

# Supporting Ukraine's resilience and green recovery on the way to EU accession

**IKI Workshop Ukraine**  
**29<sup>th</sup> April 2026**

On behalf of:



of the Federal Republic of Germany



# Welcome



**Dr. Heike Henn,**  
Head of Department  
„International  
Climate Action“,  
BMUKN



**Oleksandr Krasnolutskyi**  
Deputy Minister, Ministry of  
Economy, Environment and  
Agriculture



**Gabriel Sauer**  
Director IKI Interface  
Ukraine



# Agenda IKI Workshop – Wednesday, 29th of April

Time CET	Topic
9.30 – 10:15	Welcome and Official Opening Remarks
10:15 – 12:30	<b><u>Session 1</u></b> <b>Ukraine’s Resilience in War Times: Updates, Contributions by IKI projects and Outlook on Climate Ambitions, Biodiversity Conservation and Energy Resilience</b>
12:30 – 14:00	Group Photo and Lunch Break
14:00 – 15:30	<b><u>Session 2</u></b> <b>Outlook on Climate-resilient Reconstruction: Integrating Climate Action and Biodiversity Conservation into Recovery Plans</b>
15:30 – 15:45	Coffee Break
15:45 – 17:15	<b><u>Session 3</u></b> <b>Advancing Climate Action and Environmental Protection on the Way to Ukraine’s EU accession</b>
17:15 – 17:30	Closing Remarks and Outlook

# **Check-In at Table**

**Which question should be answered by the end of today?**

# Session I

## **Ukraine's resilience in war times:**

Updates, contributions by IKI projects and outlook on climate ambitions, biodiversity conservation and energy resilience

# Climate ambitions



**Viktoriia Kyreieva,**  
Advisor to the Head of the Verkhovna Rada  
Committee on Environmental Policy and Nature  
Management



On behalf of:



of the Federal Republic of Germany

# Contributions from IKI projects (Rimma Kushtym, Oleksandr Diachuk)



# Climate Policy

Priority	EU Climate Alignment & Net-Zero Framework	Carbon Pricing & ETS impl.	Climate Finance System & Green Taxonomy	International Carbon Markets (Article 6)	Methane, Ozone & Sectoral Compliance
<b>Interface</b>	<ul style="list-style-type: none"> <li>❖ 2nd NDC UA</li> <li>❖ Suppl. Material</li> <li>❖ NDC Implementation strategy</li> <li>❖ Financial sources and gaps</li> <li>❖ Decarbonisation studies</li> </ul>				<ul style="list-style-type: none"> <li>❖ IT solution for ODS + F-gases registry</li> <li>❖ Sectoral decarbonisation goals</li> </ul>
<b>UCO</b>	<ul style="list-style-type: none"> <li>❖ UA Climate law</li> <li>❖ Establishment of UCO</li> </ul>	<ul style="list-style-type: none"> <li>❖ Carbon revenue analysis</li> <li>❖ Advisory services CR spending</li> </ul>	<ul style="list-style-type: none"> <li>❖ Establishing the SFP training</li> <li>❖ ESG training for banks</li> </ul>	<ul style="list-style-type: none"> <li>❖ Experimental resolution on article 6</li> <li>❖ Supporting implementation of article 6 projects</li> </ul>	<ul style="list-style-type: none"> <li>❖ Draft law on ODS and F-gases</li> <li>❖ Finalizing law on ODS and F-gases + bylaws + action plan</li> </ul>
<b>BAT</b>	<ul style="list-style-type: none"> <li>❖ Industrial Emissions Directive (IED) 2010/75/EU</li> <li>❖ IED 2.0 2024/1785</li> </ul>				<ul style="list-style-type: none"> <li>❖ Sustainable Finance Platform</li> <li>❖ VRA vul. risks asses.</li> </ul>
<b>PAABS</b>	<ul style="list-style-type: none"> <li>❖ BTR 1</li> <li>❖ CVRA for Odessa region</li> <li>❖ COP 29 COP30</li> <li>❖ Reporting for UNFCCC (BTR2, NC etc)</li> <li>❖ Roadmaps for IED</li> <li>❖ Regional adaptation strategy &amp; method.</li> <li>❖ Amendments of building codes</li> <li>❖ COP-31</li> </ul>	<ul style="list-style-type: none"> <li>❖ Co2 tax + ETS 2 introduction</li> <li>„Adaptation fund</li> </ul>	<ul style="list-style-type: none"> <li>❖ Enhancing EU Taxonomy implementation</li> <li>❖ Establishment of green finance monitoring in banking sector</li> </ul>		<ul style="list-style-type: none"> <li>❖ LPIS* (LULUCF**)</li> <li><small>* LPIS – Land Parcel Identification Systems</small></li> <li><small>** LULUCF – Land Use, Land Use Change and Forestry</small></li> <li>❖ NDI’s evaluation methodology and toll</li> </ul>

Priority	EU Climate Alignment & Net-Zero Framework	Carbon Pricing & ETS impl.	Climate Finance System & Green Taxonomy	International Carbon Markets (Article 6)	Methane, Ozone & Sectoral Compliance
<b>PROGRESS</b>	<ul style="list-style-type: none"> <li>❖ Policy recommendations for Agriculture in line with EU Green Deal</li> <li>❖ Green Hort (ToT knowledge packages)</li> <li>❖ CRVA for Agriculture sector</li> <li>❖ Policy drafts (e.g. insurance product, green bonds in agri, soil and water management etc.)</li> </ul>		<ul style="list-style-type: none"> <li>❖ Roadmap in green finance development</li> <li>❖ Bank product (green farming)</li> <li>❖ Capacity building for financial services providers</li> </ul>		<ul style="list-style-type: none"> <li>❖ National and local information (awareness raising) campaigns</li> <li>❖ Pilot projects on adapting horticulture to climate change</li> </ul>
<b>EU4Climate Resilience</b>	<ul style="list-style-type: none"> <li>❖ MRV</li> <li>❖ Adaptation strategy</li> <li>❖ Methodologies under climate law</li> </ul>	<ul style="list-style-type: none"> <li>❖ Green bounds</li> </ul>	<ul style="list-style-type: none"> <li>❖ Procedure for supporting business entities mitigation &amp; adaptation activities</li> </ul>		
<b>Green Recovery Platform</b>	<ul style="list-style-type: none"> <li>❖ Green criteria &amp; do no significant harm toolkit supports decarbonisation in waste &amp; water aligned with NECP targets</li> </ul>		<ul style="list-style-type: none"> <li>❖ EU taxonomy aligned green criteria integrated into dream system with clear DNSH compliance methodology</li> </ul>	<ul style="list-style-type: none"> <li>❖ Within the project waste and wastewater pilots would generate trackable emission red.</li> </ul>	<ul style="list-style-type: none"> <li>❖ Within the project waste and wastewater pilots will directly target methane reduction</li> </ul>
<b>ETS</b>	<ul style="list-style-type: none"> <li>❖ Green Criteria workshop for national and international stakeholders</li> <li>❖ ETS law</li> <li>❖ MRV</li> </ul>				<ul style="list-style-type: none"> <li>❖ Do no significant harm</li> </ul>

