory changes.

Table 1. Most COVID-19 green recovery support measures come as grants or loans

	Positive	Neutral/existing infrastructure	Mixed	Negative	Total
Grant/Loan (including interest-free loans)	10	7	1	2	20
R & D	1				1
Regulatory change	2				2
Skills training	4				4
Tax reduction/other subsidy	3	7	2	1	13

Source: OECD EECCA Green Recovery Database (OECD, 2021^[8])

23. Green innovation is crucial to decarbonise economies. Around half of the CO₂ emissions reductions by 2050 need to be delivered by technologies that are not yet commercially available (International Energy Agency (IEA), 2021^[10]). The analysis only identified one green R&D measure in the recovery plans. It is a capacity-building project for green hydrogen in Ukraine. Only around USD 60 000 went towards this green R&D project.

24. Four measures financially supported green skills training. Skills training is essential to ensure a just transition to net-zero so that workers can shift out of carbon-intensive sectors that will decline and to gain the skills and qualifications needed for jobs in emerging green sectors. Upskilling is also an important component of improving productivity and ensuring competitiveness in future. In addition, vocational training and re-skilling help workers to more easily absorb the structural adjustment of the economy that high energy and commodity prices may bring (OECD, 2022^[3]). However, funding for green skills training is very limited and amounts to much less than 1% of the total environmentally related recovery budget across the seven EECCA countries.

25. In light of their structural importance and the limited financial resources allocated for them, R&D, technological modernisation and green skills training measures are an area where additional focus and resources will be needed for the recovery and beyond. Innovation in clean technologies is necessary to achieve the required emission reductions at lower costs and make the low-carbon transition compatible with sustained economic growth (Acemoglu et al., 2012^[11]; Dechezlepretre and Kruse, 2022^[12]). Vast investments in low-carbon research and development are required as well as wider deployment of already commercialised and available technology in the EECCA region. Recovery packages can be designed to jumpstart low-carbon innovation and shift investment towards technologies that can accelerate the transition and increase economic growth (Dechezlepretre and Kruse, 2022^[12]).

4.2. The environmental impact of recovery measures in the EECCA region concern climate mitigation, water, biodiversity and air pollution

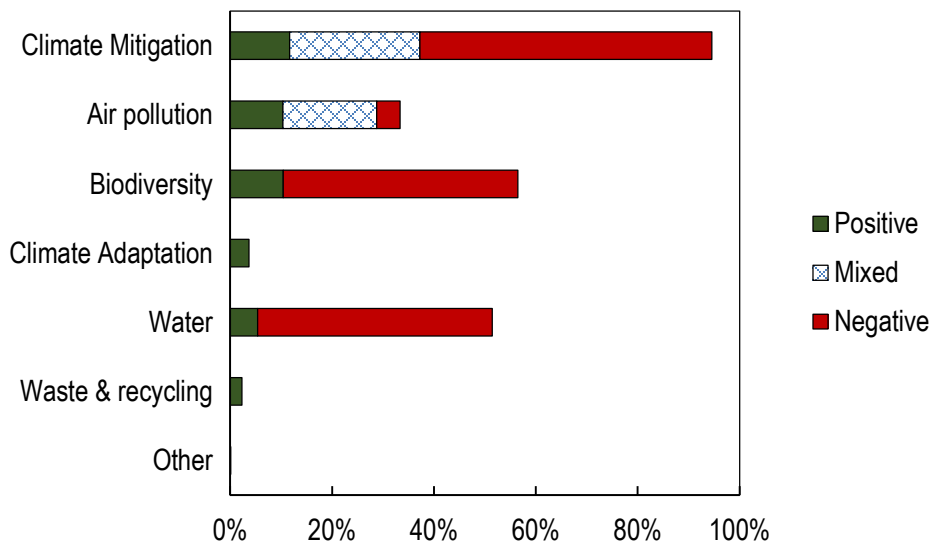
26. Recovery budgets with environmental consequences mainly affect climate mitigation (95%), biodiversity (56%) and water (51%) (Figure 4). The analysis identifies effects on air pollution for 33% of measures with environmental impact. Estimated effects on climate adaptation and waste and recycling were small (4% and 2% respectively), albeit only positive. The environmental effects on climate mitigation, biodiversity and water are mainly negative. Of recovery measures, almost 60% have an estimated negative effect on climate mitigation, more than 50% have an estimated negative effect on biodiversity and around 50% have an estimated negative effect on water. The effects on air pollution are mostly mixed (around 20%) compared to 10% positive and 5% negative estimated effects on air pollution.

27. In light of the significant cuts in emissions required across the globe in order to stand a chance to halt dangerous climate change, the negative impacts on climate mitigation of recovery packages are concerning. As mentioned above, many EECCA countries have ambitious carbon neutrality goals and Nationally Determined Contributions under the UNFCCC Paris Agreement in acknowledgement of the

sizeable task of emission reductions. The analysis presented here shows that many measures under the stimulus packages are not aligned with these goals.

28. The protection of biodiversity poses another considerable challenge. Ecosystem services delivered by biodiversity, such as crop pollination, water purification, flood protection and carbon sequestration, are vital to human well-being. Globally, these services are worth an estimated USD 125 to 140 trillion per year, i.e. more than one and a half times the size of global GDP (OECD, 2019^[13]). Estimated differently, more than half of the world’s economic output depends on nature (World Economic Forum, 2020^[14]). Yet, human activities are undermining biodiversity. It will be important to try to minimise the negative effects on biodiversity from recovery measures. The protection of water services in drought-prone areas of EECCA countries is also a continued priority.

