State Environmental Investment Agency of Ukraine

Ukraine's mitigation policy: current state and perspectives

Oleksii Khabatiuk

Head of the GHG Inventory Division

State Environmental Investment Agency of Ukraine

Durban, South Africa

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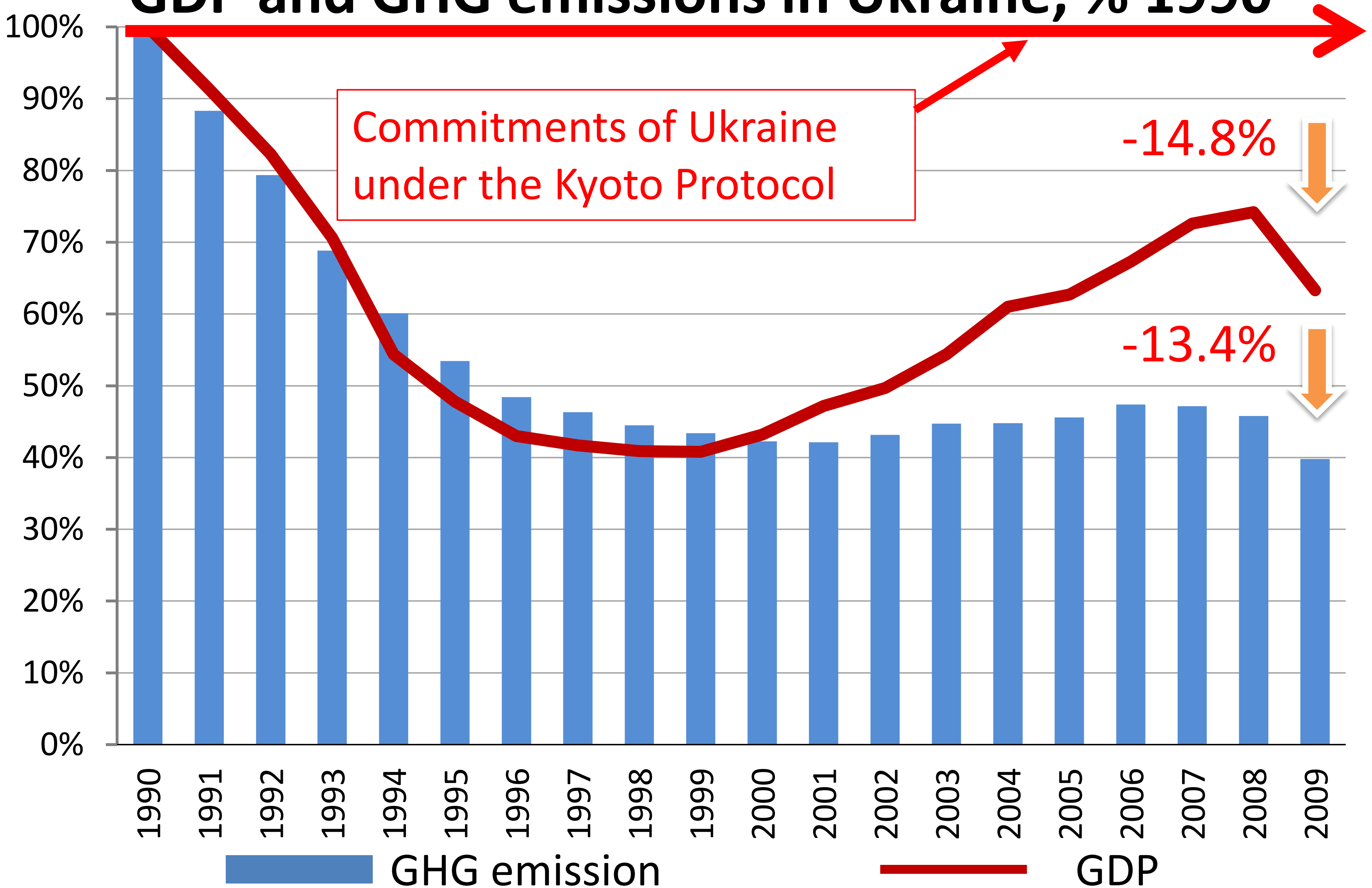
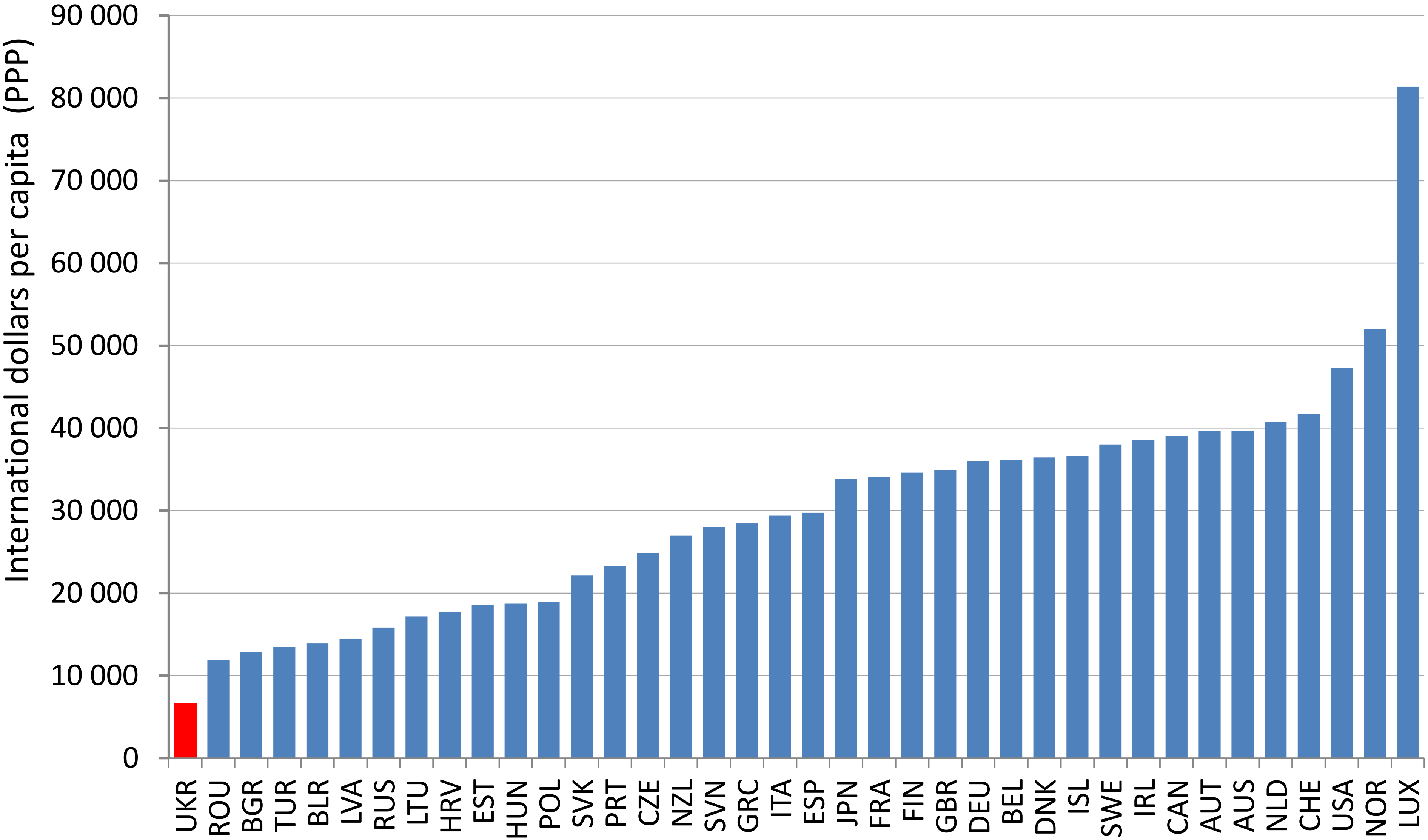
GDP and GHG emissions in Ukraine, % 1990