# Biodiversity



**Eduard Arustamian**  
Director of Department, Ministry of  
Economy, Environment and Agriculture



**Elke Steinmetz**  
Head of Division for International  
Cooperation on Biodiversity, BMUKN



On behalf of:



of the Federal Republic of Germany

# Contributions from IKI projects (Yaroslav Teleshun)



# Biodiversity

Priority	National Biodiversity Strategy & EU Appr.	Biodiversity Monitoring & Data Systems
<b>PAABS</b>	<ul style="list-style-type: none"> <li>❖ Eba-ukraine.net</li> <li>❖ EU water directive</li> <li>❖ Natura 2000</li> <li>❖ Adaptation str. EU</li> <li>❖ The Convention on Wetland of International Importance (RAMSAR)</li> </ul>	<ul style="list-style-type: none"> <li>❖ VRA of Odessa region</li> <li>❖ Adaptterra UA platform</li> <li>❖ PA establishment</li> <li>❖ UNEP-WCMC-WD</li> <li>❖ LULUCF</li> <li>❖ Collection of the best nature-based solutions (NBS)</li> </ul>
<b>Strategic Inventory and Gap Analysis of Biodiv Actions in UA</b>	<ul style="list-style-type: none"> <li>❖ Events on the government level</li> <li>❖ Pilot planning</li> <li>❖ Support projects to achieve goals (NBS)</li> </ul>	<ul style="list-style-type: none"> <li>❖ Monitoring HOLF</li> <li>❖ Urban planning of communities taking into account the preservation of biodiversity</li> </ul>
<b>UCO</b>	<ul style="list-style-type: none"> <li>❖ Raise awareness of DNSH principle across banks in UA</li> <li>❖ Push DNSH principle implementation</li> </ul>	<ul style="list-style-type: none"> <li>❖ Create old-growth forest layers and red species for state forest GIS system</li> <li>❖ BioDiv monitoring indices, programme checklist fauna</li> </ul>
<b>IKI Interface</b>	<ul style="list-style-type: none"> <li>❖ EU alignment contribution to NBSAP</li> <li>❖ Marine biodiversity</li> </ul>	<ul style="list-style-type: none"> <li>❖ Biodiv database checklist of flora pollinators</li> </ul>
<b>Ecosphere (constructing bird sanctuaries)</b>	<ul style="list-style-type: none"> <li>❖ Bird Protection wetland restoration ecosystem services</li> </ul>	<ul style="list-style-type: none"> <li>❖ Bird species monitoring</li> <li>❖ Data collection for Bern Convention + UA red list</li> <li>❖ Share data with authority (local, national)</li> <li>❖ Nature conservation tourism in local communities</li> <li>❖ Income generation</li> </ul>
<b>UNDP GEF NBSAP Livestock BIOFIN</b>	<ul style="list-style-type: none"> <li>❖ NBSAP developed and discussed with public</li> <li>❖ Support NBSAP adoption process 7th national report</li> </ul>	<ul style="list-style-type: none"> <li>❖ Establishment of monitoring of 17 rare peatland related species in 10 PA, monitoring</li> <li>❖ Monitoring of species for next 2 years</li> </ul>

# Energy Efficiency



**Dmytro Petrunin**

Head of Energy Efficiency Department,  
Ministry for Development of Communities  
and Territories of Ukraine



**Lyubava Radiychuk**

Deputy Director of the Recovery and Reform  
Support Team for Municipal Infrastructure of the  
Ministry for Development of Communities and  
Territories of Ukraine





Ministry for Development  
of Communities  
and Territories of Ukraine



Recovery and Reform  
Support Team at the  
Ministry for Development

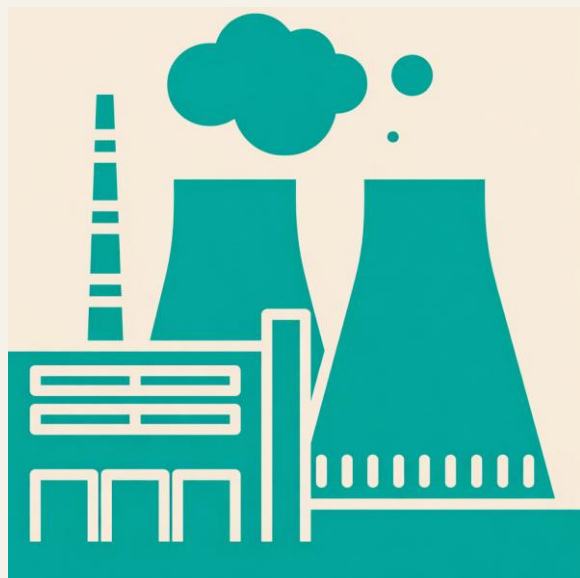


# Green Recovery: Building a Resilient Ukraine



# The Scale of the Crisis

One of the most challenging heating seasons globally, with Ukraine's energy system under unprecedented attack



## Damage to Critical Infrastructure (since Feb 2022)

- **Key thermal power plants damaged or destroyed:**  
Trypillia TPP, Zmiiv TPP, Kurakhove TPP, Kharkiv CHP-5
- **Major CHP and TPP facilities attacked:**  
Kyiv CHP-5, Kyiv CHP-6, Burshtyn TPP, Ladyzhyn TPP
- **958 critical infrastructure facilities in the heating sector hit**
- **350 water supply and wastewater facilities destroyed, 480+ damaged**
- **Transport infrastructure damaged:**  
115 traction substations, 47 locomotive depots, 350 bridges

# What We Have Already Done

One of the most challenging heating seasons globally, with Ukraine's energy system under unprecedented attack (Jan 2026)



- Engineering protection completed at 22 major substations (330 & 750 kV) in 2025  
→ withstood 170+ attacks, incl. 10+ direct hits on single sites
- Zero transformers lost thanks to protective engineering solutions
- Coordination Headquarters established; 16 standardized engineering solutions developed  
→ construction continues even under shelling
- Energy decentralization underway:  
256 cogeneration units + 186 modular boiler houses  
→ 600+ MW of additional capacity

**Resilience Plans (Apr 2026): Gap of 904.5 MW of thermal capacity and 471.5 MW of electrical capacity**

# Heat Supply Infrastructure Needs – Example: Pavlohrad

Ukraine's district heating systems serve more than 250 cities, resulting in ~5.3 million households (~60% of total housing area), producing ~24M Gcal annually

70% of networks are deteriorated, with average heat losses at ~20% (up to 30% in some cities) – requiring large-scale modernisation and investment



**DH modernisation investment needs:**

Total investment requirement: ~EUR 71.1M

**Priority components:**

- Block-modular boiler house: ~EUR 8.9M
- New CHP (cogeneration unit): ~EUR 1.6-2.0M
- Boiler house reconstruction: ~EUR 2.7-3.1M

\*damages as a result of russia's attack

# Water Supply Infrastructure Needs – Example: Kharkiv

Ukraine's water supply and wastewater systems are highly degraded and vulnerable:

- **36-41%** of networks are in emergency condition; pumping equipment wear **18-28%**
- **782 km of networks** and **600+ facilities** damaged or destroyed; recovery needs – **\$11.3 billion**



**Reconstruction of the Saltivka District Water Supply System, Kharkiv**

**Project cost: ~EUR3.3 million**

Kharkiv – Ukraine's second-largest city, located only 30 km from the Russian border and under constant shelling. Despite this, Kharkivvodokanal continues restoration works to ensure reliable drinking water supply and strengthen system resilience during the war.