Figure 4. Total funding by environmental dimension



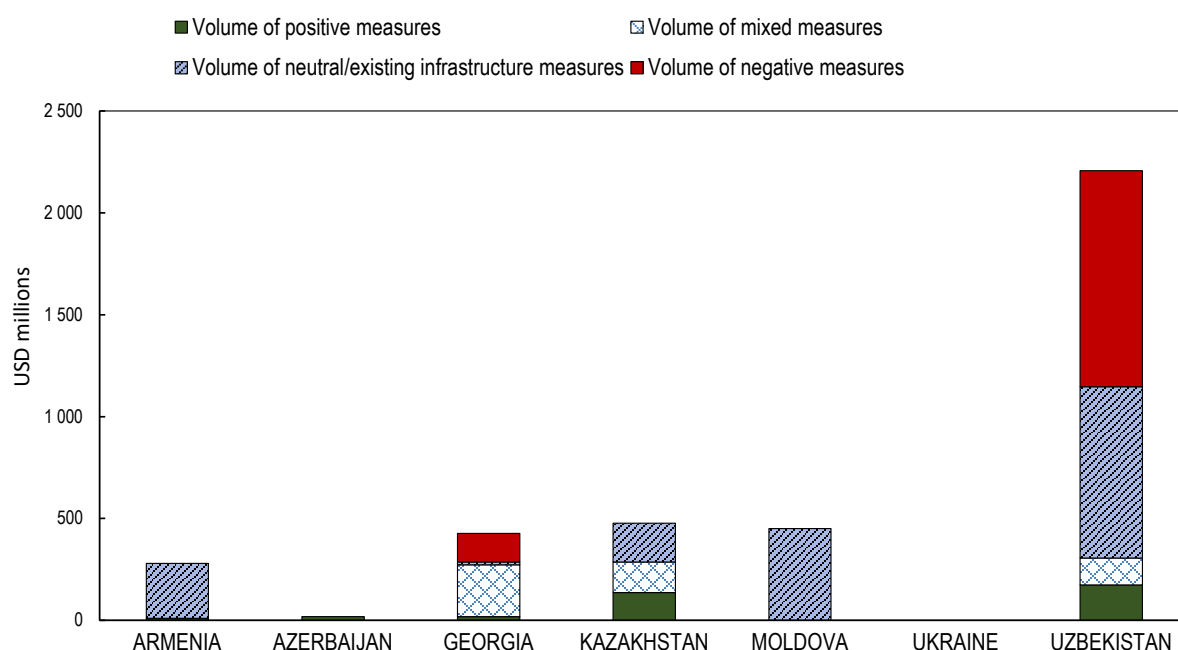
Note: For ease of understanding and clarity, the neutral/existing infrastructure category is excluded from the figure to illustrate the environmental impact per environmental dimension.

Source: OECD EECCA Green Recovery Database (OECD, 2021^[8])

4.3. Green recovery spending by country

29. The size of green recovery measures varies by country (see Figure 5 below). In Uzbekistan by far the largest amounts were allocated to measures with an environmental impact; around USD 2.2 billion with both the largest size of positive measures and the largest size of negative measures. Details of the specific measures in each country can be found in Annex B.

Figure 5. Total recovery funding allocated in EECCA: by environmental categorisation and country

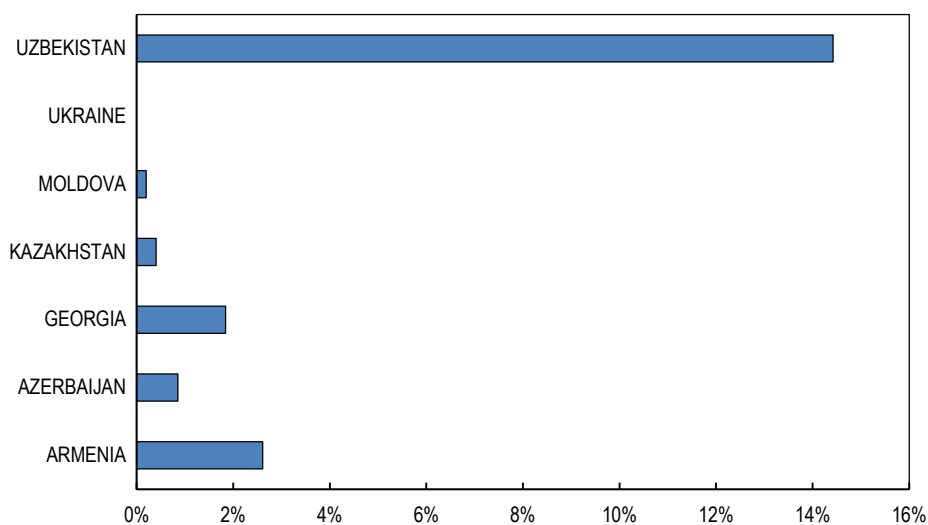


Source: OECD EECCA Green Recovery Database (OECD, 2021^[8])

30. The size of financial allocations with an estimated environmental effect as share of the overall recovery spending shows that EECCA countries have allocated far less towards green measures compared to OECD and G20 countries (where more than 30% of total recovery spending was allocated to environmentally positive measures (OECD, 2022^[3])). Figure 6 shows the spending with an environmentally positive effect as a share of total recovery packages in the seven EECCA countries. Also in relation to its overall recovery spending, Uzbekistan had the highest green recovery spending. More than 14% of overall recovery spending in Uzbekistan is green. In Armenia almost 3%, in Georgia almost 2% and in Azerbaijan almost 1% of total stimulus packages is estimated to be green.

31. Although Kazakhstan put together a much larger stimulus package compared to the other six countries in the analysis, measures with positive environmental impact make up less than 1% of total spending, as far as the analysis could establish. Little publicly available information on announced spending for the environmental measures was identified in Kazakhstan, which could impact the result. In Ukraine, only one green measure was identified with very little funding attached to it (see above). Table 2 presents more detailed information and underlying data.

Figure 6. Volume of environmentally positive recovery measures in EECCA: as share of total recovery spending



Note: To establish the size of total recovery spending, some of the secondary data from the IMF was complemented with government spending reports.

Source: (The International Monetary Fund, 2021^[15]); (The Ministry of Finance of Ukraine, 2021^[16]); (Ministry of Finance of Uzbekistan, 2021^[17]) (Government of Moldova, 2020^[18])

Table 2. Green recovery spending in EECCA: by country

	Environmentally positive measures as % of total recovery spending	Total recovery spending USD billion	Recovery spending as % of GDP
Armenia	2.6%	0.4	1%
Azerbaijan	0.9%	2.2	1%
Georgia	1.8%	1.0	2%
Kazakhstan	0.4%	34.1	7%
Moldova	0.2%	0.4	1%
Ukraine	0.0%	3.5	1%
Uzbekistan	14.4%	1.2	0.5%

Note: The latest available data on GDP is from 2019. To establish the size of total recovery spending, some of the secondary data from the IMF was complemented with government spending reports.