Source: GHG Inventory of Ukraine, 2011 & The State Statistics Service of Ukraine

GDP per capita in Annex I Parties



Source: IMF

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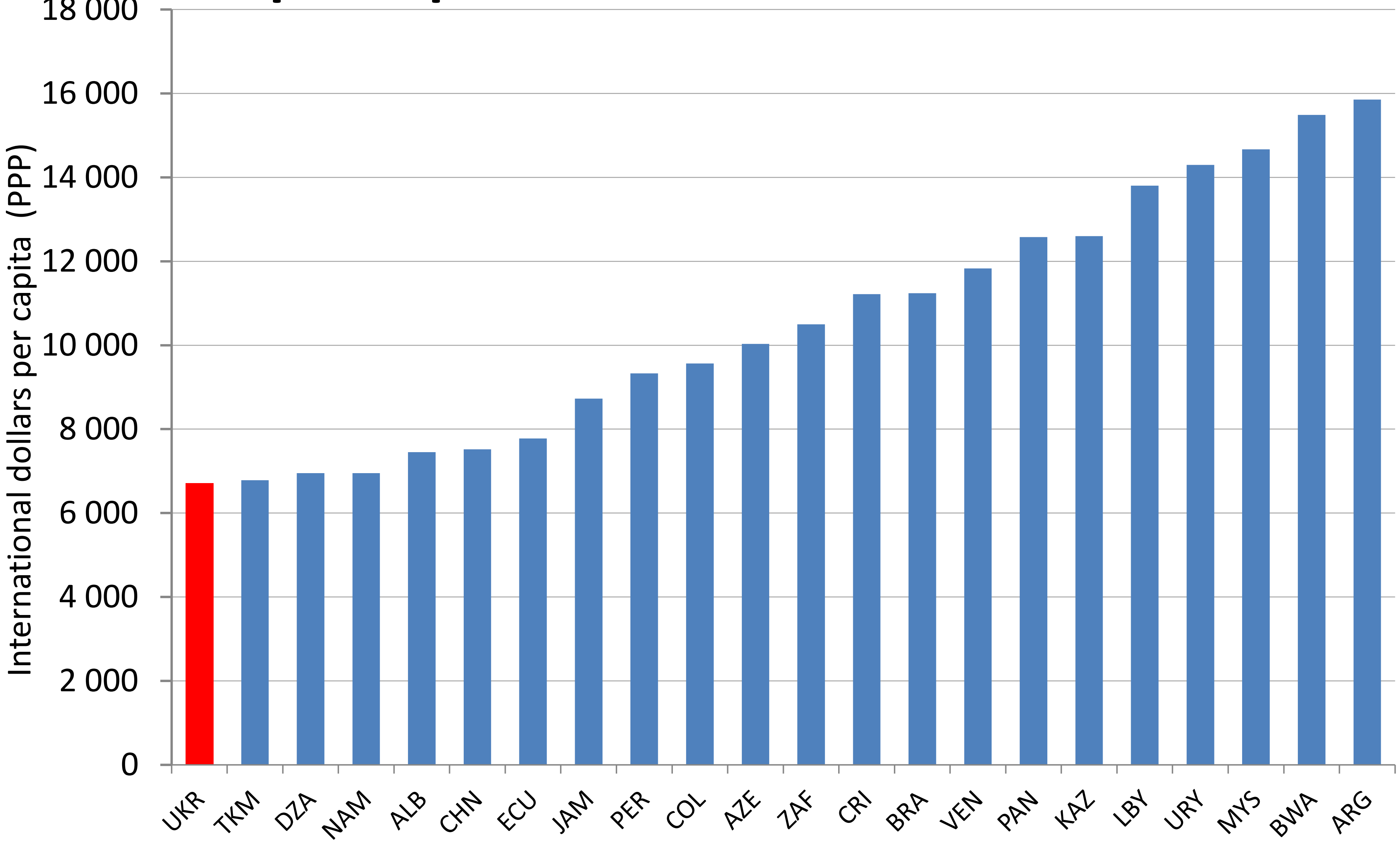
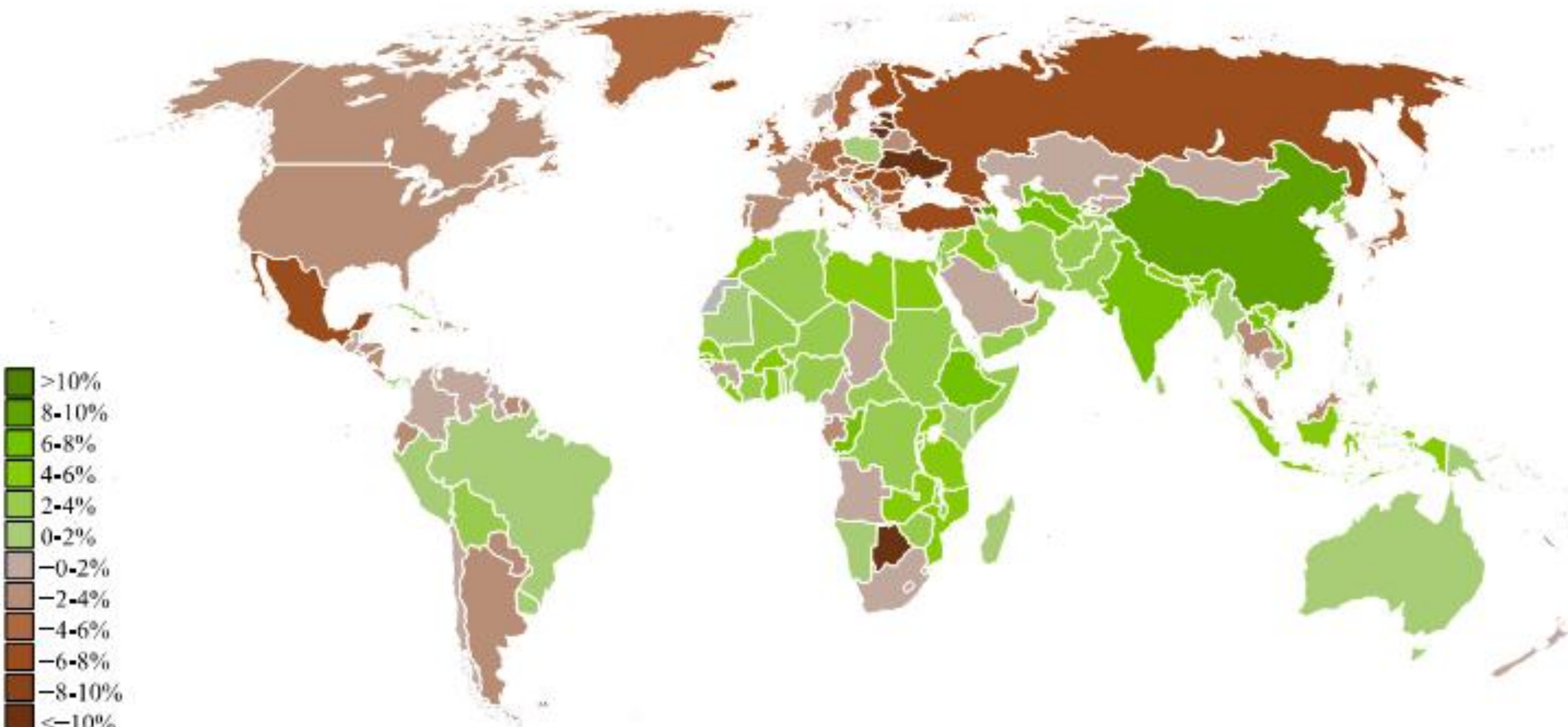
GDP per capita in some non-Annex I Parties



