

“IMPLEMENTING MONITORING, REPORTING AND VERIFICATION SYSTEM (MRV) FOR GHG EMISSIONS IN UKRAINE”

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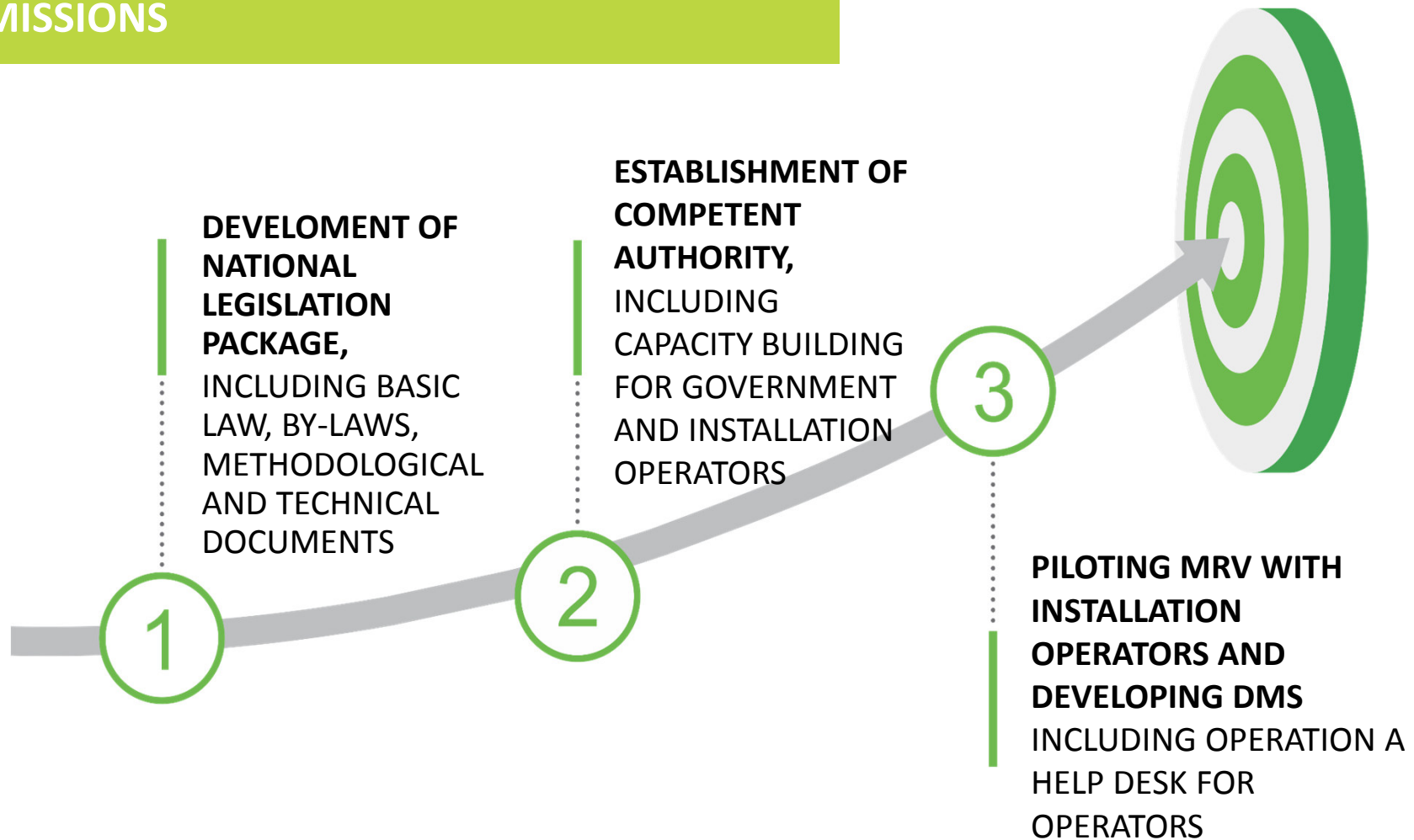
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Mexico, 2019