Source: OECD EECCA Green Recovery Database; (World Bank, 2022^[19]); The International Monetary Fund, 2021^[15]; Government of Moldova, 2020^[18]; Ministry of Finance of Uzbekistan, 2021^[17]; The Ministry of Finance of Ukraine, 2021^[16])

5. Conclusion and recommendations

32. The analysis presented in this paper provided a comprehensive assessment of COVID-19 spending policies with an environmental impact in the EECCA region. It shows that in EECCA countries approximately USD 360 million went to measures with a positive environmental impact. The data also shows that more than USD 1.7 billion was allocated to measures that have a mixed or negative environmental impact- a number almost five times larger than those of environmentally positive measures. Almost USD 1.8 billion was allocated to existing infrastructure or to measures that are unlikely to have a sizeable environmental impact, but perpetuate business-as-usual activities and do not contribute to the transformative changes needed to shift to a green economy.

33. The COVID-19 pandemic and the Russian Federation's invasion of Ukraine severely impacted not only the global economy as well as EECCA countries in terms of GDP, but has accelerated a re-evaluation of how economic activities are carried out. As EECCA countries chart their course out of the economic downturn, they should ensure that the development of recovery measures are aligned well with other important environmental and social objectives.

34. Despite the double shock of the pandemic and the war, EECCA countries' ambition of a green economic transformation, including through better alignment of policy measures with climate targets, should not be reduced. Measures to accelerate low-carbon economic development can help improve energy security- all the more important in the present situation- by promoting a diversification of the energy mix and improving energy efficiency.

35. The analysis in this paper has shown that many EECCA countries can do more to harness the opportunities that a green recovery presents. Many EECCA countries have ambitious carbon neutrality goals and Nationally Determined Contributions under the UNFCCC Paris Agreement in acknowledgement of the need for significant domestic action to contribute to the global efforts to halt dangerous climate change. The analysis shows that many measures under the stimulus packages are not currently aligned with these goals. Several recovery measures are estimated to have sizeable negative impacts on climate mitigation, biodiversity and water and to some extent air pollution.

36. While the specific responses will depend on each country's macroeconomic and socio-economic conditions, fiscal space, size of existing stimulus packages, climate commitments and other policy objectives etc., some key principles can help policymakers advance green recovery from the COVID-19 crisis:

37. **Gradually introduce and strengthen carbon pricing:** While some EECCA countries have started experimenting with carbon pricing tools, the current crises may have made such measures more challenging to implement. Yet, it is crucial to introduce and strengthen carbon pricing. Gradually phasing out fossil fuels in a predictable, transparent manner, while addressing the negative impact on lower-income households through complementary social support should be an important component of climate policy packages.

38. **Make investment frameworks more conducive for low-carbon, climate-resilient investment:** This should include upstream strategic planning of key infrastructure investment in energy, transport, industry and agriculture and water sectors to better align them with climate goals and SDGs. For example, policy support to bring down the higher upfront capital costs of renewable energy projects e.g. through

feed-in-tariff could complement carbon-pricing. Access to finance for the private sector should also be improved.

39. **Better align policies across the whole of government:** Strong and consistent policy signals and well-targeted interventions need to be coordinated across Ministries of Environment, Economy, Finance, sectoral ministries and national banks to ensure better collaboration and policy coherence. Examples could include the facilitation of inter-ministerial discussions that identify policy measures for greening the economy and whose recommendations have the power to be institutionalised.

40. **Refrain from public investment in carbon-intensive projects:** Public funds towards fossil-fuel power and high-emitting transport projects should be reconsidered, redesigned or halted, and focus instead on supporting low-carbon infrastructure (e.g. renewable energy, modernisation of electric grids, public transport), development and adoption of clean technologies (e.g. battery, hydrogen or carbon capture) and climate adaptation (e.g. flood protection, resilient roads and buildings, drip irrigation).

41. **Make public funding support to polluting industries conditional on making progress on climate mitigation:** Government support to carbon-intensive industries and SMEs could require commitments to concrete emissions reduction targets.

42. **Allocate more resources to clean technology innovation and deployment:** Further government efforts are needed to shift investment from technologies of the past towards technologies that can accelerate the green transition and improve economic productivity.

43. **Equip young people for green jobs:** The large share of youth amongst the population in many EECCA countries adds to the urgency to build forward better. Vocational training and re-skilling can also help workers to absorb the structural adjustment of the economy that high energy and commodity prices may bring and induced by climate policy.

44. **Invest in climate adaptation:** Some EECCA countries are amongst those most vulnerable to climate-related shocks. The future-proofing of infrastructure and certain sectors (especially agriculture) is therefore of continued importance to increase countries' resilience, protect lives and avoid economic damage from extreme climate events.

45. The dual challenges of the pandemic and the war present countries also with a unique opportunity to re-evaluate many aspects of the way they currently run their government, economy and society. If countries return to the "old normal", the opportunity to design new governance systems, a new economy and a new society will have been missed. EECCA countries can seize the moment to accelerate the structural reforms that will help them build back better and achieve the transition towards a green and inclusive economy.

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Annex A. Methodology

The data was compiled through desk research using government websites, press releases, government databases, project-level information from international financial institutions (IFI), bilateral development cooperation partners and UN agencies. In-country advisors provided or verified some of the information. The analysis also used existing data from the Global Recovery Observatory (O'Callaghan et al., 2020^[20]) and the Energy Policy Tracker (Energy Policy Tracker, 2021^[21]) which was then checked and verified. Their share of projects in the overall number of measures identified is small. Although care has been taken to avoid double-counting IFI spending, bilateral spending and national allocations, it is possible that some overlap remains.

Inherent in any such tracking exercise is the difficulty of identifying actual expenditure versus planned spending. Where available, the data records expenditure progress against spending. For most measures, however, this information was not available and the announced, i.e. planned amount, was recorded. While Ministries of Finance reported adjustments based on actual spending for 2020 and some months in 2021 for the total recovery packages in some countries, it was not possible to establish how this might have translated into retrospective adjustments for the specific measures in the analysis of this paper. Given that grants or loan agreements make up the majority of measures in the data used in this paper (see Table 1), the distinction between expenditure and planned spending is less relevant in their case.

Measures were assessed on their potential environmental impact (up to three per measure) drawing from seven environmental dimensions: climate change mitigation, climate change adaptation, air pollution, biodiversity, water, waste & recycling and plastics. Their estimated likely environmental impact was classified as either positive, neutral, negative mixed or indeterminate. Positive measures are those expected to have clear positive environmental impact for one or more environmental dimensions, while not having major negative impacts on other environmental dimensions.

