



National
Environmental Investment
Agency of
Ukraine

JI post 2012 - Issues to Consider View from Ukraine

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JI Project Activity in Ukraine

- **Track 2** Procedure is used in Ukraine since 2006
- Ukraine has already fulfilled eligibility requirements to implement JI Projects under **Track 1** Procedure
- Ukraine is currently developing legal framework to regulate activities under **Track 1** Procedure
(particularly the new edition of Decree No.206 was approved in August 20, 2008 and entered in force in September 1, 2008)

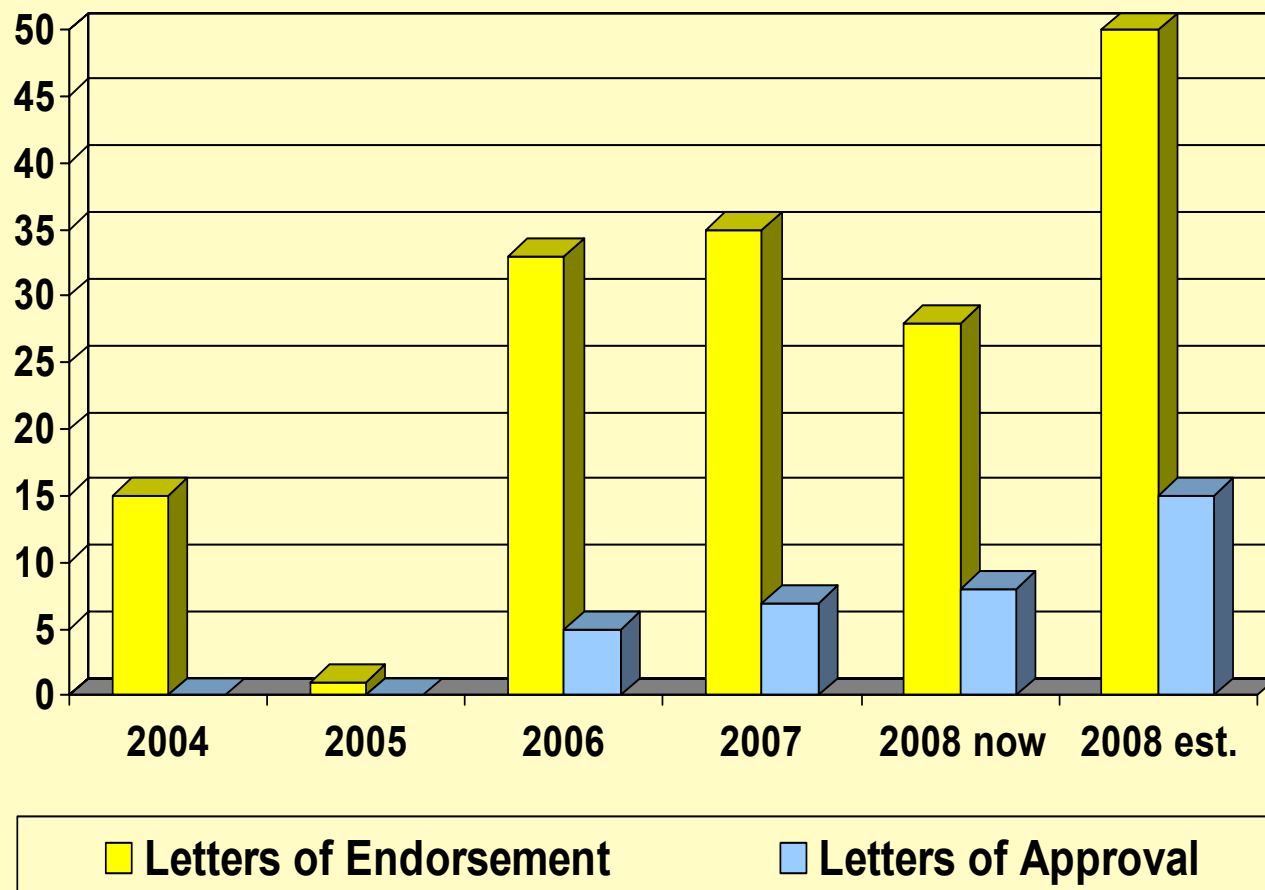


JI Projects in Ukraine – Current Situation (as of September 8, 2008)

JI Projects	Quantity
JI Projects submitted to the Agency/Ministry	129
Letters of Endorsement issued	112
Letters of Approval issued	20
JI Projects made publicly available through the Secretariat	29
JI Projects approved by JISC	2
Estimated Emission Reductions in million tonnes CO ₂ eq. for 2008-2012	123,4



