



“PLANS FOR AN ETS IN UKRAINE”

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Protection and Natural
Resources of Ukraine**

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UKRAINE IN INTERNATIONAL CLIMATE FRAMEWORK

- ❑ Ukraine is Annex 1 Party to **UNFCCC** since 1996
 - ❑ Ukraine is Annex B Party to **Kyoto Protocol** with special status of Economies in Transition since 2004
 - ❑ Ukraine is a Party to **Paris Agreement** starting from September 19, 2016
 - ❑ Ukraine is a Contracting Party of **Energy Community**
 - ❑ Ukraine is a Signatory and Contracting Party of **Energy Charter Treaty**
 - ❑ Ukraine has signed **Association Agreement European Union** in 2014
 - ❑ Ukraine is a candidate for accession to the **European Union**
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NATIONAL CLIMATE CHANGE FRAMEWORK

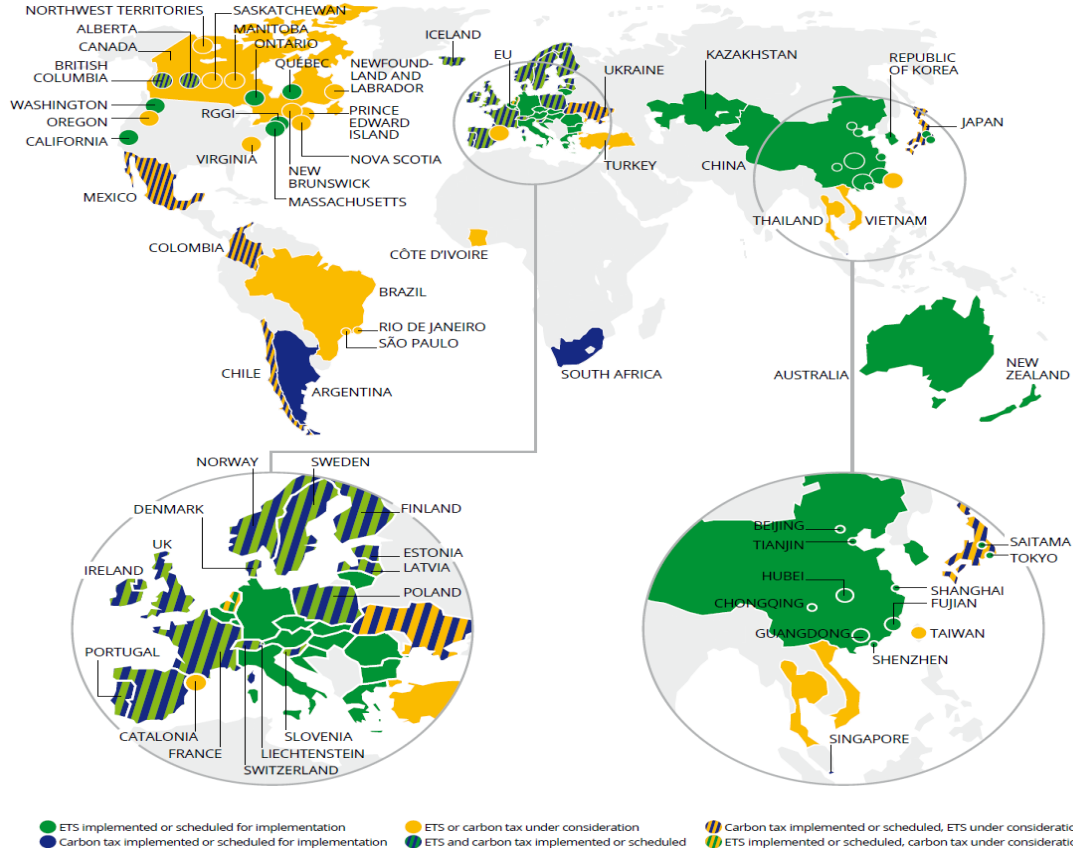
ADOPTED LEGISLATION:

- State Climate Change Policy Concept till 2030
- Action Plan on implementation of State Climate Change Policy Concept till 2030
- Low emission development strategy of Ukraine till 2050
- Updated NDC of Ukraine till 2030
- Energy Strategy of Ukraine until 2035
- National economic strategy till 2030
- National Transport Strategy of Ukraine until 2030
- Law of Ukraine “On monitoring, reporting and verification of GHG emissions”
- Law of Ukraine “On ozone depleting substances and fluorinated GHGs”

UNDER DEVELOPMENT :

- Framework Climate Law
- Action plan for Updated NDC of Ukraine
- National energy and climate plan till 2030
- National action plan on energy efficiency till 2030
- National action plan on renewable energy till 2030

INTERNATIONAL DRIVERS FOR ETS IN UKRAINE



PARIS AGREEMENT

DEVELOPMENT AND IMPLEMENTATION OF NDC, IMPLEMENTATION OF MARKET AND NON-MARKET MECHANISMS



EU-UKRAINE ASSOCIATION AGREEMENT

IMPLEMENTATION OF DIRECTIVE 2003/87/EU ESTABLISHING A SCHEME FOR GHG EMISSION ALLOWANCE TRADING

EU GREEN DEAL - CONTEXT UKRAINE



EUROPEAN GREEN DEAL – an economic development program of the EU that aims to transform Europe into climate-neutral continent by 2050

As an external factor for countries it creates both opportunities and threats – thus the governments need to **formulate its priorities**, in a way to address them, and **create the mechanisms** to work on them.

DIALOGUE WITH THE EU

Initiate a structured and regular dialogue with the EU as a mechanism for early involvement of Ukraine in the development and implementation of the Green Deal policies.

THE ROADMAP

Develop a comprehensive Roadmap for Ukraine, including short-term actions and long-term goals.

SHORT TERM ACTIONS - priority initiatives to be implemented by Ukraine and the EU within 1-2 years, considering the current state of the Ukrainian economy, implementation and updating of the relevant Annexes to the Association Agreement. **LONG- TERM GOALS** - principles and goals of the policy on joint transition to a green economy with appropriate financial instruments and investments.

IMPLEMENTATION

Should be carried out with financial planning at the level of State budget of Ukraine, as well as within the existing and new European funds, institutions and other available instruments.

UA ETS DEVELOPMENT APPROACH

EFFECTIVE PRE-ETS MRV SYSTEM IS AT THE HEART OF ENSURING THE ENVIRONMENTAL INTEGRITY OF FUTURE ETS

EFFECTIVE SYSTEMS FOR MRV OF GHG EMISSIONS EARLY IN THE PROCESS OF ETS DEVELOPMENT CAN SUPPORT LATER COMPLIANCE ASSESSMENT.

ROBUST MRV CAN ENSURE ACCOUNTABILITY AND TRANSPARENCY OF ETS, HELP BUILD TRUST IN THE SYSTEM AND ALLOW MARKET PARTICIPANTS TO PLAN AHEAD.



LACK OF COMPLIANCE AND OVERSIGHT IN ETS MAY THREATEN BASIC FUNCTIONALITY OF THE MARKET, WITH HIGH ECONOMIC STAKES FOR ALL PARTICIPANTS.

EFFECTIVE MARKET OVERSIGHT CAN ENABLE THE MARKET TO RUN EFFICIENTLY AND PROMOTE TRUST BETWEEN MARKET PARTICIPANTS.