Negative measures are those likely to have clear negative impacts on one or more environmental dimensions. "Mixed" measures are those that have clearly discernible positive and negative impacts. They can either i) have a clear positive environmental benefit on one dimension, but clearly significant negative impacts on at least one other dimension; or ii) be very broad measures that contain some elements that will have strong positive implications but other elements that are likely to have clear negative implications (whether along the same environmental dimension or across several environmental dimensions).

Finally, measures marked as "indeterminate" are those that do not have clearly identifiable environmental implications from the high-level assessment of measures. These measures are not the focus of the database, and have been excluded from the analysis of aggregate impacts. The paper followed the methodology used in the OECD Green Recovery Database for measures with clear positive, negative or mixed environmental impacts and for indeterminate measures.

The present analysis also includes a category of "neutral/ existing infrastructure" to capture those measures with an expected overall negligible or net zero effect on the environment compared to a scenario in which the measure would not have been implemented, i.e. with little net change. Although the longer run environmental implications of measures in the "neutral/ existing infrastructure" category are negligible, it was important to include them in the analysis because they identify and flag business-as-usual emissions and continued other environmental impacts.

Annex B. List of COVID-19 recovery measures with environmental impact in the EECCA region

Table 3 List of recovery measures with environmental impacts and monetary values on which the present analysis is based

Country	Environmental impact category	Environmental dimension 1	Environmental dimension 2	Environmental dimension 3	Summary description	USD millions	Funder
Armenia	Positive	Climate Mitigation	Adaptation		The loan (to ACBA Bank) will contribute to the objective of building a green economy in Armenia by on-lending to private sector sub-borrowers for investments into climate change mitigation and adaptation technologies and services.	5.00	EBRD
Armenia	Positive	Climate Mitigation	Adaptation		The loan (to Armswissbank) will contribute to the objective of building a green economy in Armenia by on-lending to private sector sub-borrowers for investments into climate change mitigation and adaptation technologies and services.	4.00	EBRD
Armenia	Positive	Biodiversity			Caucasus Nature Fund provided a grant to finance national parks, forest state reserves and biosphere complexes as a support to Armenia to curb the impacts of COVID-19	0.58	The Caucasus Nature Fund
Armenia	Neutral/existing infrastructure	Climate mitigation	Air Pollution		The Loan supports Electric Network of Armenia in addressing its working capital needs during the liquidity squeeze caused by the COVID-19 pandemic.	250.00	EBRD
Armenia	Neutral/existing infrastructure	Climate mitigation	Air Pollution		The loan will assist ENA (Electric Networks of Armenia) to relieve the financial stress caused by delayed payments of electricity bills by ENA's private customers due to the coronavirus disease (COVID-19), which could otherwise	20.00	ADB

					lead to deterioration of its services and ultimately disrupt Armenia's access to electricity.		
Azerbaijan	Positive	Biodiversity	Adaptation	Water	The objective of the project is to promote sustainable land management by demonstrating its effectiveness in salt-affected landscapes in the Absheron Peninsula, which is home to more than 60 percent of Azerbaijan's population and most of its industry. The project aims to support the efforts to develop and implement land degradation neutrality national targets through effective land management, leading to sustainable dryland agriculture and farming in the Absheron Peninsula.	19.00	GEF Trust Fund
Georgia	Positive	Climate Mitigation			The objective of the project is to help cities to increase their technical, financial, and managerial capacity to develop quality municipal infrastructure and improve their competitiveness and resilience post-COVID-19.	0.13	ADB
Georgia	Positive	Climate Mitigation	Adaptation	Biodiversity	Enterprise Georgia supports small firms with a particular focus on green, innovative and eco-friendly businesses under the "Micro and Small Business Grants Programme". The programme grant amount will increase from GEL 20,000 up to GEL 30,000 and the co-financing required from beneficiaries will decrease from 20% to 10%. The programme budget will be increased 4 times in 2020 and will be raised to GEL 40 million. Farmers and agricultural businesses will also benefit from additional government aid and the government will support domestic production including bio-products. While not directly supporting green investments, all these measures can also benefit green SMEs as well.	12.76	Enterprise Georgia
Georgia	Positive	Climate Mitigation	Biodiversity	Other	EU and UNDP launched a GEL 9 million grant programme together with the Agriculture and Rural Development Agency (ARDA) of the Ministry of Environmental Protection and Agriculture to help Georgia's rural regions respond to the economic and social challenges emerging amidst the COVID-19 crisis. The programme is providing up to GEL 170,000 per project to non-agricultural business start-ups and growing enterprises and up to GEL 30,000 to businesses to improve energy efficiency. The grants are designed to boost rural entrepreneurship, create sustainable jobs, improve the management of natural resources and promote climate action.	2.80	EU, UNDP

Georgia	Positive	Biodiversity	Climate Mitigation		Caucasus Nature Fund provided an "emergency grant" to cover salaries and operating costs for Georgia's Protected Areas system in 2020	1.40	Caucasus Nature Fund
Georgia	Positive	Biodiversity	Waste & Recycling		In order to mitigate the socio-economic consequences of the Corona pandemic, more than 900 people are employed temporarily, protecting their local environment through different activities such as forest protection and waste collection.	0.50	GIZ, EU, Swiss Agency for Development and Cooperation SDC
Georgia	Mixed	Climate mitigation	Air Pollution		The loan to JSC Georgian Oil and Gas Corporation, a major Georgian electricity and natural gas supplier, is to refinance a USD 250 million corporate Eurobond maturing in April 2021. The loan will ease cash flow pressure and address liquidity constraints for the Company resulting from the significant economic turmoil caused by COVID-19 and the difficulty for the Company to access the capital markets."	253.39	EBRD
Georgia	Neutral/existing infrastructure	Climate mitigation			The Project will aim to address the urgent need of liquidity support to Georgian Air Navigation in the period of unprecedented economic impacts of COVID-19 crisis. The proposed transaction is in line with the Vital Infrastructure Support Programme (VISP) under the Bank's COVID-19 Solidarity Package.	3.30	EBRD
Georgia	Negative	Climate mitigation			To help construction business	140.00	Georgia
Georgia	Neutral/existing infrastructure	Climate mitigation	Adaptation	Water	The new State Program "Stimulation of Agricultural Landowners" provides subsidies for the cost of agricultural goods and plowing services, i.e. fertilizers and chemical / biological plant protection products, seed and planting materials. Under the program, individuals and legal entities owning 0.25 to 100 hectares of agricultural land will also buy diesel fuel for agro-technical works at a significantly lower price compared to the market.	11.49	Georgia
Georgia	Positive	Climate mitigation			Advancing Civil Society Organization (CSO) Capacities and Engaging Society for Sustainability (ACCESS) (COVID-19)	1.30	United States of America
Kazakhstan	Positive	Climate Mitigation			The objective of the project is to help cities to increase their technical, financial, and managerial capacity to develop quality municipal infrastructure and improve their competitiveness and resilience post-COVID-19.	0.13	ADB
Kazakhstan	Neutral/existing infrastructure	Climate mitigation			The proposed transaction will provide short-term liquidity to BMK for working capital financing and help maintain its financial stability. The project will preserve and help achieve	30.00	EBRD