Source: IMF

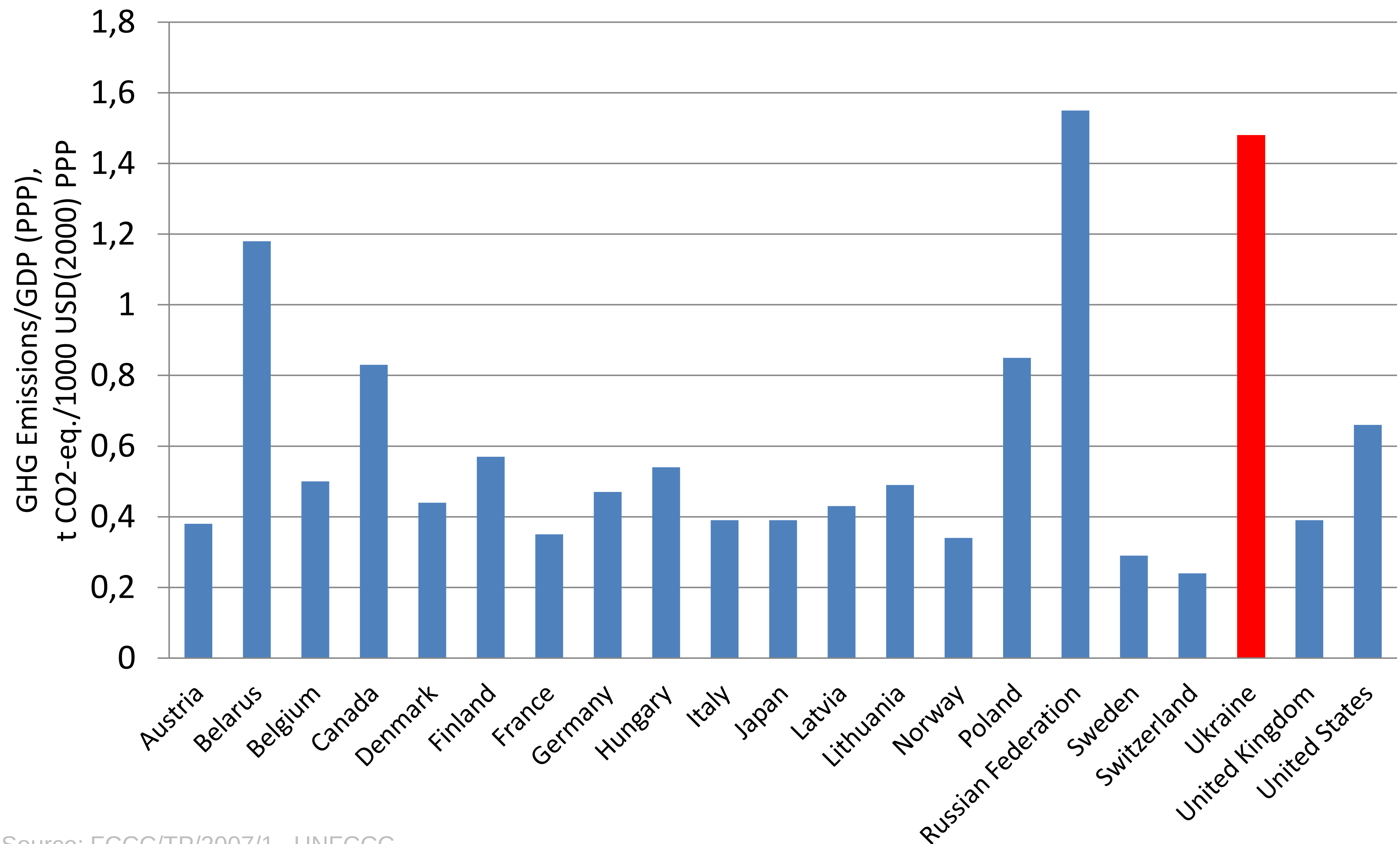
Ukraine was one of the countries with the most negative GDP growth in 2009



