



National Environmental Investment Agency of Ukraine

Ukraine DFP

Natalie Kushko
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Kyoto Protocol

Ukraine signed the Kyoto Protocol on March 15, 1999 in New York City. It was ratified by Ukrainian Parliament on February 4, 2004.

For economic stimulation of GHG emissions reduction the Kyoto Protocol offers flexible mechanisms. Two of them are relevant for Ukraine:

1. **JOINT IMPLEMENTATION PROJECTS** (Article 6 of KP);
2. **EMISSIONS TRADING** (Article 17 of KP).



Ukraine's inventories (Mt CO₂ eq.)

Sector	1990	1995	2000	2001	2002	2003	2004	2005	2006
1. Energy generation	685,49	387,79	271,69	268,23	274,76	288,83	285,83	294,41	305,11
2. Industry process	126,92	62,68	81,52	82,43	83,69	88,58	91,39	91,54	97,17
3. Solvents and other products	0,38	0,37	0,35	0,35	0,35	0,35	0,34	0,34	0,34
4. Agriculture	100,80	62,34	32,75	35,05	34,98	30,15	30,44	29,79	30,45
5. LULUCF (net absorption)	-66,94	-	-	-	-	-	-	-	-
		60,33	50,91	42,47	40,06	48,98	35,75	-29,46	32,63
6. Waste	8,43	8,55	8,68	8,79	8,95	9,06	9,18	9,59	10,12
Total (with net absorption from LULUCF)	855,07	461,41	344,09	352,39	362,67	367,97	381,44	396,21	410,56
Total (without net absorption from LULUCF)	922,01	521,73	395,00	394,85	402,74	416,95	417,19	425,67	443,18



Eligibility criteria compliance

- Initial report submitted by Ukraine on December 29, 2006, revised according to the revision procedure of UNFCCC Secretariat.
- Total Assigned Amount Units (AAUs) are calculated - 4,626,819,872 t C O₂-eq. Emissions in the base year 1990 were 920,837 Mt of C O₂-equivalent.
- National system for estimating GHG is in place.
- The Second National communication and the Report on progress achieved are prepared.
- National electronic registry is operational since October 28, 2008 after successful connection with ITL (Go-live process)
- The National Environmental Investment Agency of Ukraine– the only Designated National Authority under Articles 6, 17 in Ukraine.

On April 29, 2008 UKRAINE MET ALL ELIGIBILITY CRITERIA UNDER THE KYOTO PROTOCOL



General legislation

- The law of Ukraine «On ratification of the UNFCCC»;
- The law of Ukraine «On ratification of the Kyoto Protocol»;
- The order of the Cabinet of Ministers of Ukraine of August 18, 2005 №.346-р «On approval of the National plan of measurements for implementation of the Kyoto Protocol to the United Nations Framework Convention on Climate Change»;
- The decree of the President of Ukraine of 12/09/2005 №.1239/2005 «On coordinator of the measures for commitments fulfillment under the United Nations Framework Convention on Climate Change and the Kyoto Protocol to the United Nations Framework Convention on Climate Change»;
- Regulation of the Cabinet of Ministers of Ukraine of 22 February 2006 №.206, as amended on 20 August 2008 by the Decree of the Cabinet of Ministers of Ukraine №.718 «On approval of the procedure of drafting, review, approval and implementation of Projects aimed at reduction of anthropogenic emissions of greenhouse gases»
- Regulations of the Cabinet of Ministers of Ukraine of April 10, 2006 г . №.468 «On procedure of the coordination of the measures for the fulfillment of commitments of Ukraine in accordance with the United Nations Framework Convention on Climate Change and the Kyoto Protocol to it»;



General legislation (continued)

- Regulations of the Cabinet of Ministers of Ukraine of April 21, 2006 №.554 «On approval of the Procedure of functioning of the national system for estimation of anthropogenic emissions and absorption of greenhouse gases, which are not regulated by the Montreal protocol on substances that deplete the ozone layer»;
- Regulations of the Cabinet of Ministers of Ukraine of July 30, 2007 №.977 «On approval of the Statute on the National Environmental Investment Agency of Ukraine»;
- Regulation of the Cabinet of Ministers of Ukraine of 22 February 2008 №.221 «On approval of the procedure of review, approval and implementation of GIS Projects during the period of commitments under Kyoto Protocol to UNFCCC»;
- Regulations of the Cabinet of Ministers of Ukraine of April 17, 2008 №.392 «On provision of the fulfillment of the international commitments of Ukraine under the United Nations Framework Convention on Climate Change and the Kyoto Protocol to it»;
- Regulation of the Cabinet of Ministers of Ukraine of 28 May 2008 №.504 «On creation and operation of National Electronic Register of Anthropogenic Emissions and Absorption of Greenhouse Gases»;
- Regulation of the Cabinet of Ministers of Ukraine of 20 August, 2008 №. 718 “On introduction of changes to the Regulations of the Cabinet of Ministers of Ukraine No. 206 dated February 22, 2006”



JI Projects in Ukraine – Current Situation (as of June 10, 2010)

JI Projects	Quantity
JI Projects submitted to the Agency/Ministry	174
Letters of Endorsement issued	174
Letters of Approval issued	40
JI Projects approved by JISC (track 2)	10
JI Projects approved by the Agency (track 1)	14
Estimated Emission Reductions in million tonnes CO ₂ eq. for 2008-2012	167,16



National JI Specific Elements

- **Early Credits** - *operational since late 2008*
- **Collateral** – using AAUs as collateral to secure project and political risks and to attract investment to JI projects

All AAUs transactions are authorized and supervised by Cabinet of Ministers of Ukraine



National Legislation

JI PoA

- Cabinet of Minister Decree No. 206 requires update in order to allow PoA JI projects to become operational in Ukraine
- Identifying the project owner is the key issue
- There are already PoA JI applications in the Agency

GHG Draft Law

- New draft law No.5425 on GHG has been registered



AIEs Current Issues

- Legal entity registration in Ukraine
- Track 1 specific procedures – access to documents
- National AIE Accreditation Procedures
- New methodologies under Track 1 – CCS, etc.
- New Verification Protocol - duration
- National Inventory and JI projects balance
- Materiality Concept



JI Procedural Issues

JI Track 2 registration at JISC issues

- legal aspects – contract with JISC
- Fee payment basis

JI Track 1 documentation

- Modalities of communications form
- JI Verification Report Form
- JI Determination Report Form

JI projects changes during implementation



JI Procedural Issues

JI projects changes during implementation Track 1 & 2

- Grid factor changes
- Project size changes
- Project timeframe changes
- Change of monitoring protocol
- Multiplication of project activity – PoA?

Determination and Verification Timeframe

Additionality concept



Thank You

National Environmental Investment Agency of Ukraine (NEIA)

35 Urytskogo Str., Kyiv, 03035, Ukraine

tel.\fax +38 (044) 206-33-11

E-mail: neia@menr.gov.ua

www.neia.gov.ua