					transition gains set forth under the project and ensure the availability of short-term working capital financing to BMK, supporting them in overcoming the implications of the COVID-19 pandemic.		
Kazakhstan	Neutral/existing infrastructure	Climate mitigation	Adaptation	Water	Support will be provided to the agricultural sector, including 70 billion for the development of seed production, the purchase of fertilizers and pesticides.	161.00	Kazakhstan
Kazakhstan	Positive	Climate mitigation	Air Pollution	Biodiversity	In the Decree of the President of the Republic of Kazakhstan dated September 14, 2020 No. 413: Ensuring the planting of more than 2 billion trees in the forest fund and 15 million in settlements within five years from 2021 to 2025.	136.45	Kazakhstan
Kazakhstan	Mixed	Climate mitigation			As part of the anti-crisis 2020-2021 Employment Roadmap (ERM), 6.7 thousand infrastructure projects are planned to be created for repairing and constructing social facilities, engineering and transportation infrastructure, irrigation systems, and housing and communal services, along with the landscaping of settlements. As of 27 September 2020, more than 292 000 have been employed with an average wage of 130 000 KZT. This includes the construction of new roads.	149.73	Kazakhstan
Moldova	Positive	Climate Mitigation	Adaptation		Grants for women-headed households, women entrepreneurs and rural communities to build resilience to climate change and implement environment-friendly practices.	0.00	UNDP, Sweden
Moldova	Positive	Climate Mitigation			Develop/include greening the economy/SMEs principles into national strategies/policies/action plans; Increase awareness and build consensus around the importance and benefits of Greening SMEs;	0.86	Moldova
Moldova	Neutral/existing infrastructure	Climate mitigation	Air Pollution		Road infrastructure	350.30	Moldova, EIB, EBRD
Moldova	Neutral/existing infrastructure	Climate mitigation	Air Pollution		Road refurbishment	100.00	Moldova
Ukraine	Positive	Climate Mitigation			Improved capacity of the Government of Ukraine to develop infrastructure to produce and use hydrogen to support its green post-covid-19 recovery	0.00	UNECE
Uzbekistan	Positive	Climate Mitigation	Air Pollution	Adaptation	The objective of the project is to help cities to increase their technical, financial, and managerial capacity to develop	0.13	ADB

					quality municipal infrastructure and improve their competitiveness and resilience post-COVID-19.		
Uzbekistan	Positive	Water	Waste & Recycling		15.5% of anti-crisis fund (around 500 billion soums) went for water supply and sewerage facilities	47.86	Uzbekistan
Uzbekistan	Positive	Water	Biodiversity	Adaptation	Investing in a resilient future of Karakalpakstan by improving health, nutrition, water, sanitation, hygiene and wellbeing of adolescents and by harnessing the talents of youth during and after COVID- 19	3.50	UNICEF, UNFPA, UNODC
Uzbekistan	Negative	Climate mitigation	Air Pollution		The loan proceeds will be used to finance working capital and operational liquidity needs of the Thermal Power Plant subsidiaries in the context of the EBRD COVID-19 crisis response. The Project will combine long-term reform objectives with an immediate response to the COVID-19 impact by supporting the companies with a liquidity injection while contributing to the corporatisation and commercialisation of the power generation sector. The project is developed under the Vital Infrastructure Support Programme (VISP), which is part of the EBRD COVID-19 Solidarity Package	95.28	EBRD
Uzbekistan	Negative	Climate mitigation	Water	Biodiversity	The implementation of 107 projects of cotton and textile clusters worth \$ 965 million will create more than 28,000 new jobs	965.00	Uzbekistan
Uzbekistan	Mixed	Climate mitigation	Air Pollution		43 per cent went to support the economy, including thermal power plants, regional power networks, oil and gas networks, air transport and rubber industry	132.77	Uzbekistan
Uzbekistan	Neutral/existing infrastructure	Climate mitigation	Air Pollution		1 trillion soums will be going toward building and repairing roads alone	93.57	Uzbekistan
Uzbekistan	Neutral/existing infrastructure	Climate mitigation			implementation of additional infrastructure projects aimed at expanding economic activity and employment in the regions of the republic, as well as, first of all, construction of engineering communications in small industrial zones; for infrastructure facilities of small industrial zones - in the amount of 400 billion soums;	42.02	Uzbekistan
Uzbekistan	Neutral/existing infrastructure	Climate mitigation	Air Pollution		for the current repair of streets of cities and other settlements, public roads - 1 trillion soums;	105.06	Uzbekistan
Uzbekistan	Positive	Water	Biodiversity	Adaptation	for irrigation and reclamation facilities - 400 billion soums;	42.02	Uzbekistan
Uzbekistan	Neutral/existing infrastructure	Water	Climate mitigation		Attraction of an additional credit line for JAYKA in the amount of up to \$ 200.0 million to finance enterprises in the	200.00	Uzbekistan

					horticultural sector (subject to approval by the Japanese government).		
Uzbekistan	Positive	Climate mitigation	Air Pollution		Raising funds from the European Investment Bank in the amount of \$ 80 million for credit lines to commercial banks to finance exporters and small and medium-sized enterprises through the project "Improving the energy efficiency of industrial enterprises."	80.00	Uzbekistan
Uzbekistan	Neutral/existing infrastructure	Climate mitigation	Air Pollution		Ensuring the rhythmic functioning of utilities and energy enterprises: Attraction of funds of the AIIB in the amount of up to \$ 200.0 million for the implementation of infrastructure projects throughout the country, including high-quality provision of FEZ access to utilities and energy networks.	300.00	Uzbekistan
Uzbekistan	Neutral/existing infrastructure	Climate mitigation	Air Pollution		Attraction of EBRD funds in the amount of up to \$ 100.0 million to support the working capital of utilities and energy enterprises.	100.00	Uzbekistan

Note: The data here contains publicly available sources of information, with a strong emphasis on official documents and statements by governments. Official sources are complemented with expert commentary or media articles as appropriate. In some cases, data was provided by in-country experts.