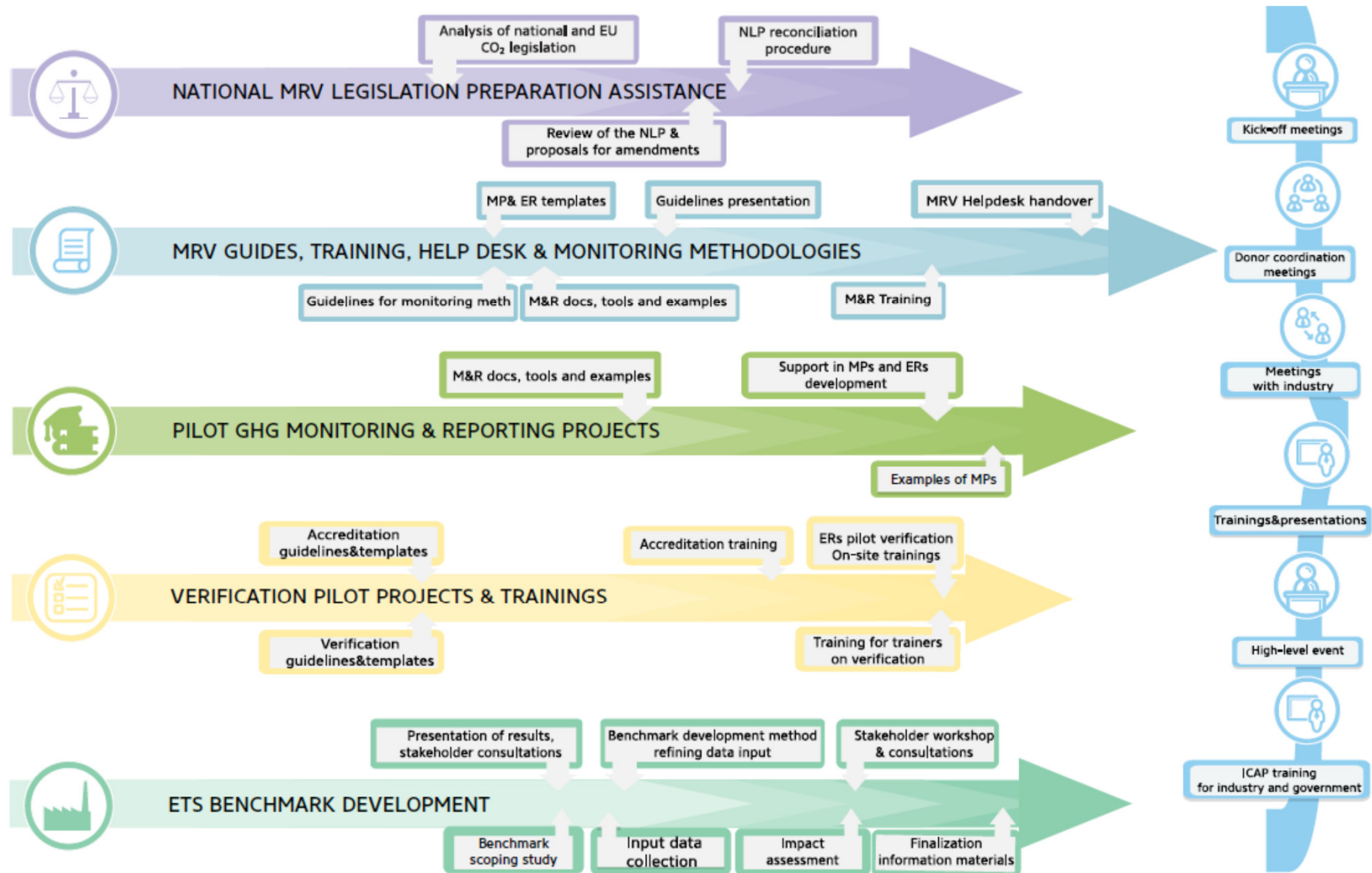


DEVELOPMENT OF MRV IN UKRAINE

COMPLEX OF MEASURES AIMED TO OBTAIN
RELIABLE FACILITY LEVEL DATA ON GHG
EMISSIONS



OVERVIEW OF ACTIVITIES ON MRV



CONCEPT FOR NATIONAL MRV LEGISLATION

