

THE EVOLUTION OF ENVIRONMENTAL AUDITING IN UKRAINE

Anna Ruban

Central European University, Hungary

Environmental policy shapes the future tendencies and ways of the regulation and govern environmental issues. According to McCormick environmental policy is defined as “any action deliberately taken to manage human activities with a view to prevent, reduce, or mitigate harmful effects on nature and natural resources, and ensure that man-made changes to the environment do not have harmful effects on humans” (McCormick 2001:21). To realize and regulate these activities different instruments of environmental policy have evolved and used around the world. Policy instruments are seen as “a set of techniques used by the executive power of a country to implement its policies” (Ryden and Karlsson 2012). Environmental auditing is one of such tools, which was developed in the 1970s in North America, “as management tool to examine and evaluate the compliance of facilities and operations with (increasingly numerous and complex) environmental laws and regulations” (Hunt and Jonson 1995:70) and then spread to the United Kingdom (UK), continental Europe and around the world. Environmental audit is a flexible tool of environmental policy that includes different stages of planning, risk assessment, testing, evaluating, concluding and reporting stages (Collier 1995).

The concept of environmental auditing is rather new for Ukraine while it has been widely used in developed countries for more than 40 years. The main document, which regulates environmental audit in the country, is the Law of Ukraine “About Environmental Audit”, which was adopted in 2004. However, in the Union of Soviet Socialist Republics there was no environmental auditing legislation at all (Mishchenko and Grycuk 2008). At that time there was no necessity for environmental audit as other tools were used for controlling hazard pollutants and protection of the environment, such as environmental impact assessment and different emission standards and limits. In addition, environmental audit could not play the same role in the USSR as in Ukraine now. There were several peculiarities if the establishment of environmental auditing concept in the country. Firstly, the change of property ownership is one of the reasons of establishing environmental audit in Ukraine, but in the mid-1980s there was only governmental ownership for all plants and factories. Secondly, there was no environmental insurance of industries, which is necessary during different business transactions nowadays as it helps to insure possible risks of any industrial activity. Thirdly, after Ukraine got independence, it became attractive for foreign investors, who wanted to know the impact on the environment of the factory or plant.

In Ukraine there were many problems that created a need for national environmental audit, such as: an increase of emergency situations and anthropogenic impact on the environment; changing of property ownership (privatization) and searching

for responsibilities of past environmental contamination and preventing economic losses in the future and the restriction of environmental legislation (Volosko-Demkiv 2013). Environmental audit as an environmental management tool helps to meet several goals such as environmental protection; improving the environmental performance of the company and decreasing impact on the environment; increasing company's competence on the market; and covering investments risks (Mishchenko and Grycuk 2008). Two classifications of environmental audit are presented in Ukraine. Firstly, it can be mandatory or voluntary. If a company initiates an environmental audit on its own and chooses any environmental auditor and criteria. It calls a voluntary environmental audit.

There were different conditions for creation and various ways of implementation of environmental audit in Ukraine and in the international practices. However, it is an important instrument of environmental policy, which is used for governing environmental issues. The Ukrainian environmental regulation faces many challenges not because of bad legislation but because of the weak practical implementation of laws due to legal mechanisms and administrative function of regulatory authorities (UNDP Ukraine 2007). Furthermore, the unstable leadership of key ministries is a major obstacle to the systematic implementation of the principles of sustainable development, environmental policy and European integration (UNDP Ukraine 2007). A development of the "State Environmental Policy for the period till 2020" in 2007 was a fundamental step for establishing a current environmental policy and future plans in Ukraine. Sustainable development is the main goal of this strategy, where environmental policy is a fundamental basis. Integrating the environmental component should be mandatory in all areas of economic activity for the environmentally sustainable development of the country (State Environmental Policy for the period till 2020 2007). The strategic course of Ukraine's integration with the European Union necessitates the introduction of environmental management systems in enterprises. Environmental certification, standardization, and environmental audits are usually components of these codes.

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