Negative GDP growth of Ukraine in 2009 – minus 14.8 %

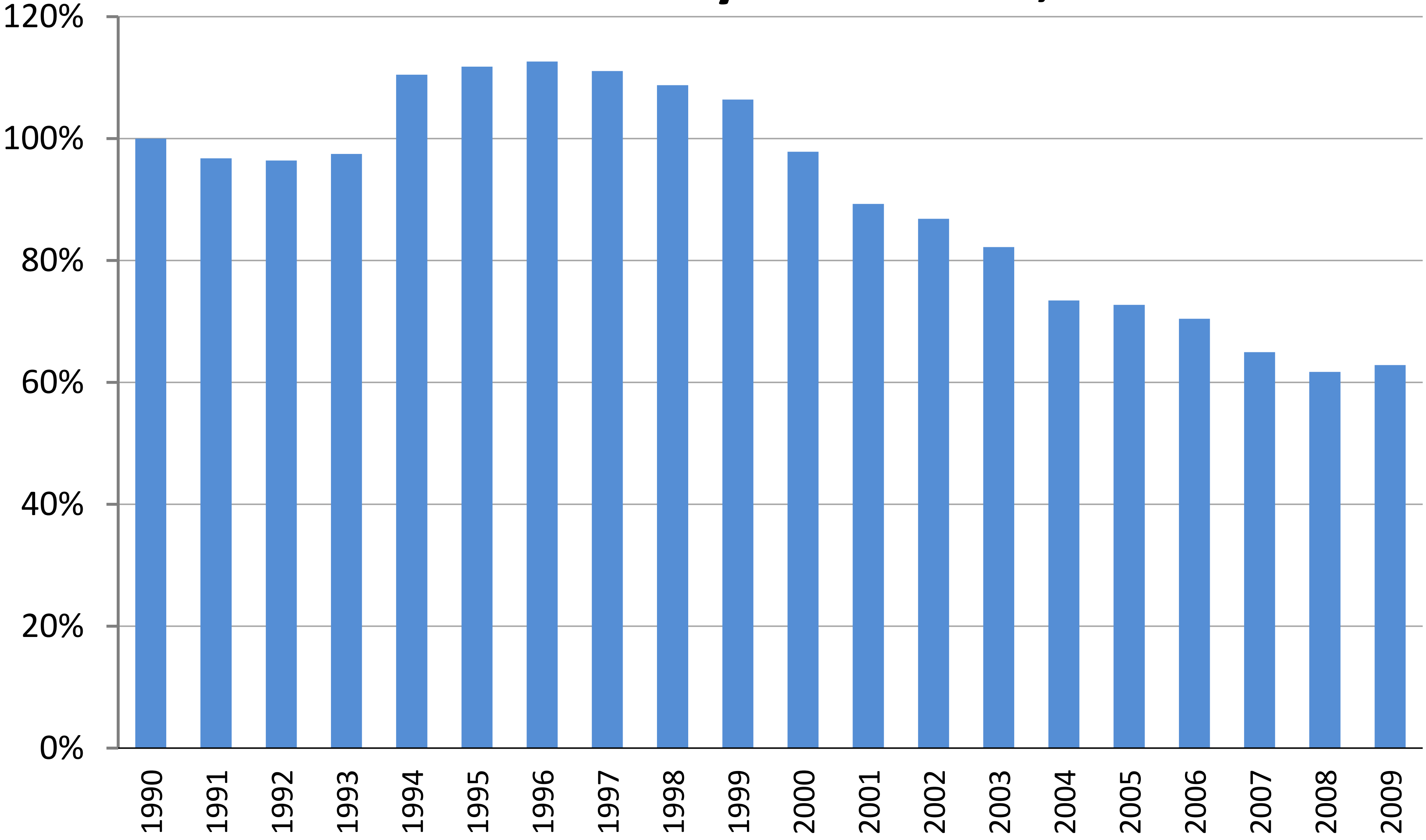
Source: The World Factbook, CIA

GDP Carbon intensity



Source: FCCC/TP/2007/1 , UNFCCC

GDP carbon intensity of Ukraine, % 1990



Source: calculated based on data from GHG Inventory of Ukraine, 2011 & The State Statistics Service of Ukraine, 2011