ESTABLISHMENT OF MRV SYSTEM



LAW OF UKRAINE On Monitoring, Reporting and Verification of GHG Emissions

CABINET OF MINISTERS DECREES

- ✓ on types of activities covered by MRV system
- ✓ on procedure for monitoring and reporting of GHG emissions
- ✓ on procedure for verification of GHG emissions reports



DESIGNATED COMPETENT AUTHORITY AND ITS ORDERS

MINISTRY OF ENVIRONMENTAL PROTECTION AND NATURAL RESOURCES OF UKRAINE

- ✓ on procedure for registration
- ✓ on approval of templates for MP, ER and other
- ✓ on procedure for MRV registry
- ✓ methodological recommendations for GHG emissions

CHANGES TO MRV LEGISLATION CAUSED BY WAR

PROVISIONS BEFORE WAR:

OPERATOR

- register in the system
- submit monitoring plan for approval by CA
- submit verified emissions report to the CA by 31 March

COMPETENT AUTHORITY

- approve registration (10 working days)
- approve monitoring plans (20 working days)
- accept verified emissions reports (20 working days)

AMMENDMENTS DURING WAR:

operators may submit verified emission reports within three months after the termination or cancellation of martial law for the entire period of the obligation to submit documents

during period of martial law the deadlines for the provision of administrative services by the subjects of their provision are suspended and they will be renewed within a month after the termination or cancellation of the martial law in the relevant territory of Ukraine.

During the period of martial law and within three months after its termination, **administrative and/or criminal liability shall not apply** to operators of installations for failure to submit or late submission of operator reports.

During the period of martial law **any checks regarding the timeliness and completeness of operator reports are not carried out** by the authorized bodies.

STATUS OF MRV OPERATION

	Period from 01.01.2021 to 01.12.2021	Period from 01.01.2022 to 31.03.2023	Total through all period
NUMBER OF REGISTERED INSTALLATIONS	424 INSTALLATIONS 136 OPERATORS	58 INSTALLATIONS 19 OPERATORS	482 INSTALLATIONS 151 OPERATORS
NUMBER OF APPROVED MONITORING PLANS	65	267	332
NUMBER OF ACCEPTED EMISSION REPORTS	0	108	108

INITIAL DRAFT PLAN UA ETS BEFORE WAR

**MRV
LAUNCH
STARTING
JANUARY 1,
2021**

**FIRST VERIFIED
EMISSIONS
REPORTS,
ESTIMATED
NUMBER OF
INSTALLATIONS
1200**

**OBTAINING
RELIABLE
DATA FROM
MRV SYTEM
FOR AT
LEAST 3
YEARS**

**ADOPTION
OF UA ETS
LEGISLATION
INCLUDING
UPDATE OF
MRV
LEGISLATION**

2021

2022

2023

2024

2025

**PREPARATION
FOR UA ETS,
IMPROVEMENT
OF EXISTING
CO2 TAX**

- ✓ DEVELOPMENT OF NATIONAL ALLOCATION PLAN
- ✓ DEVELOPMENT OF GHG EMISSION PERMITS SYSTEM AND AUCTIONING RULES
- ✓ CAPACITY BUILDING AND DIALOGUE WITH STAKEHOLDERS



KEY PRINCIPLES FOR UA ETS ESTABLISHMENT

1
UA ETS SHOULD BE BUILT ON THE BASIS OF MRV DATA FOR AT LEAST 3 YEARS

2
EXISTING INSTRUMENTS AND POLICIES (CARBON TAX) SHOULD BE ADDRESSED

3
INTERNATIONAL OBLIGATIONS AND CONTEXT SHOULD BE TAKEN INTO ACCOUNT

Implementation of UA ETS should be based on long-term forecasting of economic, social and ecological impacts



WHAT IS IMPORTANT AT THE BEGINNING

APPLY AN APPROACH WITH MAXIMUM POSSIBLE APPROXIMATION TO EU LEGISLATION

TAKE INTO ACCOUNT NATIONAL CIRCUMSTANCES

EFFECTIVE INVOLVEMENT OF ALL STAKEHOLDERS IN THE PROCESS OF DEVELOPING THE LEGISLATIVE FRAMEWORK

TAKE INTO ACCOUNT EXISTING TOOLS FOR REDUCTION OF GHG EMISSIONS

TAKE INTO ACCOUNT INTERNATIONAL CLIMATE CHANGE INITIATIVES AND OBLIGATIONS

OBTAIN RELIABLE AND VERIFIED DATA ON GHG EMISSIONS FOR A CERTAIN PERIOD





THANK YOU!