Exchange rates are based on January – December 2021 averages, as reported on XE Currency Converter, Exchange Rate or information provided through National Central Banks.

Source: OECD EECCA Green Recovery Database

Table 4 List of recovery measures with environmental impact for which no monetary values could be identified

Country	Environmental impact category	Environmental dimension 1	Environmental dimension 2	Environmental dimension 3	Summary description	Funder
Armenia	Positive	Climate			Under the NDC Partnership Plan, a Senior Economic Advisor has been posted to Armenia's Ministry of Economy for a duration of 12 months to support the government with greening Armenia's economic recovery package	Development partners initiative
Armenia	Positive	Biodiversity	Adaptation		Implemented the 15th measure to neutralise the social consequences of COVID-19 designed to create new jobs in the environment sector. Participants were involved in planting local willow tree cuttings along several rivers in the country and fencing off the planted areas.	

Armenia	Positive	Air Pollution			Created a hotline to be used in case of urgent issues related to air emissions and permits for substances that deplete the ozone layer during the lockdown	
Armenia	Mixed	Other			"Implemented the 16th measure to neutralise the social consequences of COVID-19 (February 2020):	
Armenia	Negative	Climate			- Provision of support equal to the amount of 30% of the expenditures for gas consumption from 30 001 to 40 000 AMD and electricity consumption from 10 001 to 25 000 AMD;	
Armenia	Negative	Biodiversity			- Provision of support equal to the amount of 50% of the expenditures for electricity consumption up to 25 000 AMD in the residencies where no gas is available;	
Armenia	Mixed	Waste & recycling	Plastics		- Provision of support equal to the amount of 50% of expenditures for water consumption up to 3 000 AMD"	
Armenia	Positive	Climate	Biodiversity		Reassigned 60 billboards related to environmental protection to the fight against the virus	Development partners initiative
Armenia	Positive	Other			Postponed the program to plant 10 million trees by 10 October 2020 until the end of 2021	Development partners initiative
Armenia	Positive	Water			Issued recommendations to put masks in a plastic bag before disposal to limit the spread of the virus	Development partners initiatives
Azerbaijan	Positive	Air Pollution			Azerbaijan plans to import 300 environmentally-friendly buses that run on compressed natural gas or have hybrid engines to replace old vehicles that contribute to high levels of air pollution in the capital	
Azerbaijan	Positive	Waste & recycling			Azerbaijan included measures to improve solid waste management in the Action Plan designed to mitigate the negative consequences of COVID-19	
Azerbaijan	Positive	Other	Biodiversity		The number of paid public jobs has increased from 38,000 to 90,000. The paid public jobs are organized in the fields of disinfection and rendering social services to sensitive groups, as well as in reconstruction, greening, services to parks, public places and other fields.	
Belarus	Mixed	Other			During the Eastern Partnership leaders' meeting on 18 June 2020 dedicated to overcoming the consequences of the pandemic, Belarus highlighted several priority directions in the partnership, among which was the use of	

					renewable energy and low-emission technologies, as well as the early launch of the nuclear power plant.	
Belarus	Mixed	Other			The Belarusian government postponed the introduction of the tariff for heat supply and gas supply in the presence of individual gas heating devices for the population outside of the labour force. This measure was planned to be introduced on May 1, 2020 and has been postponed by one year due to the financial difficulties of the population as a result of the pandemic.	
Belarus	Negative	Waste & recycling			Put on hold the law-making process on lifting the ban that prohibits the use of reusable containers for packaging purchased products in stores	
Belarus	Positive	Air Pollution			NGO "Ecodom" organised a series of webinars on the relationship between air pollution and mortality from COVID-19 as well as public air monitoring system in Belarus	
Belarus	Positive	Waste & recycling			Centre for Environmental Solutions issued detailed recommendations on how to minimise the ecological footprint when using face masks	
Belarus	Positive	Biodiversity			Revising forestry projects in response to COVID to increase the role of employment generation activities by the World Bank	Development partners initiatives
Georgia	Positive	Climate			EU in cooperation with the Ministry of Environment Protection and Agriculture of Georgia has launched the Green Week Campaign under the slogan "Together for Better Environment". From June 2 to June 8, the Green Week information campaign targeted children, youth and the general public and highlighted the importance of the environment to people and their health.	Development partners initiative
Georgia	Positive	Other			Fully covered utility bills for citizens with low electricity and gas consumption in March, April and May (covered consumption of up to 200 kilowatts of electricity per month and up to 200 cubic meters of gas). This initiative has been extended to November through February for those who had a reduction in income during the pandemic.	
Georgia	Positive	Waste & recycling			Increased fines for pollution with construction and medical waste by 25 times for individuals and by 10 times for legal entities	

Georgia	Positive	Air Pollution			The mayor of Tbilisi proposed to introduce a ban on car travel for two days a week after the end of the national lockdown to prolong its positive environmental effects. The City Hall also installed electric scooters and announced its plans to buy bicycles to be rented by city residents to promote alternative means of transport.
Georgia	Mixed	Water			Several programs to support farmers such as discounted price for diesel fuel, 50% grant for technical equipment, greenhouses, irrigation systems, up to 17% co-financing of loans. One of the programs "Plant the future" provides co-financing purchasing / installation of irrigation system for perennial crops (these crops do not have to be reseeded or replanted every year, they protect soil from erosion and improve soil structure).
Kazakhstan	Positive	Climate	Water		Revision of the Strategic Development Plan 2025, which promotes increasing renewable energy supply, improving water efficiency and reducing GHG emissions priorities to incorporate COVID-19 socio-economic responses. COVID-19 Socioeconomic Response Group led by UNDP and is collaborating with PAGE to ensure that the updated version of the mid-term economic plan of Kazakhstan – the Strategic development plan until 2025 strategy - puts sustainability at the heart of the country's economic recovery. PAGE is also providing technical assistance to redirect emission charges collected at regional level towards economic recovery through greening of SMEs, green jobs creation and access to green technology.
Kazakhstan	Positive	Other			Issued first green bonds and placed them on the Astana International Exchange with the support of UNDP to stimulate investment in renewable projects among SMEs
Kazakhstan	Positive	Other			In April and May, the government provided assistance to more than 1.6 million people with paying utility bills.
Kazakhstan	Mixed	Other			Provided exemptions to producers of gasoline (excluding aviation) and diesel fuel from the payment of excise taxes until 31st of December 2020
Kazakhstan	Mixed	Other			The cost of diesel fuel will be reduced for agricultural producers by 15% of the market price. About 390,000