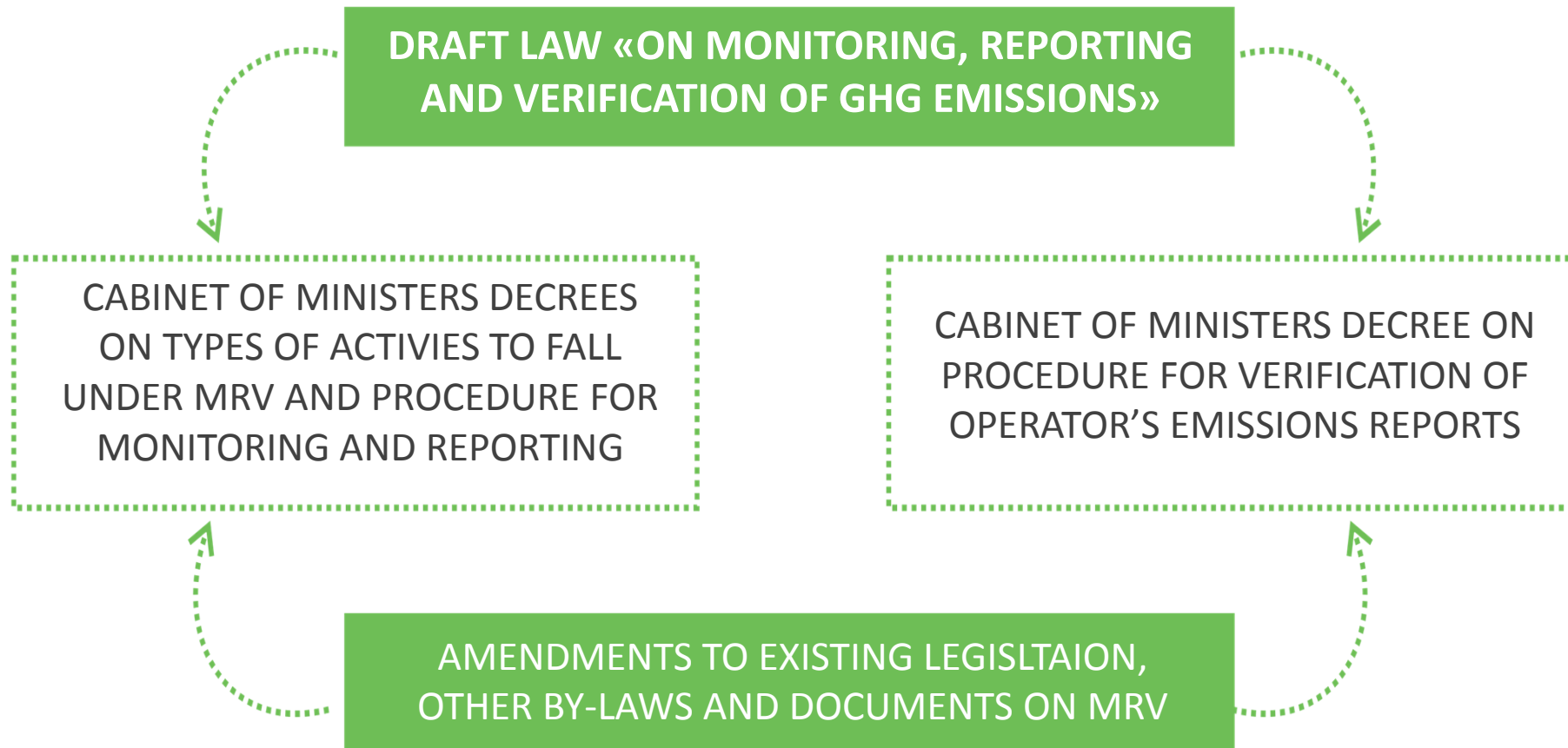
MULTI-LEVEL STRUCTURE OF LEGAL ACTS ON MRV
DEVELOPED BASED ON PRINCIPLES OF MAXIMUM POSSIBLE
APPROXIMATION TO EU LEGAL ACTS WITH INCORPORATION OF
UKRAINIAN NATIONAL PECULARITIES