JI Projects Endorsement & Approval



JI Projects Types

#	Sectors/source categories	Number of JI projects	Estimated reductions in million tonnes CO ₂ eq. for 2008-2012
1	Energy	71	101,2
1.1	<i>Fuel combustion</i>	52	57,6
	Energy efficiency at manufacturing facilities	9	17,9
	Utilization of flue gases in manufacturing processes	11	16,5
	Reconstruction and rehabilitation of the thermal power plants and district heating systems	20	7,8
	Switch from wet-to-dry process in cement production	4	6,2
	Reconstruction of the thermal electric power plants	5	4,3
	Construction of the wind electric power plants	1	3,1
	Rehabilitation of the hydro electric power plants	2	1,8
1.2	<i>Fugitive emissions from fuels</i>	19	43,6
	Reduction of leakage from natural gas district transportation pipelines	8	22,5
	Utilization of coal mine methane	11	21,1

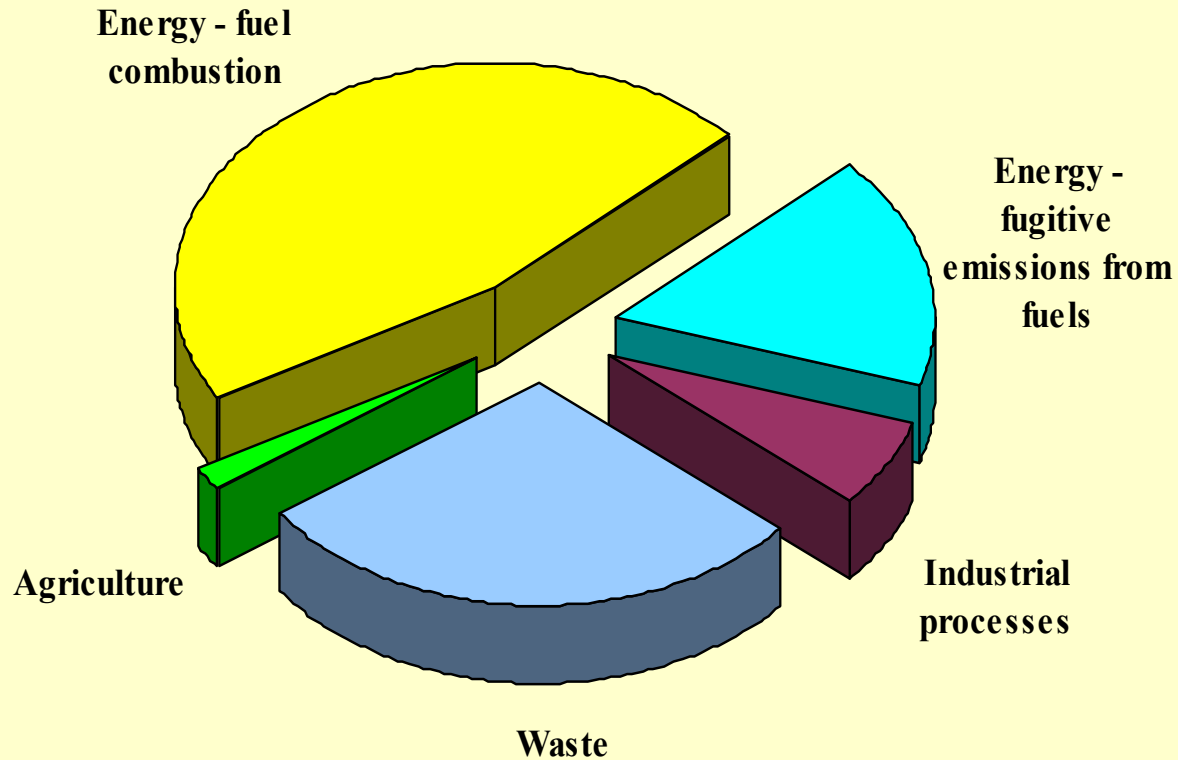


JI Projects Types (continued)