**The project will improve network reliability, reduce emergency repairs and water losses, cutting operational costs by up to 60%.**

# Residential Infrastructure: Restoration of a Residential Building in Borodyanka, Kyiv Oblast



## Executed works:

- replacement/repair of roof, ventilation shafts
- replacement/repair of doors, windows, balconies, interior decoration
- restoration of power supply/lighting, cold/hot water supply and sewage systems

**Funding:** UNITED24 (UNDP)

**Construction timeline:** June 2023 - December 2024

**Cost:** EUR 1.3 million

# Energy Efficiency and Recovery Initiatives in Ukraine



## Renewable Energy Solutions (RES) Programme – EUR 16.5M (in partnership with UNDP, EIB, GIZ)

Installation and maintenance of decentralised renewable energy systems – solar panels, heat pumps and battery storage – in schools, kindergartens and hospitals



## Energy Efficiency Fund of Ukraine (funded by State Budget of Ukraine, EU & Government of Germany)

Programmes for multi-apartment buildings:

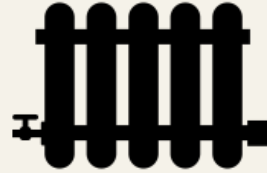
- **EnergoDIM**
- **VidnovyDIM**
- **GreenDIM**

# Priorities for Recovery & Partnership



## Restoration of public buildings and housing:

- deep thermal modernisation
- renewables
- reconstruction of war-damaged stock



## Modernisation of district heating:

- networks
- modular heat sources
- cogeneration
- biomass integration



## Water supply & wastewater rehabilitation:

- pumping stations
- treatment facilities
- leak reduction
- backup power

Capacity building, technical assistance, access to funding



Ministry for Development  
of Communities  
and Territories of Ukraine



Recovery and Reform  
Support Team at the  
Ministry for Development



**Thank you  
for attention!**



On behalf of:



of the Federal Republic of Germany

# Contributions from IKI projects (Iuliia Pushko, Lukas Prinz)



# Energy – Advancing priorities together

Energy Efficiency and Demand Reduction	Decarbonization and the “green transition”	Energy Security and System Resilience	Integration into the European Energy Market
<p style="text-align: center;"><b><u>E5P Fund</u></b></p> <ul style="list-style-type: none"> <li>❖ <b>6 completed EE projects (14 approved) in municipal building projects</b> <ul style="list-style-type: none"> <li>❖ <b>590 public buildings renovated</b> <ul style="list-style-type: none"> <li>❖ 8 EE projects to be completed</li> <li>❖ Exp. Energy savings: 1,302,965 Mwh</li> </ul> </li> <li>❖ <b><u>FELICITY II:</u></b></li> </ul> </li> <li>❖ <b>Signed 100m EIB loan + prepared EE projects to reduce water sector energy use</b></li> </ul>	<p style="text-align: center;"><b>❖ <u>E5P Fund</u></b></p> <ul style="list-style-type: none"> <li>❖ Solar power plant 80 water &amp; wastewater utility in Chorkiv --&gt; <b>completed in 2025</b></li> </ul>	<p style="text-align: center;"><b><u>E5P Fund</u></b></p> <p style="text-align: center;">12 DM projects across Ukraine</p> <ul style="list-style-type: none"> <li>❖ 4 completed</li> <li>❖ Over 1200 IMSs installed</li> </ul> <p style="text-align: center;"><b><u>IKI FUND (EIB) RES Programme</u></b></p> <ul style="list-style-type: none"> <li>❖ Blending mechanism with EIB framework loan to UA scalable for more climate action</li> <li>❖ Installation of solar panel + battery storage on public infr.</li> </ul>	
<p style="text-align: center;"><b><u>Strengthening climate action in UA communities</u></b></p> <ul style="list-style-type: none"> <li>❖ <b>6 communities created financial instruments for RES + EE</b> <ul style="list-style-type: none"> <li>❖ 2 communities will finance 10 000 for instrument</li> </ul> </li> <li>❖ Involved into discussion between local and national levels</li> </ul> <p style="text-align: center;"><b><u>EEF</u></b></p> <ul style="list-style-type: none"> <li>❖ <b>Launch of the Energodim program</b></li> <li>❖ <b>Ensure the sustainable finance for the EE programs</b> <ul style="list-style-type: none"> <li>❖ <b>Sustain the behavioural change for residents</b></li> </ul> </li> </ul>	<p style="text-align: center;"><b><u>PAABS</u></b></p> <ul style="list-style-type: none"> <li>❖ Assisted with negotiation at UNFCCC</li> <li>❖ Aligning policies with Paris Agreement</li> </ul>	<p style="text-align: center;"><b><u>PAABS</u></b></p> <ul style="list-style-type: none"> <li>❖ Resilience to climate change</li> </ul>	<p style="text-align: center;"><b>❖ <u>REWARM:</u></b></p> <ul style="list-style-type: none"> <li>❖ EE in district heating sector           <ul style="list-style-type: none"> <li>- Law: Individual heat solutions</li> <li>- Battery usage</li> <li>- Demand reduction planning</li> </ul> </li> <li>❖ Push for Decarbonization of district heating sector</li> </ul>

## **Session II**

# **Outlook on Climate-resilient Reconstruction:**

Integrating Climate Action and Biodiversity Conservation  
into Recovery Plans

# Input



**Iryna Stavchuk,**

Interim Director, Ukraine and Central & Eastern  
Europe Programme,  
European Climate Foundation





# Green reconstruction of Ukraine:

key leverages, lessons  
learned and ideas for the  
future

April 2026

# What are the major problems in country that bother you, outside war?

Які проблеми зараз є найбільш актуальними для нашої країни, а які з них турбують особисто Вас найбільше, окрім війни? (%)

Сума відповідей перевищує 100%. Респондент міг обрати декілька варіантів відповіді.



## Key problems

Corruption (49%)