**DRAFT LAW «ON MONITORING, REPORTING
AND VERIFICATION OF GHG EMISSIONS»**

CABINET OF MINISTERS DECREES
ON TYPES OF ACTIVITIES TO FALL
UNDER MRV AND PROCEDURE FOR
MONITORING AND REPORTING

CABINET OF MINISTERS DECREE ON
PROCEDURE FOR VERIFICATION OF
OPERATOR'S EMISSIONS REPORTS

AMENDMENTS TO EXISTING LEGISLATION,
OTHER BY-LAWS AND DOCUMENTS ON MRV



STATUS OF DRAFT MRV LEGISLATION



- ❑ **Q3 2017 / Q1 2018** - ANALYSIS OF EXISTING NATIONAL AND EU LEGISLATION ON MRV, ELABORATION OF DRAFT LEGISLATION.
- ❑ **Q2 2018** - REVIEW AND LEGAL ANALYSIS OF DRAFT LEGISLATION AND OUTCOMES OF PUBLIC HEARINGS.
- ❑ **Q3/Q4 2018** - RECONCILIATION PROCEDURE OF DRAFT MRV LAW AND SUBMISSION TO CABINET OF MINISTERS OF UKRAINE.
- ❑ **Q1 2019** – ADOPTION BY THE PARLIAMENT OF DRAFT MRV LAW IN FIRST READING.
- ❑ **Q2 2019** – REVIEW ACCORDING TO PARLIAMENTARIANS COMMENTS AND AMENDMENTS. APPROVAL BY MAIN COMMITTEE IN THE PARLIAMENT (MAY 2019) FOR SECOND/FINAL READING.

 **Q3/Q4 2019 – ADOPTION BY THE PARLIAMENT OF DRAFT MRV LAW, REVIEW OF BY-LAWS AND LAUNCH OF THEIR RECONCILIATION PROCEDURE.**

MRV GUIDES, TRAINING AND HELP DESK



- ❑ DEVELOPMENT OF GUIDELINES FOR ACTIVITY-SPECIFIC MONITORING METHODOLOGIES – FOR 9 ACTIVITY TYPES
- ❑ DEVELOPMENT OF TEMPLATES FOR STANDARDIZED AND SIMPLIFIED MONITORING PLANS AND EMISSIONS REPORTS
- ❑ DEVELOPMENT MRR DOCUMENTS, TOOLS AND EXAMPLES - 10
- ❑ DELIVERING TRAINING ON MONITORING AND REPORTING -12
- ❑ OPERATION OF MRV HELPDESK FOR OPERATOR INSTALLATIONS

MONITORING AND REPORTING PILOTS



❑ Q4 2018 – DEVELOPMENT OF MONITORING PLANS AND EMISSION REPORTS (9 PILOTS)

❑ Q4 2019 – EXAMPLES OF MONITORING PLANS FOR 9 ACTIVITY TYPES

- ✓ FUEL COMBUSTION (INCLUDING ELECTRICITY GENERATION AND HEAT PRODUCTION)
- ✓ OIL REFINERY
- ✓ PRODUCTION OF IRON AND STEEL
- ✓ METAL ORE ROASTING AND SINTERING

- ✓ PRODUCTION OF FERROUS ALLOYS
- ✓ PRODUCTION OF CEMENT
- ✓ PRODUCTION OF AMMONIA
- ✓ PRODUCTION OF COKE
- ✓ PRODUCTION OF LIME


VERIFICATION PILOTS AND TRAINING



- ❑ Q4 2017 - PREPARATION OF ACCREDITATION GUIDELINES AND TEMPLATES
- ❑ Q4 2017 - PREPARATION OF VERIFICATION GUIDELINES AND TEMPLATES
- ❑ Q3 2018 - TRAINING ON ACCREDITATION
- ❑ Q3 2018 - TRAINING OF TRAINERS ON VERIFICATION
- ❑ Q4 2019 - VERIFYING EMISSION REPORTS FOR 9 PILOT INSTALLATIONS AND CONDUCTING ON-SITE TRAININGS