					tons of diesel fuel will be allocated for this at a reduced price.
Kazakhstan	Negative	Biodiversity			Scientists were not able to conduct the yearly count of critically endangered saiga antelopes, which happens in April. This is important as Kazakhstan is planning to build a "Centre-West" highway, which will pass through the most important habitats and migration paths of saiga antelopes.
Kazakhstan	Positive	Climate	Water	Biodiversity	On September 1, 2020 the President of Kazakhstan Kassym-Jomart Tokayev delivered his annual Address to the Nation ""Kazakhstan in a new reality: time for action"".
Kazakhstan	Positive	Biodiversity			Highlighted protection of national parks and other natural resources of Kazakhstan, as well as to toughen up the criminal and administrative prosecution of citizens who commit offences in this area.
Kazakhstan	Positive	Climate			Emphasized importance of ecological education of the younger generation in schools and universities.
Kazakhstan	Positive	Climate	Waste & recycling		The "Together for a Cleaner Kazakhstan" environmental campaign, designed to strengthen environmental values in society, should be carried out on a systematic basis.
Kazakhstan	Negative	Climate			"Postponed adoption of a new Environmental Code planned for the spring of 2020.
Kyrgyzstan	Positive	Climate			Made a number of proposals including the need to develop a program to swap debt for projects in the field of environment, climate change and green economy during the international forum "High level event on development finance in the coronavirus era and beyond"
Kyrgyzstan	Positive	Adaptation			Continues work on transition to less capital intensive and innovative activities through the concept of Intellectual Economy whose overarching aim is to the shift to a more knowledge-based and diversified economy and reduce dependency of the economy from revenues from the mining sector and migrant remittances.
Kyrgyzstan	Positive	Air Pollution			Urged to revise the items of the Action Plan of Comprehensive Measures to Improve the Environmental Situation in Bishkek City, as well as Sokuluk and Alamudun Districts of Chui Oblast for 2020-2023 and make proposals for setting specific deadlines for their implementation

Kyrgyzstan	Positive	Other			The PM outlined 11 priorities in the work of the Government, which was adapted to account for the impact of the coronavirus pandemic. One of the priorities is to develop and approve the third package of comprehensive measures to restore the economy and its further development in the post-crisis period (strengthening export potential, supporting domestic entrepreneurs, activating the import substitution policy, increasing production of ecologically clean products, creating favorable conditions for doing business, improving state property management).	
Kyrgyzstan	Negative	Other			Extended moratorium on checks by state regulatory authorities (including environmental inspections) until January 1, 2022	Development partners initiatives
Kyrgyzstan	Positive	Other			UNDP is launching projects "Early economic recovery - Recovering together" within the framework of a grant from the Government of Japan, focused on assisting in the creation of jobs, providing advisory and other support to businesses (providing co-financing grant / credit support, supporting business plans that guarantee the preservation of jobs in green economy, sustainable agriculture or in new growth sectors), etc.	Development partners initiatives
Kyrgyzstan	Positive	Biodiversity			The World Food Programme (WFP) continued to carry out projects in villages and remote rural areas during the pandemic. These include tree-planting, canal-recovery work and construction initiatives, which are critical for sustaining livelihoods and supporting the ongoing agriculture season. Participants in these projects receive monthly food assistance in return for their work.	NGO initiative
Kyrgyzstan	Positive	Waste & recycling			Placed 4 containers for medical waste from COVID-19 in the city of Osh	Development partners initiatives
Kyrgyzstan	Positive	Climate			Increasing financing to support poor, rural communities with climate smart agricultural activities for income generation and employment	
Moldova	Positive	Climate			Moldova has launched the National Greening Programme for SMEs on 3 June 2020 to develop the capacity of SMEs in adopting green practices.	
Moldova	Positive	Climate			In order to diminish the negative effects of the pandemic, the Ministry of Economy and Infrastructure started	

					developing a Plan of economic measures tackling Covid-19 crisis. The plan comprises 3 components: 1) actions to reduce the impact on the business environment, 2) economic recovery measures and 3) actions to build economic resilience. The environmental objectives will be cross-sectorially integrated into these recovery policies.	
Moldova	Positive	Climate			Approval of the National Development Strategy "Moldova 2030" in June 2020 which includes promotion of environmental priorities (Chapter 10 - Ensuring the fundamental right to a healthy and safe environment)	
Moldova	Positive	Climate	Air Pollution	Biodiversity	Continues implementation of targeted actions in the field of waste management, extended producer responsibility, green and circular economy promotion, air quality monitoring, industrial emissions reduction, environmental impact assessment and biodiversity conservation in the framework of the commitments assumed according to the Association Agreement Republic of Moldova - European Union and Government Action Plan for 2020-2023.	
Moldova	Positive	Climate	Adaptation		The Minister of Agriculture presented a project concerning the creation of a National Commission on Climate Change. The goal of the project is to create an effective institutional instrument for coordination, monitoring, verification and reporting in the field of climate change mitigation and adaptation of social sectors and the economy of the Republic of Moldova.	
Moldova	Positive	Climate			UN in Moldova has developed a Socio-Economic Response and Recovery Plan that includes environmental provisions	Development partners initiatives
Moldova	Positive	Climate			UNDP aims to form "green" alliances with international financial institutions and other UN agencies to put the issue of the transition to a green economy high on the Government's agenda	Development partners initiatives
Tajikistan	Positive	Climate			An economic advisor will be posted to Tajikistan in the framework of the Economic Advisory Initiative of the NDC Partnership.	Development partners initiatives
Tajikistan	Positive	Climate			Held a seminar on environmental challenges of Tajikistan and the COVID-19 pandemic in Dushanbe	
Tajikistan	Positive	Climate			Held a meeting to develop a draft of a new program on ecological education and training	