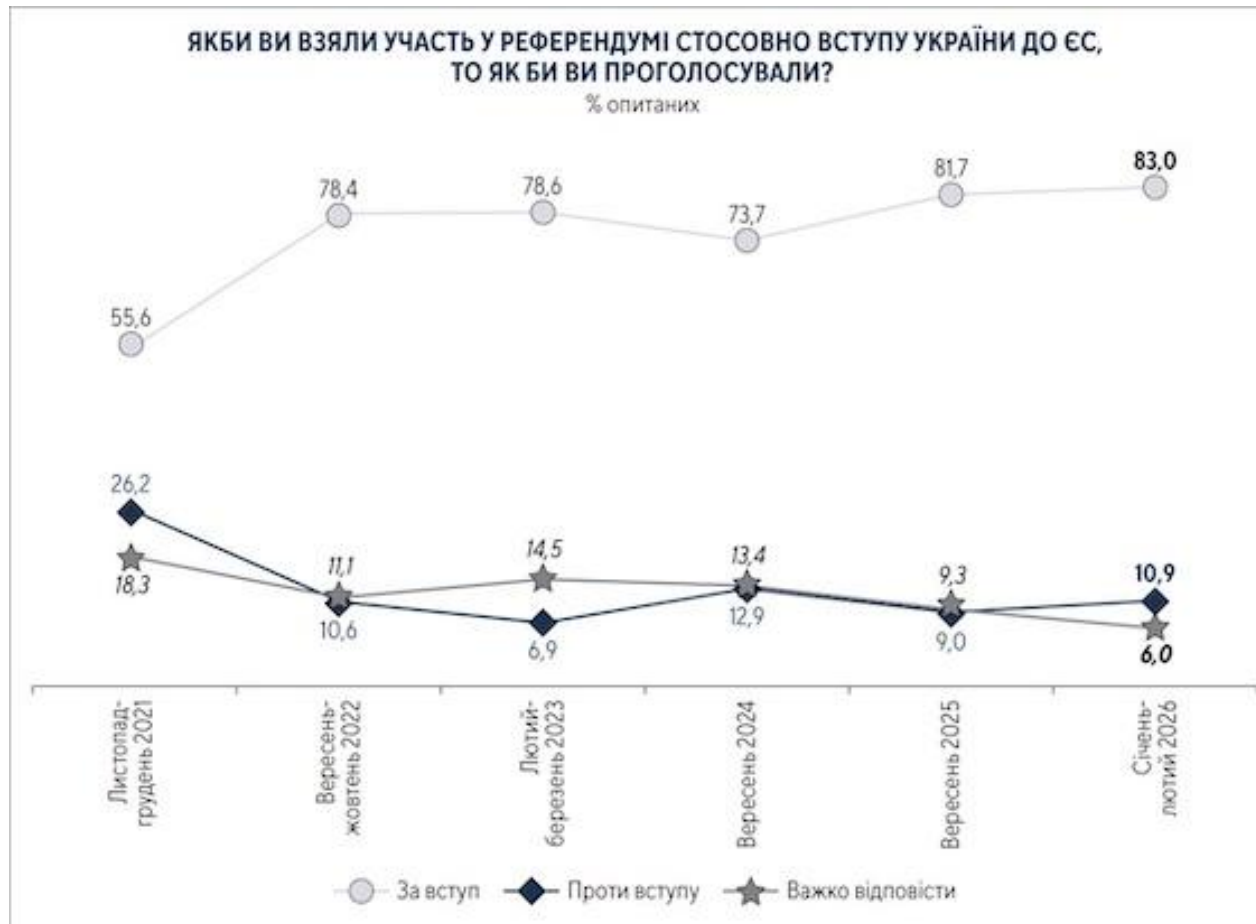
Cost of products (33%)

High costs for utilities (28%)

Low social payments (28%)

Low salaries (26%)

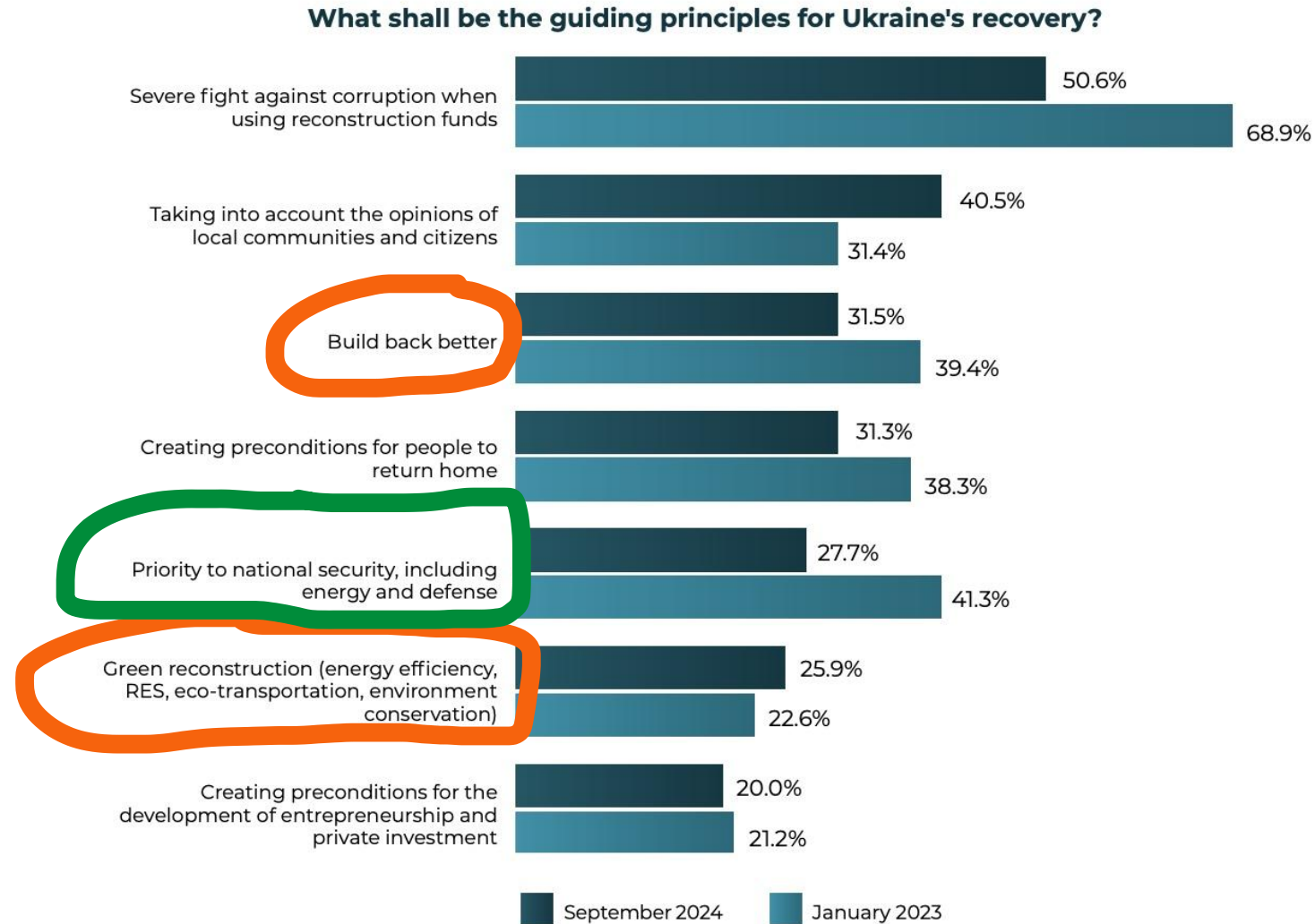
# Would you support Ukraine joining EU? 83% - yes



## Expectations on benefits from EU integration:

- Reduction of corruption and increase of transparency of authorities (52%)
- Growth of economy and cration of new jobs (47%)
- Human rights protection (43%)
- Opportunities for post-war reconstruction (43%)
- More investments (41%)