DATA MANAGEMENT SYSTEM FOR MRV

DEVELOPMENT OF AN UKRAINIAN DMS BASED ON INTERNATIONAL EXPERIENCES

- ❑ ANALYZE RELEVANT UKRAINIAN REGULATIONS AND NECESSARY STEPS TO DEVELOP THE UKRAINIAN DMS
 - ❑ DEVELOPMENT OF THE UKRAINIAN DMS
 - ❑ SPECIFICATION OF HARDWARE, COMMUNICATION LINES AND SERVER ROOM REQUIREMENTS
 - ❑ CAPACITY DEVELOPMENT FOR STAFF OF THE FUTURE COMPETENT AUTHORITY, MENR, ACCREDITATION AUTHORITY, AND OTHER INVOLVED STAKEHOLDERS
 - ❑ CAPACITY DEVELOPMENT FOR INSTALLATION OPERATORS AND VERIFICATION BODIES
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COMPETENT AUTHORITY

MENR STAFF IS LIMITED, OPTION FOR SHARE OF RESPONSIBILITIES WITH SUB-ORDINATED BODIES IS CONSIDERED

INSTITUTIONAL BUILDING OF THE COMPETENT AUTHORITY

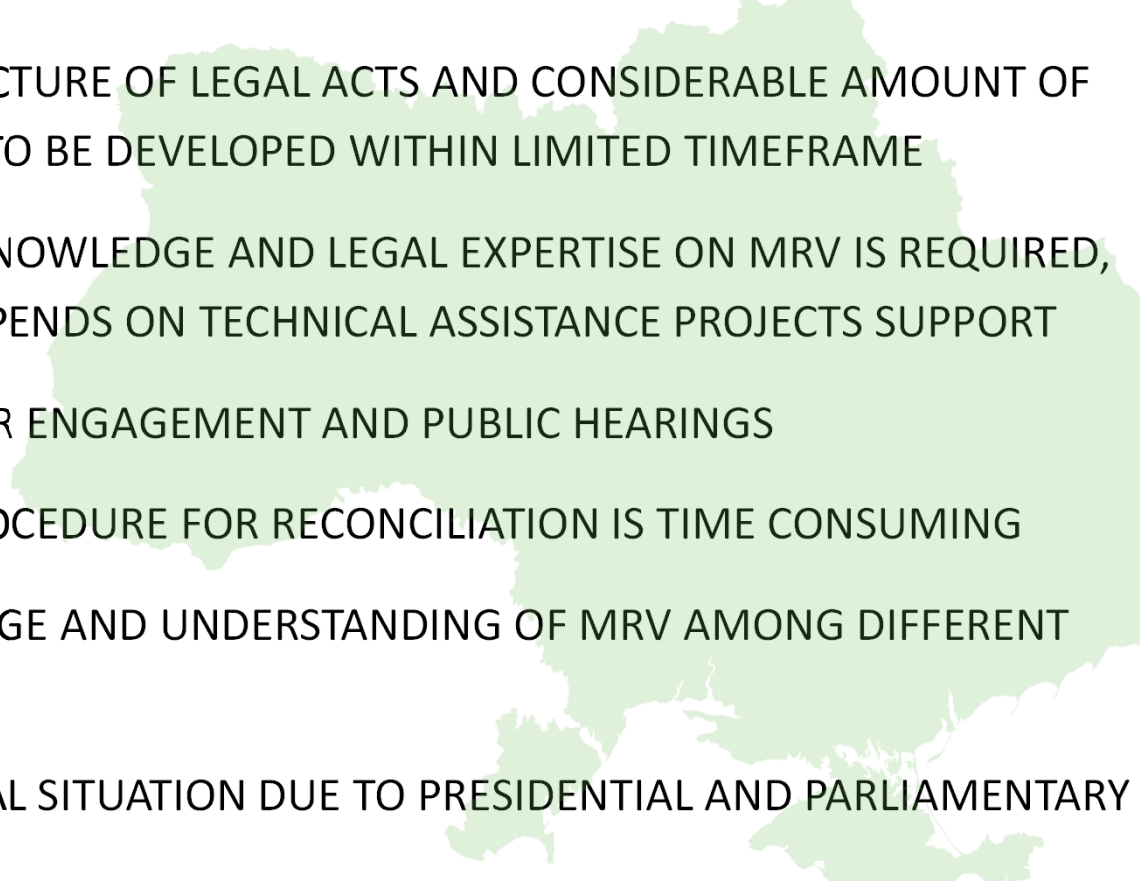
- ❑ IDENTIFY AND PROPERLY STRUCTURE ELEMENTS REQUESTED FOR FUNCTIONING OF THE COMPETENT AUTHORITY RESPONSIBLE FOR THE MRV SYSTEM (AND ETS)
- ❑ ALIGN THE PROPOSED BUILDING BLOCKS OF THE FUTURE COMPETENT AUTHORITY WITH THE NATIONAL CONDITIONS AND LIMITATIONS