Tajikistan	Mixed	Other			Until the end of 2020, in order to reduce production costs of enterprises and prevent rising prices for domestic products, paid services to the population and inflation, postpone consideration of the increase in tariffs for services, including electricity, water, irrigation, communications and utilities.	
Tajikistan	Positive	Climate			UN has developed a COVID-19 Socio-Economic Response & Recovery Plan that includes environmental provisions to be embedded within national strategies	Development partners initiative
Tajikistan	Positive	Water			UN WFP launched Cash for Work projects to support 15,000 vulnerable people affected by the socio-economic shocks caused by the COVID-19 pandemic. The projects provide participants with cash assistance for three months in exchange for their work on rehabilitating irrigation canals, drinking water supply systems and forestry areas in the targeted communities.	Development partners initiative
Tajikistan	Positive	Water			UNDP introduced a sustainable drinking water supply system in Laboba village within the Water, Sanitation and Hygiene (WASH) project	Development partners initiative
Turkmenistan	Positive	Climate			Developed an Immediate Socio-Economic Response Plan containing five pillars in collaboration with UN Turkmenistan. The third pillar specifically focusses on providing support to SMEs and informal sector workers and includes maintaining "green" practices in agriculture.	Development partners initiative
Ukraine	Positive	Water			Included "Water supply, sewerage, waste management" as one of the priority economic activities of the State Program of Economic Stimulation to Overcome the Negative Consequences of Restrictive Measures to Prevent the Occurrence and Spread of Acute Respiratory Disease COVID-19 Caused by SARS-CoV-2 Coronavirus for 2020-2022.	
Ukraine	Positive	Climate	Air pollution		Conducted an online championship for children to create their version of the world after the pandemic. One of the nominations included carbon-free city, which offers energy efficient solutions for the functioning of the world	
Ukraine	Positive	Air Pollution	Climate		The number of cyclists in the capital increased by 2.5 times during the lockdown. In order to extend this effect after the lockdown's end, the city authorities will continue developing Kyiv's cycling infrastructure by increasing the	

					number of bicycle lanes and expanding the Nextbike bicycle rental network.	
Ukraine	Positive	Climate			A petition for a Green Course - a program of action to address climate and social injustice: creating green jobs, fair conditions and wages, equal access to medicine and education, transition to "green" energy - has been started in Ukraine in reaction to the COVID-19 pandemic	
Ukraine	Negative	Climate			The Government of Ukraine has developed a draft Economic Stimulus Program to overcome the effects of the COVID-19 pandemic. However, it does not contain any provisions for green recovery and continues the course towards increasing activities of the extractive industries. Moreover, one of the anti-crisis measures is a ban on setting inflated national targets for reducing CO2 emissions. Several organisations such as HEINRICH BÖLL FOUNDATION, NGO Ecoaction and Ukraine Climate group have asked the government to address this issue.	
Ukraine	Negative	Waste & recycling	Plastics		Issued recommendations to put masks in one and/or two plastic bags before disposal to limit the spread of the virus	
Ukraine	Negative	Air Pollution			Transferred the funds dedicated to the purchase of air quality monitoring system to the fund to fight the coronavirus	
Ukraine	Negative	Other			Cancelled public hearings related to the Law "On Environmental Impact Assessment" that were scheduled during the quarantine	
Ukraine	Negative	Climate			Cut the budget for the Energy Efficiency Fund by UAH 1.6 bln. The project started in 2018 and was designed to help reduce energy costs, improve living conditions and reduce greenhouse gas emissions in Ukraine.	During the pandemic, UNDP used the network of coordinators of the Fund to launch an educational campaign about the danger of COVID-19.
Ukraine	Negative	Climate			On April 13, the law "On Amendments to the Law of Ukraine" On the State Budget of Ukraine for 2020" was	

					adopted to address the effects of the spread of COVID-19, which reduces the cost of energy efficient and environmental measures by 96% and at the same time increases funding for the coal industry. During the meeting of the Verkhovna Rada Committee for Environmental Policy and Environmental Management on April 23, an issue was raised on the need to return money for environmental protection back to the budget.	
Ukraine	Negative	Biodiversity			Reissuance of the Red and Green Books, which include the list of endangered species was postponed due to the funds allocated to the fund directed to combating the COVID-19 pandemic.	
Ukraine	Positive	Other			Resource Efficient and Cleaner Production Centre (RECP) carried out a survey to understand how COVID-19 affected manufacturing enterprises and what kind of support they need to restore operations and improve economic and environmental performance	Development partners initiatives
Ukraine	Positive	Water			UN OCHA has revised the Humanitarian Response Plan to incorporate responses to COVID-19 with a particular focus on provision of clean water and sanitation facilities.	Development partners initiatives
Uzbekistan	Positive	Adaptation			To overcome the socio-economic consequences of the pandemic, the President instructed to develop an industrial policy strategy that provides for the transfer of modern technologies, increasing energy efficiency and competitiveness of industries	
Uzbekistan	Mixed	Water			The following measures were put in place by the Presidential Decree No. UP-5969 "On priority measures to mitigate the negative impact of coronavirus pandemic and global crisis to the economic sectors" from 19 March 2020: Reduction of tax rates by 50% for the use of water resources for irrigation of agricultural land between 1 april and 1 july 202	
Uzbekistan	Mixed	Climate	Air Pollution		Exemption from paying land and property taxes for businesses engaged in tourism and hospitality, including Uzbekistan Airways JSC and its structural divisions, Uzbekistan Airports JSC and Aeronavigation Center State Unitary Enterprise	

Uzbekistan	Mixed	Climate	Air Pollution		JSC "National Bank of Uzbekistan"—the main financing bank of JSC "Uzbekistan airways"—is provided a new debt repayment schedule for its maturing debt of USD 111 million in 2020 (with the suspension of debt payments for 2020). Related to this, negotiations were made with foreign creditors of Uzbekistan Airways JSC to review the conditions for the repayment of loans and payments on them	
Uzbekistan	Mixed	Water			Imposing interest on property tax, land tax and tax for the use of water resources, as well as enforcement of tax debt collection in relation to businesses experiencing temporary hardships has been suspended	
Uzbekistan	Mixed	Water			Businesses have been provided with tax deferral (installment) plan for the due payments of property tax, land tax and tax for the use of water resources without any interests applied for a six-month period based on relevant application	
Uzbekistan	Positive	Other			UNDP launched projects to improve awareness on COVID-19 in the environmentally vulnerable areas in the Aral Sea region	Development partners initiatives
Uzbekistan	Positive	Climate			Integrating climate and green growth policy reforms in development policy lending supporting COVID fiscal challenge	Development partners initiatives