# What shall be guiding principles for Ukraine recovery?

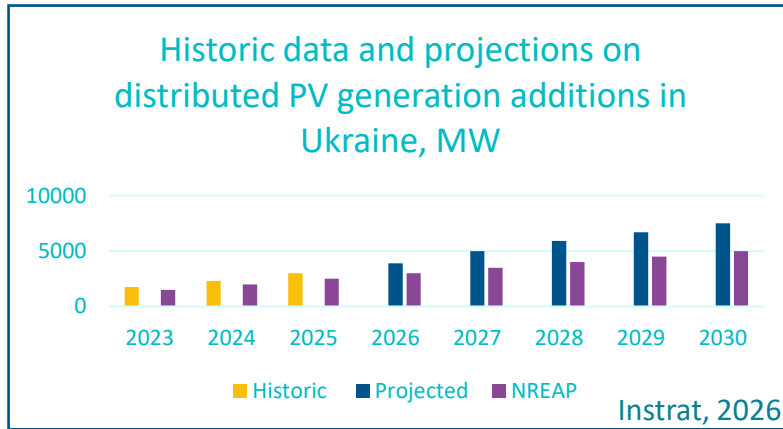


# Government priorities in a nutshell from the KMU Action Plan 2026

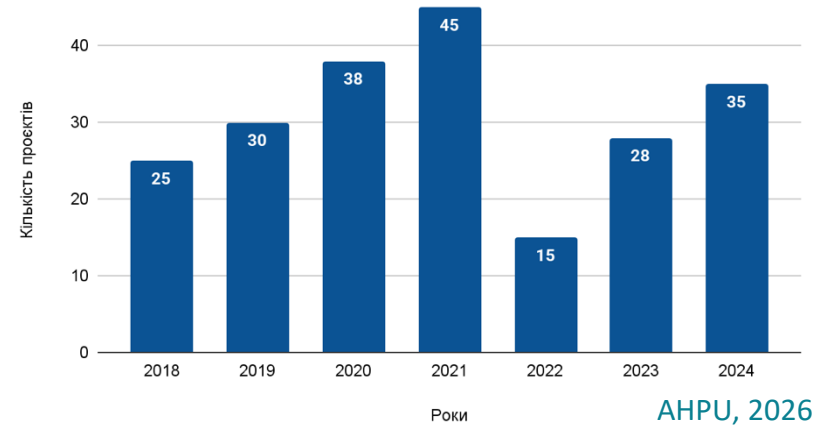
- **Defense & security** – protect the country, strengthen military
- **Economic stability** – keep the state and economy functioning
- **EU accession & reforms** – align with EU rules and institutions
- **Reconstruction** – rebuild infrastructure and regions during war
- **Social resilience** – support people, services, and human capital

# Examples of green transformations despite the war

## Renewable energy

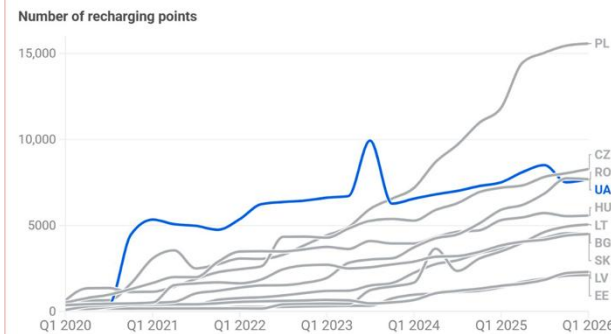


## Heat pumps in industry



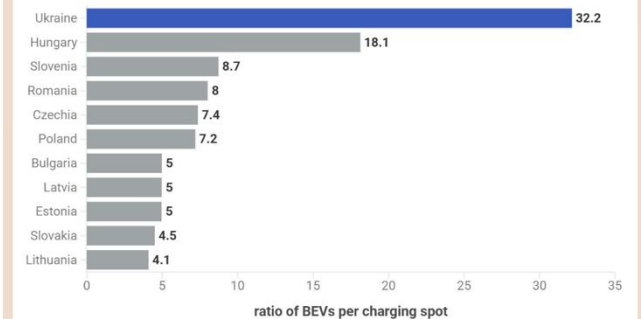
## Development of EV charging equipment

Despite full-scale invasion, Ukraine has the same number of recharging points as Czechia or Romania



Source: T&E, Ecomovement data, EVSE reporting per country per month. The sudden drop in Q3 2024 in Ukraine is possible due to occupation of territories in the South East and non-reporting of EVSEs.

32 cars per charger in Ukraine: the queues to charge could get longer in 2026



Source: T&E, based on Ecomovement - EVSEs Q1 2026, Automotive Market Research Institute - UA BEV fleet Q4 2025, EAFO for BEV fleets of CEEs Q4 2025

# Key leverages for green reconstruction

- **Lack of electricity generation capacities;**
- **Cost-competitiveness of RE and support programs;**
- **Insecurity and costs of imported oil and gas;**
- **EU integration** goals;
- Requirements from **international donors and partners;**
- **Openness and willingness by many municipalities** to implement new concepts and to cooperate, including with civil society;
- **Civil society initiatives** funded by international support are source of innovative examples of modern, green, energy-efficient and fast-implemented transformations;

## Challenges and gaps:

How to deliver on all fronts during the war.

How to prioritize?



# Challenges and gaps: Scaling up of working solutions and developments for resilience and energy security.

Cost of living and  
affordability



Security and  
resilience

Economic benefits or  
reduction of state costs



## Examples of transformations

- Renewable energy and storage at municipal critical infrastructure;
- Development of large wind energy generation;
- Heat pumps in heating systems;
- Transition to EU construction norms;
- Development of electric public transport in municipalities;



# Challenges and gaps: human resource crisis

- In national and local authorities not enough personnel, low salaries, low skills;
- In Universities, EU legislation and procedures are not part of the curriculum;
- Human skill crisis is reported by businesses as one of major problems



# Challenges and gaps: resources for the nature protection

State cannot provide even baseline finance, which leads to risks on protection of existing national parks;

- Lack of staff and no national level institution;
- No resources to implement better management and develop educational and recreational programs;
- Major biodiversity protection gaps in legislation, data and practice;



# Challenges and gaps: transport is left behind

- There is very little progress in the sector on structural EU integration reforms;
- Capacity gap in municipalities for the development of better plans and infrastructure;
- Gaps in updates of soviet-based standards to the European ones;



# Challenges and gaps: Greening PIM

- Public investment management reform and Dream are still developing;
- No clear definition of what Ukraine shall apply as DNSH and Build Back Better concept;
- There are many systemic issues upfront the PIM and in implementation, that getting the result cannot rely just on issue of applied criteria



# ECF program main goal:

Ukraine post-war reconstruction on the national and local levels is climate-smart



Aligning Ukraine reconstruction framework with climate goals



Identifying and enabling scaling up of climate solutions, which are economically feasible already now and/or critical for resilience



Building political will and public support to key transformations and policies through strategic communications

# Enabling climate mitigation solutions feasible already now

## 1. Scaling up renewable electricity generation development:

- Major developments, but still a lot of work in enabling RE at municipal critical infrastructure, human skills, improvements of financial instruments, energy communities, first wind projects in municipalities;
- Acceleration areas for RE to reduce conflicts;

## 2. Scaling up electrification of heating and heat pumps development:

- Scaling up industrial deployment through information and financial instruments;
- Development of first pilots in municipal district heating;



# Enabling climate mitigation solutions feasible already now

## 3. Enabling development of municipal electric public transport and low carbon urban mobility solutions:

- EU directives on PSO; technical norms, alliance building;

## 4. Transition to European construction norms in infrastructure projects:

- Research, advocacy for political decisions;

## 5. Improving energy efficiency of buildings

- NZEB legal and technical base; EPBD implementation



# Presentation of Ukrainian Climate Office (UCO)



**Pavlo Kartashov**

Government Relation Manager, UCO





On behalf of:



Implemented by:



of the Federal Republic of Germany

# Ukrainian Climate Office

IKI Workshop  
29/04/2026

# STRATEGIC FOCUS: THREE MAIN PILLARS



## EU Legal Alignment and Climate Governance

1. Support credible **EU accession progress for Chapter 27**, e.g., by transposing EU Regulations
2. Advance **EU-aligned climate governance** (EU Governance Regulation), e.g., UA climate law, climate strategy and action plan, scientific and expert council
3. **Institutionalize UCO** – as part of UA climate governance