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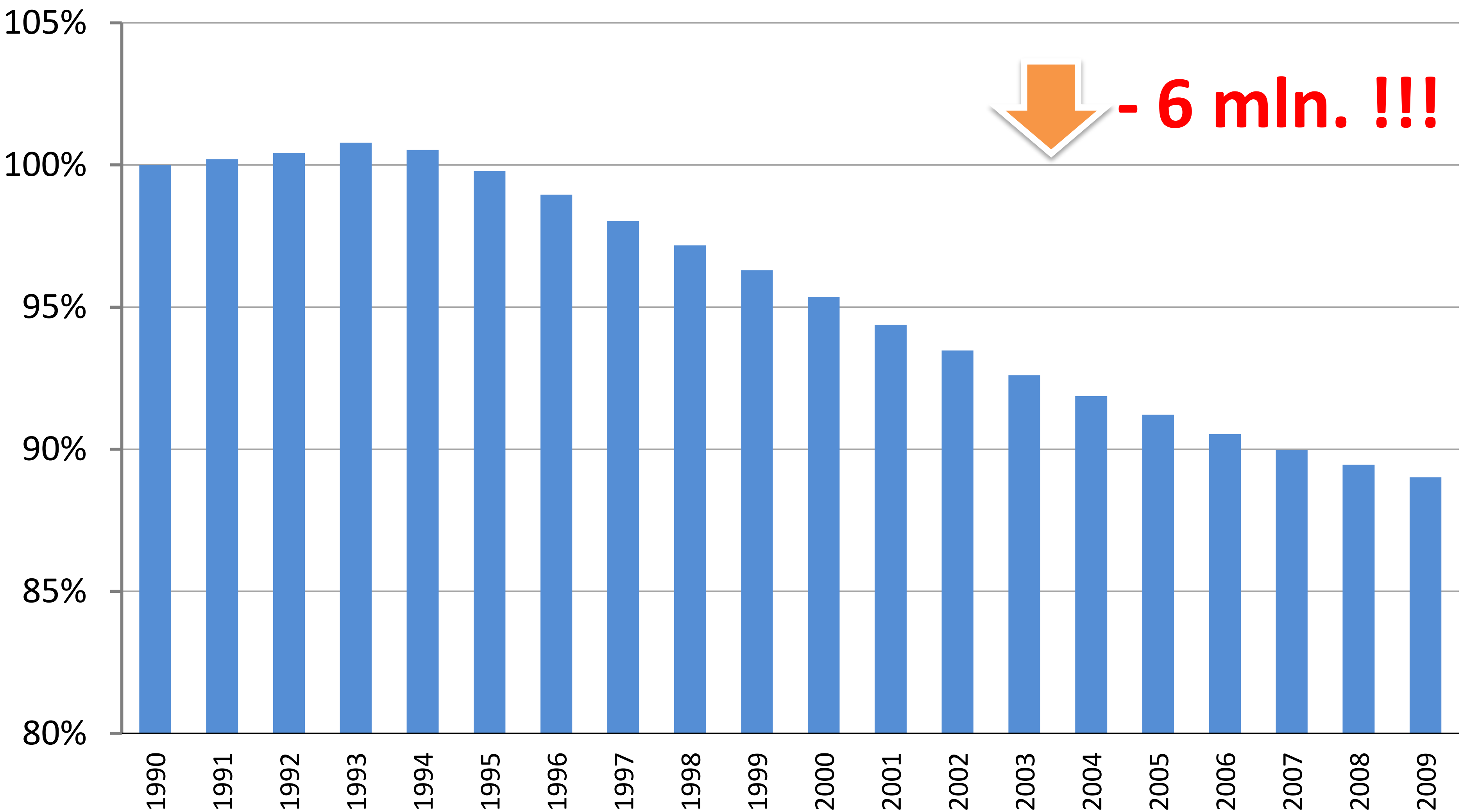
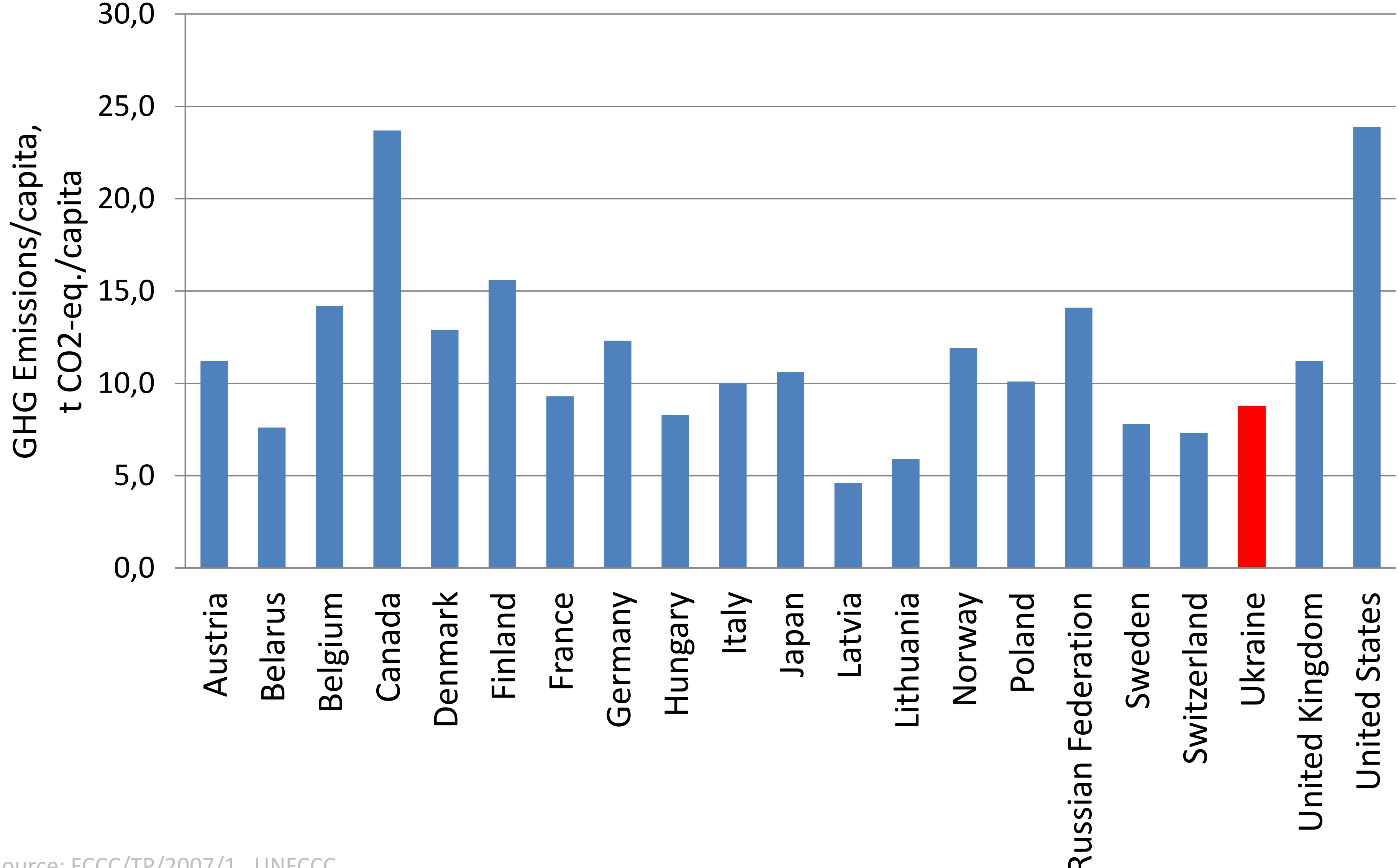
Population of Ukraine, %1990