CAPACITY BUILDING OF THE COMPETENT AUTHORITY

- ❑ DEVELOPMENT OF CAPACITY BUILDING PROGRAM FOR THE CA
- ❑ CONDUCTING THE TRAININGS AND STUDY TOURS FOR THE CA AND OTHER INVOLVED INSTITUTIONS/AUTHORITIES

CHALLENGES FOR MRV LEGISLATION

PROCEDURE FOR SUBMISSION OF LEGAL ACTS
IN UKRAINE IS REGULATED BY CERTAIN CABINET
OF MINISTERS DECREES AND LAWS

- ❑ CORRESPOND EXISTING NATIONAL LEGISLATION WITH EU LEGISLATION
 - ❑ MULTI-LEVEL STRUCTURE OF LEGAL ACTS AND CONSIDERABLE AMOUNT OF DOCUMENTS NEEDED TO BE DEVELOPED WITHIN LIMITED TIMEFRAME
 - ❑ DEEP TECHNICAL KNOWLEDGE AND LEGAL EXPERTISE ON MRV IS REQUIRED, BUT SIGNIFICANTLY DEPENDS ON TECHNICAL ASSISTANCE PROJECTS SUPPORT
 - ❑ WIDE STAKEHOLDER ENGAGEMENT AND PUBLIC HEARINGS
 - ❑ BUREAUCRATIC PROCEDURE FOR RECONCILIATION IS TIME CONSUMING
 - ❑ LACK OF KNOWLEDGE AND UNDERSTANDING OF MRV AMONG DIFFERENT STAKEHOLDERS
 - ❑ UNSTABLE POLITICAL SITUATION DUE TO PRESIDENTIAL AND PARLIAMENTARY ELECTIONS IN UKRAINE
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SIGNIFICANCE OF MRV FOR ETS

EFFECTIVE SYSTEMS FOR MRV OF EMISSIONS ARE AT THE HEART OF ENSURING THE ENVIRONMENTAL INTEGRITY OF AN 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.