## Carbon Pricing & Markets

1. Promote **policy dialogue on structural backbone of EU climate policy**: ETS, CBAM
2. Conceptualize **carbon revenue governance** (i.e., the use side of carbon pricing revenues)
3. Develop **legal framework for Article 6** – EU will be important buyer of units



## Climate-resilient Reconstruction and Finance Mobilization

1. Ensure **EU-alignment of UA sustainable finance framework**, e.g., through organizational support for SFP, gap analysis
2. Support **EU-aligned transformation of UA banking sector**, e.g., through trainings
3. Develop guidance and build capacities to **embed climate risks into sectoral strategies / planning** at all levels

# SELECTED OUTPUTS



## EU Legal Alignment and Climate Governance



Міністерство захисту довкілля та природних ресурсів України  
6 травень 2025 р. ☑  
Готуємося до офіційного скринінгу з ЄС: триває другий раунд імітаційних сесій щодо розділу 27 «Довкілля та зміна клімату»

Україна продовжує активно готуватися до чергового етапу офіційного скринінгу, у межах якого наразі триває другий раунд імітаційних сесій, присвячений переговорному розділу 27 «Довкілля та зміна клімату».

Імітаційні сесії – важливий етап у підготовці до офіційного скринінгу – початкової фази переговорного процесу, під час якої Україна має продемонструвати... Більше

Mock-session for bilateral screening session for MEPR



## Carbon Pricing & Markets

WEBINAR 1  
**UNDERSTANDING THE CARBON MARKET WHAT IT IS, WHY IT MATTERS, AND WHERE OPPORTUNITIES COME FROM**

РОЗУМІННЯ ВУГЛЕЦЕВОГО РИНКУ: ЩО ЦЕ, ЧОМУ ЦЕ ВАЖЛИВО ТА ЗВІДКИ З'ЯВЛЯЮТЬСЯ МОЖЛИВОСТІ

WEBINAR 1

Carbon market webinars for businesses, NGOs and municipalities



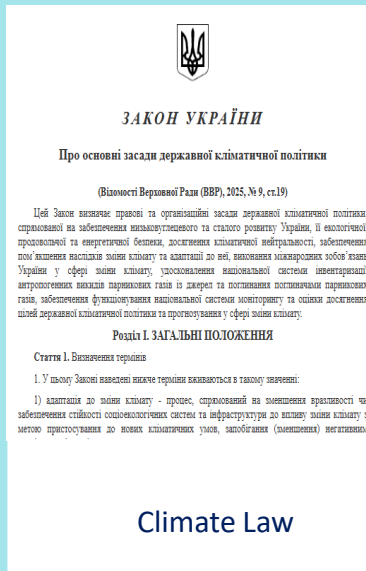
## Climate-resilient Reconstruction and Finance Mobilization



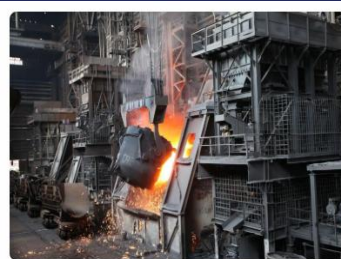
Sustainable Finance Platform



Study on ODS and F- gases



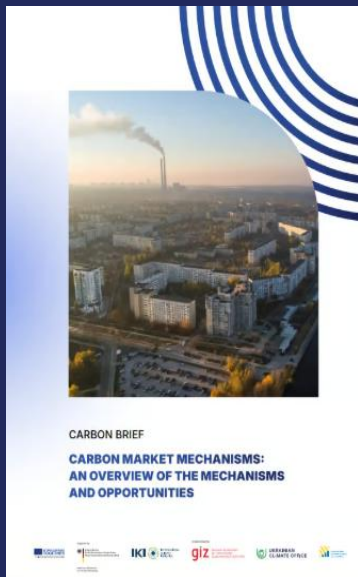
Climate Law



### CBAM roundtable with business representatives

24.04.2024

Capacities for Climate Action Project invites business representatives to participate in a roundtable, which aims to find out the needs, expectations and concerns of the industry regarding CBAM, laying the ...



# Ukrainian Climate Office

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 [ukrainian-climate-office.org](http://ukrainian-climate-office.org)



 [linkedin.com/company/ukrainian-climate-office](https://linkedin.com/company/ukrainian-climate-office)



# Presentation of Green Recovery Plattform



**Kseniia Vysotska**

Programme Officer UNEP

# Preparedness for recovery - Green Recovery Platform



# Consultation phase

- Government entities
- Parliament
- G7 Countries
- NGO community





UN  
environment  
programme



UNECE



# Role

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- I. Define the meaning of green recovery for Ukraine also considering the status of Ukraine as candidate for EU accession;
- II. Support actions to prioritise and accelerate reform of policies and legislation, practices and institutions and to mobilise whole-of-government commitment and engagement for greening the post-war recovery and reconstruction of Ukraine;
- III. Support the development of amendments to the financial constitution and financial instruments which can facilitate the implementation of the Green Recovery Strategy;
- IV. Support co-ordination and mobilisation of additional expertise and funding to promote a science-based, systemic and coordinated green recovery and set Ukraine on a net zero and climate-resilient development trajectory;
- V. Identify challenges and opportunities for strengthening the efficiency and effectiveness of international support in close co-operation with the already existing support formats

# Governance

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- **Stakeholder Forum**

The Stakeholder Forum ensures transparency on the Platform's activities and allow for a broad support by countries, international institutions and civil society. It provides expertise, strategic insights and advice to the work of the Platform.

- **Coordination Group**

The Coordination Group provides direction on the work of the Platform and in particular on its overall strategy and long-term goals, thematic priorities, work programme and budget, taking into consideration the consultations of the Stakeholder Forum.

- **Support Unit**

Day-to-day activities of the Platform are coordinated by the Support Unit which would facilitate cooperation among participating entities and coordinate the implementation of activities to achieve the Platform's objectives.



# Fund of the Green Recovery Platform

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A dedicated Fund for Ukraine Green Recovery Platform (**FUGRP**) is established to serve the needs related to the work of the Ukraine Green Recovery Platform such as:

- Recruitment and deployment of experts;
- Engagement and contracting of implementing partners;
- Logistical support for assessments and other interventions;
- Related and appropriate procurement, e.g., emergency equipment, PPE or any other related purchase for such response, including UN cost-shared activities associated with the intervention and response.



# Bigger Picture and Next Steps

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# Thank you for your attention!

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**Vysotska Ksenia**  
National Programme Officer  
kseniia.vysotska@un.org



# Climate-Resilient Reconstruction: Group Work

**Climate-Aligned Reconstruction**  
(Post Office 1, Julia Jesson UCO)

Which climate-aligned reconstruction measures should be prioritised now to deliver both immediate resilience and long-term decarbonization and what are the main barriers to implementing them?

**Green Investments**  
(Post Office 3, Kseniia Vysotska UNEP)

How can environmental sustainability criteria in public investment planning help make Ukraine's recovery genuinely green? And what needs to happen for this to work in practice?

**Energy-Related Reconstruction**  
(Post Office 4, Kateryna Stelmakh GIZ)

Which transformational energy-related reconstruction should be prioritised today to ensure long-term resilience and decarbonisation?