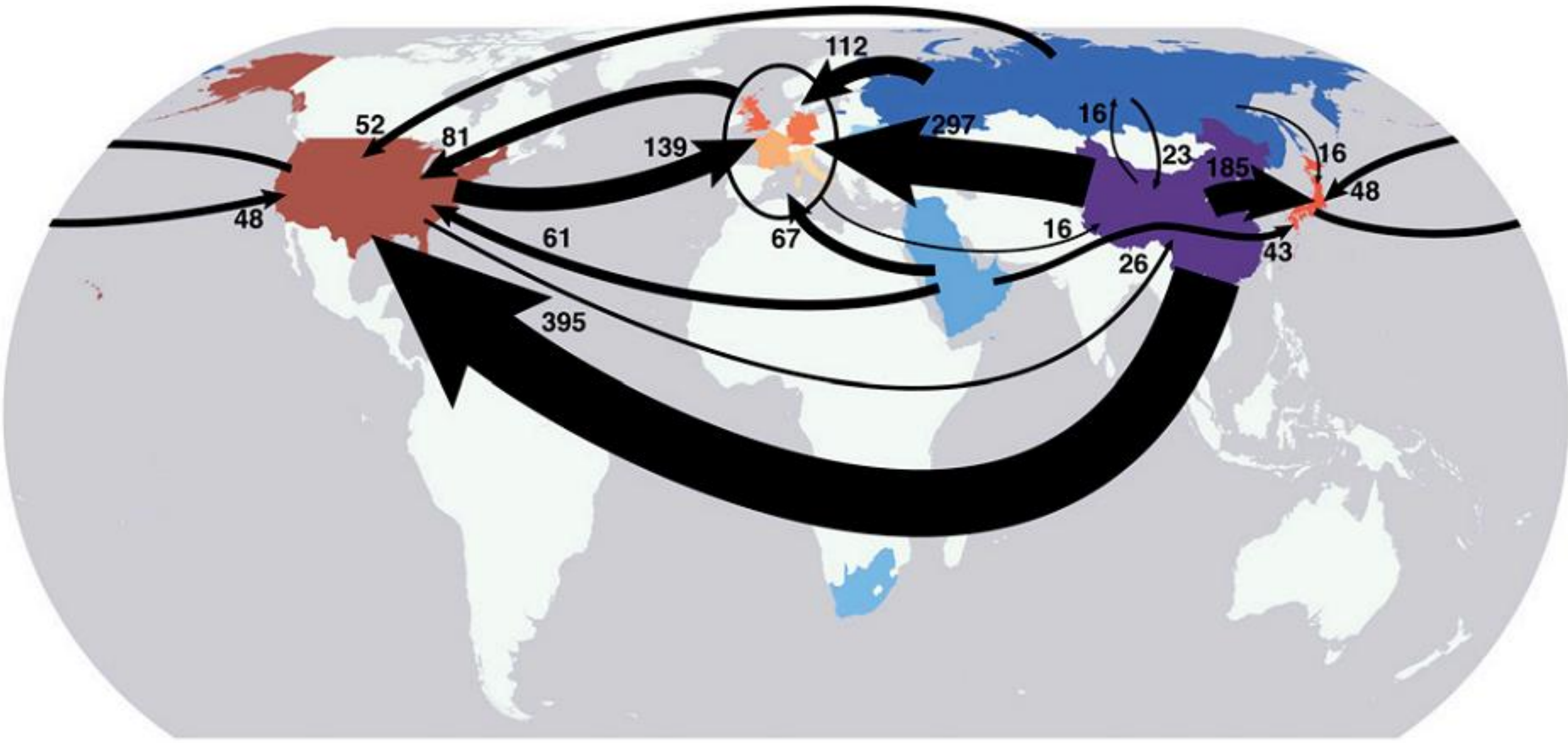
Source: The State Statistics Service of Ukraine, 2011