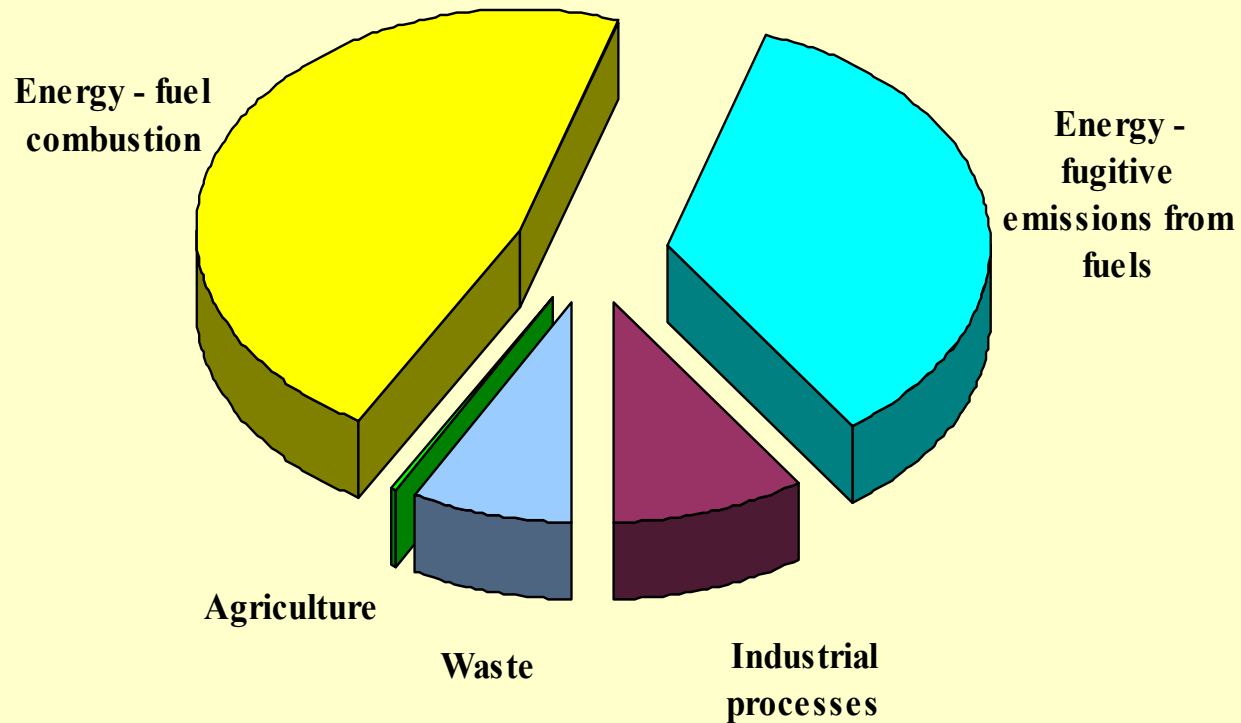
#	Sectors/source categories	Number of JI projects	Estimated reductions in million tonnes CO ₂ eq. for 2008-2012
2	Industrial Processes	7	12,2
	Nitrous oxide abatement in nitric acid production	4	7,4
	Energy efficiency at industrial facilities	3	4,8
3	Agriculture	2	0,5
	Utilization of manure methane	2	0,5
4	Waste	32	9,7
	Utilization of landfill methane	24	7,6
	Utilization of vegetal waste	8	2,1
	Total	112	123,6



Number of JI Projects by Sectors



Estimated Emission Reductions by Sectors



Main Difficulties in JI Project Development Process

- Lack of understanding of JI requirements on the side of project owners
- Project structure is complex (e.g. Project boundary encompasses a number of emission sources)
- Application of new baseline and monitoring methodologies (in most cases unique methodologies or combination of approved by the CDM Executive Board methodologies are used)
- Monitoring plan is not always in accordance with the JI Guidelines requirements
- Poor understanding of additionality and lack of experience in its demonstration



Some Suggestions

- Application of baseline and monitoring methodologies either approved by CDM Executive Board or already used in approved JI Projects
- Avoid application of new methodologies for JI Projects providing for modernization simultaneously with the increase of production capacity under Track 2 Procedure
- Avoid complex-structure JI Projects (Track 2) or ensure the Project yields absolute emission reductions
- Pose none of the above two limitations on Track 1 Procedure
- Provide clearer and more comprehensive guidance to AIEs
- Introduce requirement to obtain Letter of Approval from non-host Party at the stage of final determination of JI Project
- Not to change the PDD form, instead introduce a **voluntary notification** about deviation from approved CDM methodologies



JI post 2012 – Issues for Discussions

Ukraine considers it necessary to continue activities under JI mechanism in the next commitment periods

- To increase investment attractiveness of new JI Projects and JI Projects with long operational lifetime, it is necessary to adopt a decision to recognize emission reductions generated post 2012 under these Projects as instrument of fulfilling commitments post 2012
(Ukraine introduced an option for JI Projects under Track 1 Procedure with long operational lifetime to deposit defined amount of AAUs aiming to carry over them to the next commitment period)
- Not to allow under Track 2 Procedure methodologies allowing for increase of production capacity, under Track 1 Procedure in this case use only ones approved by CDM Executive Board or JISC (introduce new JISC function)



Some Issues For Stake-Holders

- Addressing to JISC: after positive final determination of JI Project the NEIA expect to receive the corresponding official notification from JISC
- Suggestion to Secretariat +JISC + ITL: to arrange a workshop with DFPs of all Parties to discuss issues related to:
 - 1) Track 1 issues
 - 2) Track 2 issues
 - 3) Allocation and reflection of AAU in the National Registers
- Information for AIEs:
 - NEIA issues Letter of Approval only upon receipt of final versions of PDD and determination report
 - AIEs are eligible to operate in Ukraine also under Track 1 Procedure



Thank You

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