**Biodiversity/Environmental Protection in Reconstruction**  
(Post Palais, Michael Brombacher & Iryna Burbylo FZS)

How do we integrate biodiversity into reconstruction? What are barriers and how do we overcome them?

## **Session III**

# **Advancing Climate Action and Environmental Protection on the Way to Ukraine's EU accession**

# Keynote



**Dr. Georg Zachmann**

Senior Fellow in the area of Energy and Climate Policy at Bruegel  
and Scientific Lead at Green Deal Ukraine at the Helmholtz-Zentrum



# Cost-effective climate action on the path to Ukraine's EU accession

## The role of Ukraine's ETS

Rouven Stubbe (GDU)

Georg Zachmann (GDU & Bruegel)



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and Space

07/05/2026



## Agenda

1. Why ETS introduction should be a priority?
2. What are the problems with ETS introduction?
3. How to overcome these problems?
4. And what comes beyond?

## 1. Why ETS introduction should be a priority?

- Swift EU accession
- Incentives for future-proof investments
- Mitigate CBAM effects
- Efficiently meet domestic climate targets
- Future fiscal revenue source

## Swift EU accession

Ukraine wants to join the EU as soon as possible (dates between 2027 & 2030 mentioned)

EU accession requires integration into the EU Emissions Trading System (EU ETS)

Setting up the ETS infrastructure (e.g., MRV system, registry) takes time – e.g., Croatia had some pre-accession domestic phase

It is very unlikely, that the EU will compromise on the ETS requirement (it is essential for integrity of internal market and climate ambition)

## Incentive framework for future-proof reconstruction investments

- EU countries have committed to a “**build-back-better**” reconstruction approach in Ukraine
- Strict interpretation implies complex discussions on **taxonomy** questions, such as “Can EIB support much needed gas-peakers”
- In complex energy systems a static taxonomy is inefficient
- A credible ETS around a sufficiently ambitious target would:
  - Disincentivise investments that lock in unnecessary future emissions
  - Could make fruitless taxonomy questions redundant

## 1. Why ETS introduction should be a priority?

### Mitigate CBAM effects

Ukraine can be exempted from EU CBAM if:

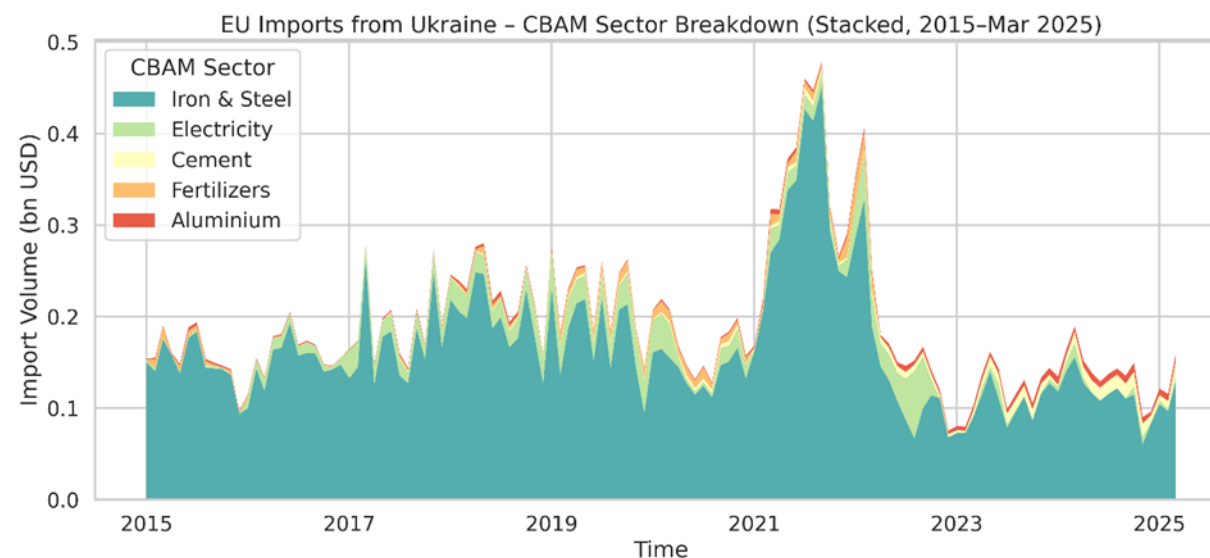
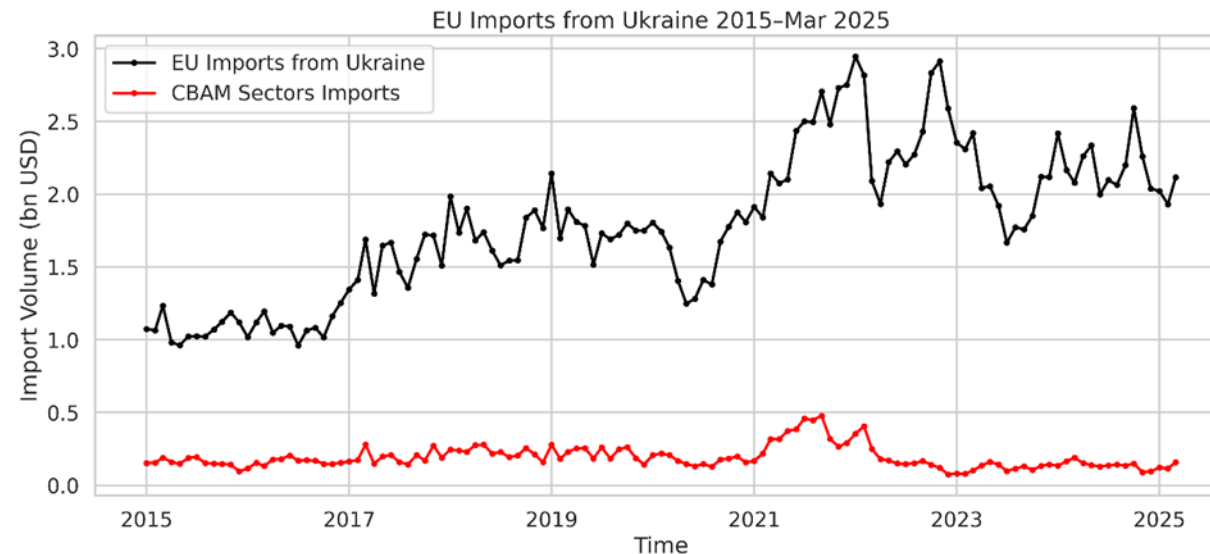
- *Art. 2.6*: EU ETS equivalent effective carbon price → **full exemption**
- *Art. 2.7*: EU ETS equivalent [*nominal*] carbon price in the power sector\* → **electricity exemption**

➤ This avoids **outflow of carbon-revenues**, i.e., they are collected by Ukraine and not the EU

➤ This prevents **trade distortions**

- Especially in the hourly electricity market those are highly inefficient
- A CBAM exception for the electricity sector (Art. 2.7) allows participating in the highly efficient electricity market coupling