GHG emission per capita



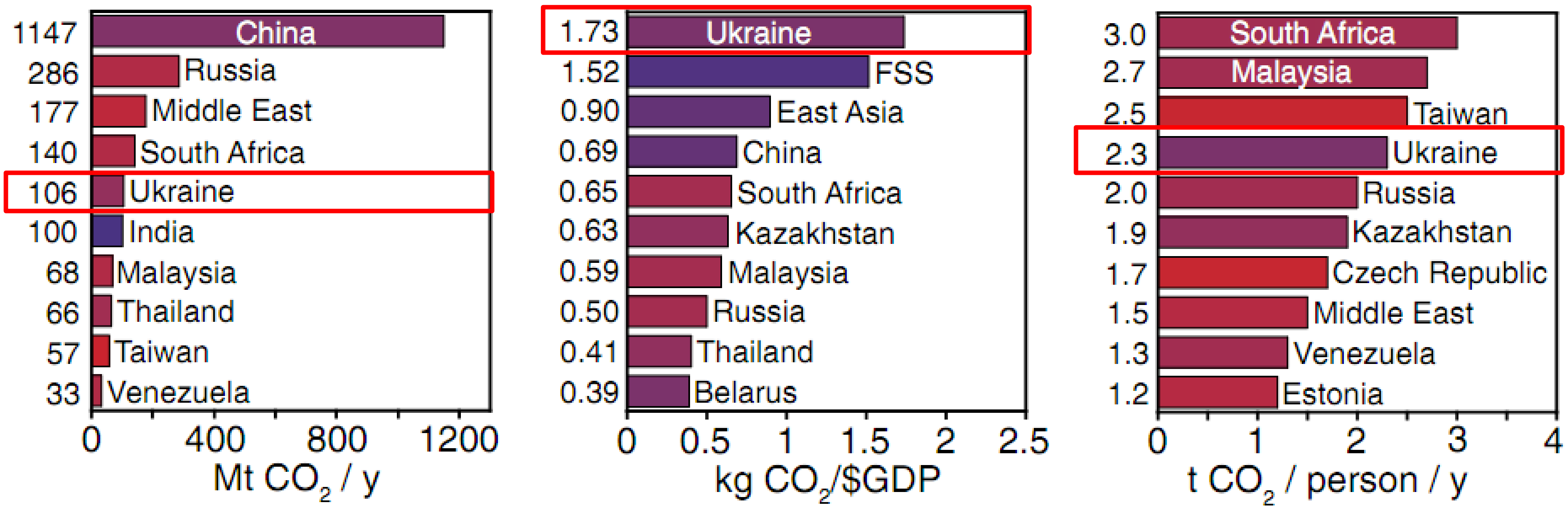
Source: FCCC/TP/2007/1 , UNFCCC

Flows of GHG emissions embodied in trade



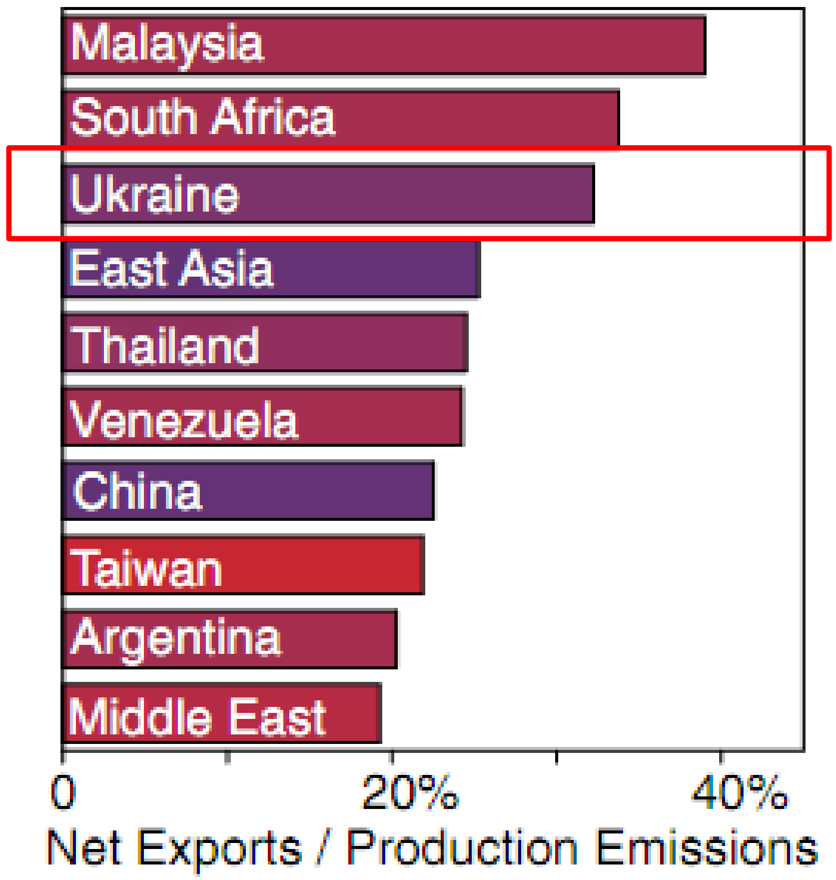
Source: Steven J. Davis and Ken Caldeira, Carnegie Institution of Washington, 2010

Net Export of GHG Emissions



Source: Steven J. Davis and Ken Caldeira, Carnegie Institution of Washington, 2010

Net Export / Production Emission



Source: Steven J. Davis and Ken Caldeira, Carnegie Institution of Washington, 2010

The 2020 Strategy of National ecological policy of Ukraine (adopted on Dec.21, 2010)

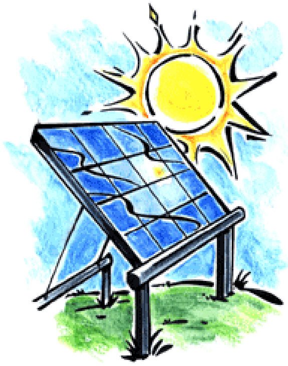
- **The main aim is**
  – Increase the number of energy sources with low CO_2 emission by:
    - 10 % till 2015
    - 20 % till 2020

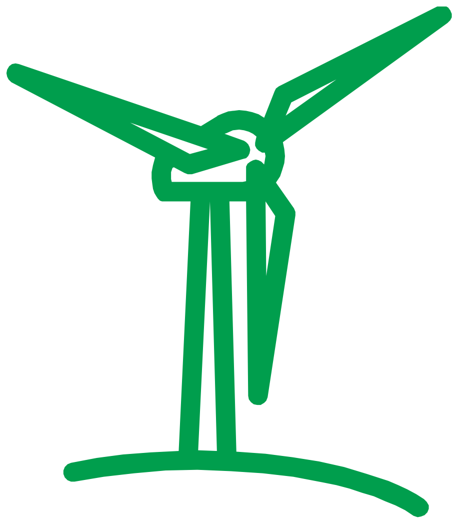
State policy in emissions reduction – implicit impacts

- Support of renewable energy sources development
  - «Green tariffs» (feed-in tariffs) – the Law of Ukraine «On Electricity»
  - Tax benefits – Tax Code of Ukraine (profit tax, VAT, land tax)
  - Customs privileges – the Law of Ukraine «On Common Customs tariff»
- Energy efficiency support
  - putting the tariffs (prices) for energy supply to an economically sound level
  - Tax and customs privileges (see above)

Strategy aims achievement mechanisms

- The Law of Ukraine "On Electricity" provides for "Green Tariffs" for the electricity from the renewable sources (art.17-1):
  - Wind power (К=1,2-2,1)
  - Solar power (К=4,4-4,6)
  - Biomass energy(К=2,3)
  - Small hydropower plants (К=0,8)





Strategy aims achievement mechanisms (continuation)

- Tax Code of Ukraine (entered into force on Jan.01, 2011):
  - VAT exemption for import of:
    - Devices and equipment **using the alternative fuels**
    - Equipment for **alternative fuels production**
  - Profit tax exemption for biofuel producers, the combined heat and power producers , as well as of **heat from biofuels producers**

Strategy aims achievement mechanisms (continuation)

