



The World Wide
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Ref. No. 68 dated May 12, 2020

Attn: Prime Minister
of the Russian Federation
Mikhail Mishustin

On proposals for ensuring the sustainable development of the economy upon overcoming the crisis caused by the pandemic

Dear Mikhail Vladimirovich:

With regard to your order dated April 29, 2020, requesting the Ministry of Economic Development, the Ministry of Finance, and the Ministry of Labor and Social Protection as well as other interested federal executive bodies to develop a national action plan to restore employment, income, and economic growth and submit it to the Government by May 25, WWF-Russia would like to point out the fact that the sustainable development of our country is impossible without ensuring the balance between the conservation of its natural ecosystems and economic development. When setting long-term goals and developing solutions, the Government should put in place a number of mandatory measures that would ensure economic growth, social welfare, and environmental security. Measures with the highest priority include the following:

1. Preserving and ensuring the enforcement of the existing environmental legislation in terms of environmental protection; environmental supervision and control; enforcement of environmental requirements for mining and industrial enterprises; adherence to environmental impact assessment procedure that includes the public discussion of new projects when deciding on their implementation. If environmental requirements were to be weakened in order to achieve the short-term economic benefit, the scale of the subsequent environmental and social losses would exceed the short-term gain tenfold, entailing additional costs and social tension. The negative environmental and socioeconomic consequences of lifting environmental requirements, such as the lack of environmental impact assessment in relation to alluvial gold extraction, are already evident in many regions of Siberia and the Russian Far East.

2. Ensuring the transparency and reliability of data provided to the citizens of the Russian Federation on the state of the environment, measures for its protection, and the environmental impact of enterprises. Access to environmental information is not only a constitutional right guaranteed to all citizens but also a tool for informing the public about the results of measures taken by the Government to improve the environment. In this regard, we consider it necessary to finalize and adopt draft federal law No. 735006-7 "On Amendments to the Federal Law 'On Environmental Protection' and Certain Enactments of the Russian Federation" by the end of 2020, thus ensuring the implementation of subclause 3 of clause 1 of List of Assignment of the President of the Russian Federation No. Pr-140GS dated January 24, 2017. Adopting laws aimed at improving environmental impact assessment as well as introducing strategic environmental assessment mechanisms.

3. Developing a business incentive system in the field of environmental investment (beyond the obligations stipulated by law). One of such incentives may be the option to treat the expenditures associated with the implementation of environmental projects as an expense—this would allow attracting funding to projects that are essential to the conservation of natural resources and the restoration ecosystems but lack budget financing.

4. Adopting a Low Carbon Development Strategy that would not only set the goal of reducing greenhouse gas emissions but also ensure the effective management of forests and wetlands as CO₂ absorption systems in 2020. The adoption of this basic document will result in the establishment of sectoral development strategies and improvement of the mechanism for introducing the best available technologies. Of utmost urgency is the need to abandon coal-fired power generation in large cities as soon as possible, transitioning to more environmentally friendly sources of energy, such as natural gas or already existing hydropower plants.

5. Developing and implementing economic incentives for energy efficiency projects (reduction of relative volumes of electric and thermal energy consumption) and measures for the introduction of renewable energy sources, both at the level of large businesses and at the level of municipalities and separate households. Such support can be provided in the form of government-subsidized targeted loans as well as other mechanisms.

6. Ensuring¹ a systematic elimination of subsidies to fossil fuel extraction² since not only does its use pose a threat to natural ecosystems, but it also makes the

¹ <https://www.oecd.org/fossil-fuels/publication/OECD-IEA-G20-Fossil-Fuel-Subsidies-Reform-Update-2019.pdf>

² According to our estimates and the estimates of the Analytical Center for the Government of the Russian Federation, annual subsidies to the Russian oil and gas industry amount to approximately USD 10 billion.
https://wwf.ru/upload/iblock/57c/fossil_fuel_studies_russia_rus.pdf <https://ac.gov.ru/news/page/analiticeskij-centr-provel-analiz-gosudarstvennogo-subsidirovania-v-energeticeskoj-sfere-v-stranah-g20-4816>

economy more dependent on the sector that international investors³ are increasingly withdrawing their assets from.

7. Taking an inventory of oil production projects causing high social and environmental tensions in relation to the implementation of the OPEC+ agreement on limiting oil production. In the future, it is necessary to prioritize the removal of such facilities from operational activities.

8. Developing and adopting economic and governance measures to support the sectors of the economy that are engaged in recycling. One of the solutions may be the improvement of the government procurement system—namely, the use of environmental and social significance indicators, including prioritizing the procurement of products that contain recycled resources or resources obtained from sustainable sources⁴.

9. Providing support to such sectors of the economy as renewable energy, green construction, electric vehicles and low carbon transport, sustainable agriculture, waste processing, and all aspects of the circular economy. The implementation of projects in the field of green economy has a greater potential in terms of creating new jobs⁵ than the industries of the traditional fuel and energy sector. Green economy allows more efficiently utilizing the potential of local communities in carrying out economic activities.

We urge the Government to support the sectors of the economy that contribute to the transition to sustainable development of our society when setting long-term goals for the post-pandemic period of overcoming the effects of the crisis and beyond.

The World Wide Fund for Nature is willing to share the estimates and findings of its experts for the development of the national action plan to restore employment, income, and economic growth.

Managing Director

Piotr Gorbunenko

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³ <https://350.org/category/topic/divestment/>

⁴ <https://wwf.ru/resources/publications/booklets/gosudarstvennye-zelenye-zakupki-opyt-pravovogo-regulirovaniya-i-predlozheniya-po-vnedreniyu-v-rossii/>

⁵ <https://wwf.ru/resources/publications/booklets/desyat-priznakov-togo-hto-zelenaya-ekonomika-nabiraet-khod/>