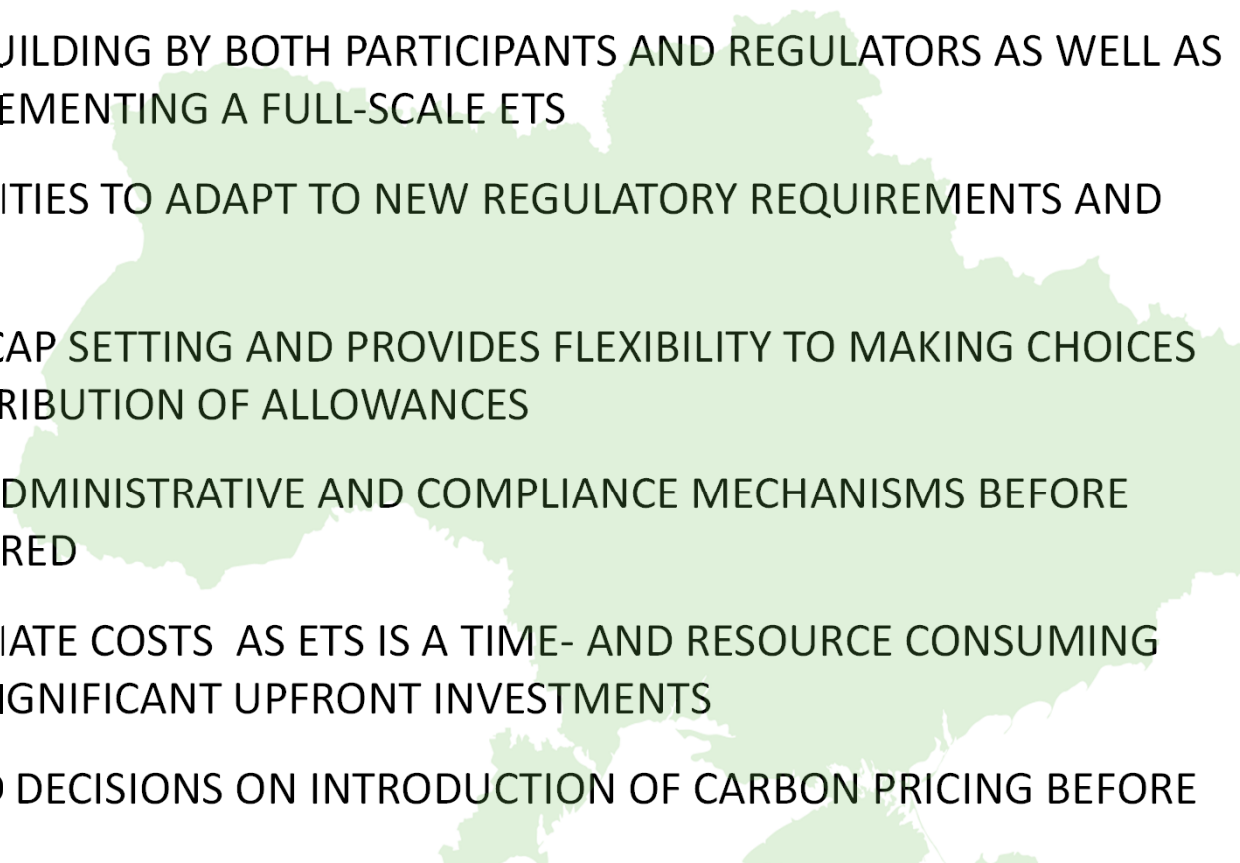


LACK OF COMPLIANCE AND OVERSIGHT IN ETS MAY THREATEN BASIC FUNCTIONALITY OF THE MARKET, WITH HIGH ECONOMIC STAKES FOR ALL PARTICIPANTS.

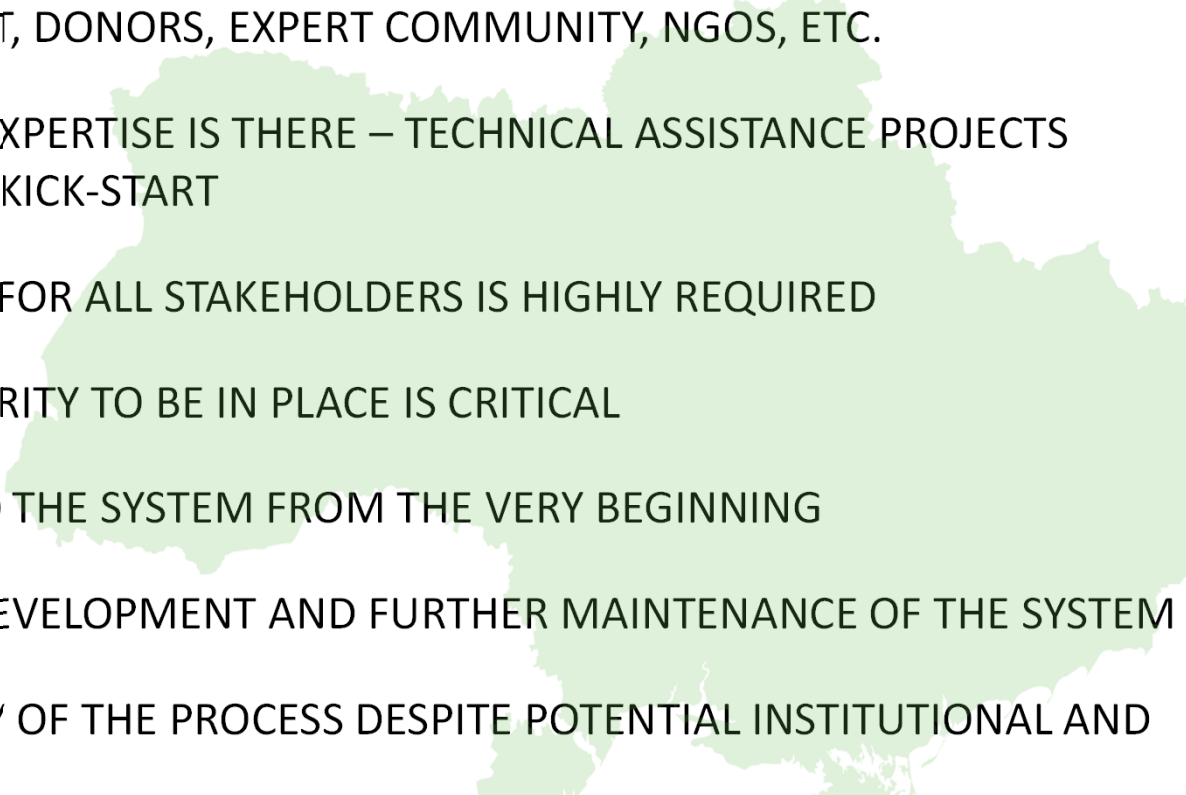
EFFECTIVE MARKET OVERSIGHT CAN ENABLE THE MARKET TO RUN EFFICIENTLY AND PROMOTE TRUST BETWEEN MARKET PARTICIPANTS.