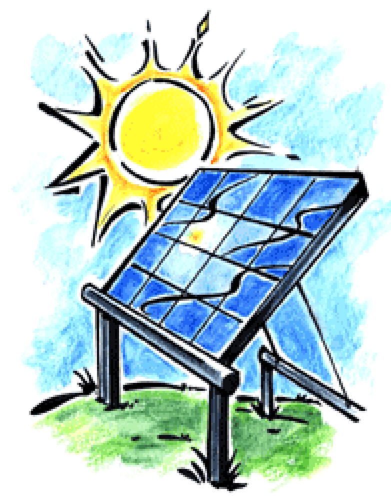
Tax Code of Ukraine (entered into force on Jan.01, 2011) :

- **Surcharge exemption** for CHPs and renewables electricity
- **Profit tax exemption** for renewables electricity
- **Decrease by 75 % of tax for land**, situated under the equipment generating renewable electricity
- **Decrease of rental payment** for the land used for renewables electricity power generation

Strategy aims achievement mechanisms (continuation)

Tax Code of Ukraine (entered into force on Jan.01, 2011) :

- Excise tax exemption for **bio-ethanol production**
- The possibility of issuance of tax anticipation bills for **bio-fuel producers**
- Tax discount for re-equipped **bio-fuel powered vehicles**
- Promotion of **domestic bio-ethanol producing** via increasing the excise taxation for import of high level content of bio-ethanol in gasoline

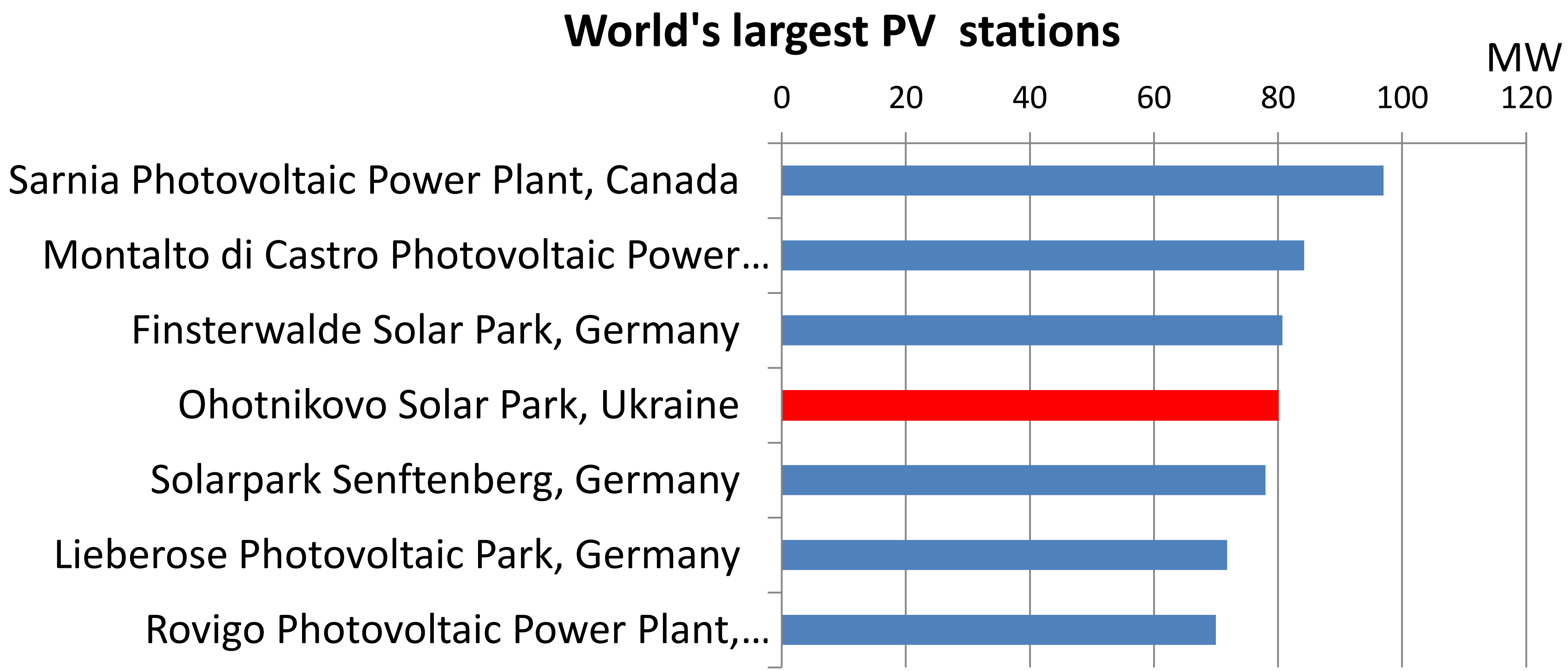


Strategy aims achievement mechanisms (continuation)

- Starting from Jan.01, 2011 the Ecological tax applies for the following GHG emissions:
  - ***Carbon dioxide*** (CO_2)
  - ***Methane*** (CH_4)
  - ***Nitrous oxide*** (N_2O)

The positive outcomes of the National policy aimed at renewables generation support

- Okhotnikovo PV station with 80 MW capacity - the 4th global largest PV station has been put into operation in 2011.



Okhotnikovo Solar Park

Перспективы

- Разработка концепции низкоуглеродного развития экономики
- Внедрение рыночных механизмов стимулирования снижения выбросов ПГ – рынок торговли выбросами

Objectives of Low-Carbon Planning

- Mitigation of GHG emissions without posing threats to the country’s socio-economic development
  - A new paradigm of development
  - A growth driver promoting:

- creation of ‘green’ jobs’

- implementation of green technologies

- expansion of clean energy consumption

Формування внутрішього вуглецевого ринку

- Визначити середньострокові та довгострокові цілі
- Визначити правила функціонування ринку
  - сферу поширення правил ринку (scope)
  - предмет торгівлі
  - правила розподілу дозволів (лімітів) на викиди (NAP)
  - власне правила ринку, як набору операцій з одиницями
  - стандарти моніторингу, звітності та перевірки даних про викиди (MRV)
  - санкції (penalties)

Формування внутрішього вуглецевого ринку (продовження)

- Забезпечити функціонування ринкової інфраструктури
  - Реєстр одиниць
  - Реєстр установок (джерел викидів)
  - Інститут верифікаторів
- Розширення можливостей
  - Зв'язування внутрішнього з ринками інших держав чи регіонів
- Контроль

Thank you for your attention!