SIGNIFICANCE OF MRV FOR ETS

PRE-ETS STAND-ALONE MRV CAN SIGNIFICANTLY CONTRIBUTE TO DEVELOPING AND DESIGNING AN ETS

- ❑ HELPS IDENTIFY ENTITIES TO BE REGULATED BY THE SYSTEM
 - ❑ SUPPORTS CAPACITY BUILDING BY BOTH PARTICIPANTS AND REGULATORS AS WELL AS LEGISLATORS BEFORE IMPLEMENTING A FULL-SCALE ETS
 - ❑ ALLOWS COVERED ENTITIES TO ADAPT TO NEW REGULATORY REQUIREMENTS AND PLAN AHEAD
 - ❑ MRV DATA SUPPORTS CAP SETTING AND PROVIDES FLEXIBILITY TO MAKING CHOICES ON APPROACHES FOR DISTRIBUTION OF ALLOWANCES
 - ❑ TESTS GOVERNMENT ADMINISTRATIVE AND COMPLIANCE MECHANISMS BEFORE UNITS MUST BE SURRENDERED
 - ❑ HELPS REDUCE IMMEDIATE COSTS AS ETS IS A TIME- AND RESOURCE CONSUMING PROCESS THAT REQUIRES SIGNIFICANT UPFRONT INVESTMENTS
 - ❑ FACILITATES INFORMED DECISIONS ON INTRODUCTION OF CARBON PRICING BEFORE THEIR FORMAL LAUNCH
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LESSONS LEARNT

- ❑ RELEVANT LEGISLATION ADOPTION IS CRITICAL FOR FURTHER CARBON PRICING INSTRUMENTS LAUNCH
 - ❑ WIDE STAKEHOLDERS ENGAGEMENT AND COORDINATION IS IMPORTANT – BUSINESS, GOVERNMENT, DONORS, EXPERT COMMUNITY, NGOS, ETC.
 - ❑ ENSURE RELEVANT EXPERTISE IS THERE – TECHNICAL ASSISTANCE PROJECTS SUPPORT IS CRUCIAL TO KICK-START
 - ❑ CAPACITY BUILDING FOR ALL STAKEHOLDERS IS HIGHLY REQUIRED
 - ❑ COMPETENT AUTHORITY TO BE IN PLACE IS CRITICAL
 - ❑ BUILD THE TRUST TO THE SYSTEM FROM THE VERY BEGINNING
 - ❑ SECURE COST FOR DEVELOPMENT AND FURTHER MAINTENANCE OF THE SYSTEM
 - ❑ ENSURE CONTINUITY OF THE PROCESS DESPITE POTENTIAL INSTITUTIONAL AND POLITICAL CHANGES
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THANK YOU!

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