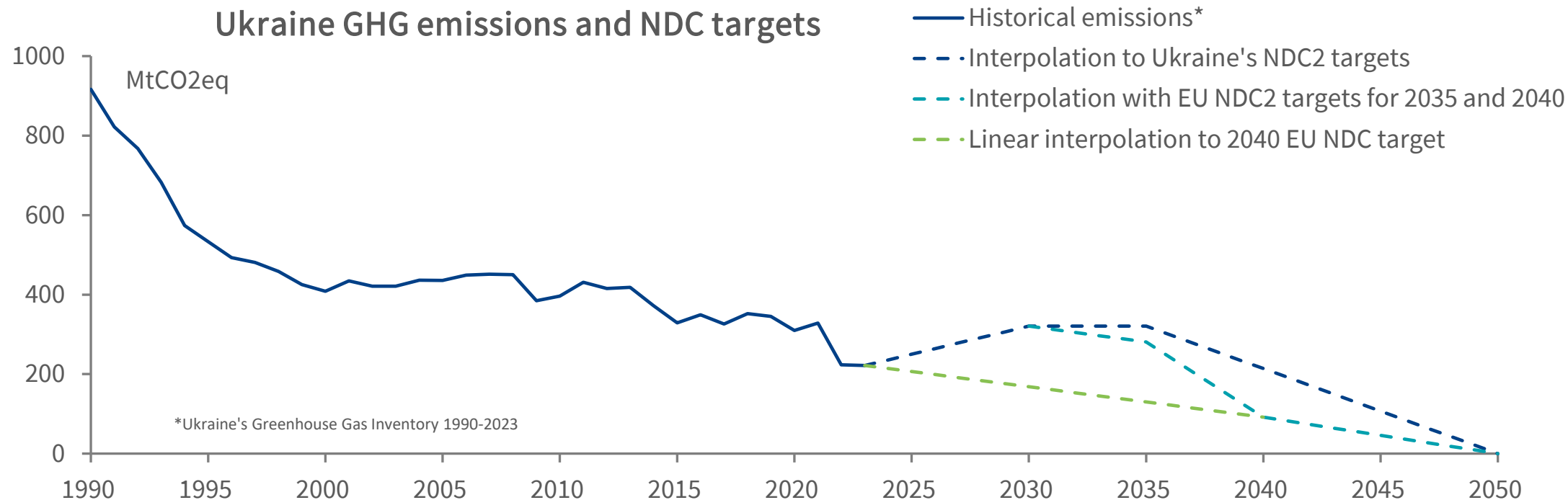
\* and other conditions



Notes: Panel (a) reports total and CBAM-covered monthly EU imports from Ukraine. Panel (b) provides sectoral breakdown of the CBAM-covered imports by the EU from Ukraine.

Source: GDU using UN Comtrade Database, 2025.

## Efficiently meet domestic climate targets



- Provides incentives for firms with lowest abatement costs to reduce their emissions (cost efficiency)
- Allows to set an emission ceiling (cap) to follow a defined decarbonisation path (emission certainty)



## Future fiscal revenue source

- International donors and lenders (esp. IMF, EU) demand that Ukraine develops credible revenue sources to ultimately become fiscally sustainable



## What is the problem with ETS introduction?

- Hitting the price wall
- Uncertainty
- Political acceptability



## Hitting the price wall

- Massive carbon price hike when instantly entering EU ETS
- Will have complex trigger-down effects in the economy
- Will cause substantial political backlash
- Possibly, to the point of jeopardising EU integration

### The price of emissions allowances in Europe

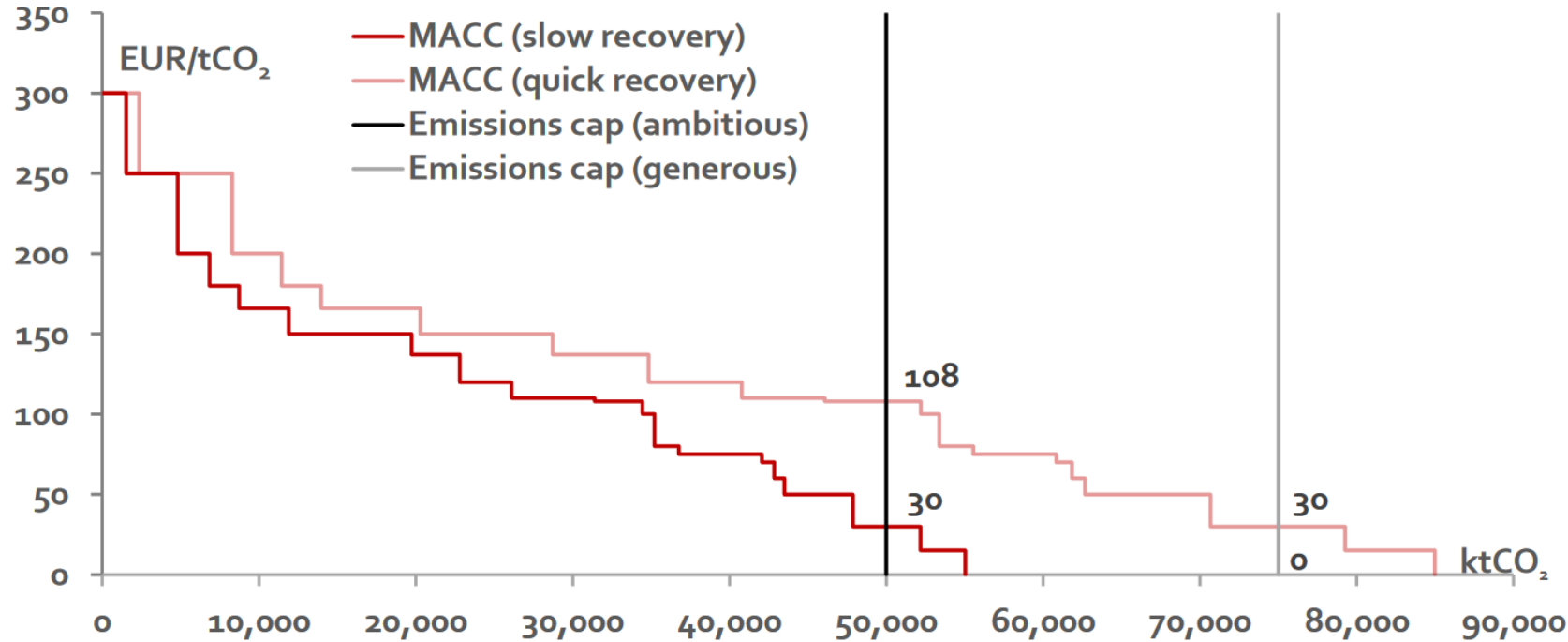
Cost per tonne of carbon dioxide produced



Source: Data provided by Montel - EU and UK Emissions Trading Scheme prices (front December contracts); UK ETS prices exclude Carbon Price Support  
Due to licensing, this data is not available for download

## Uncertainty in an 'unmanaged' purely national system

- Uncertainty regarding existing/operational installations in Ukraine
  - Uncertainty on political commitment
- allowance price uncertainty under a 'classic' cap-and-trade system without a strong price floor or price peg



Ukrainian ETS prices under two illustrative scenarios and two potential emissions allowance caps

## Political Acceptability

### Academic insights & EU experience on building policy acceptability for a credible carbon price trajectory

Insight	Policy Implication	Status
Ensuring that carbon revenues are used to support most affected and/or help reduce emissions (e.g., <b>earmarking</b> through National Climate Funds)	Ukraine starts the operation of JSC Fund for Decarbonisation and Energy Efficient Transformation in 2024	✓
Price increases are <b>gradual and predictable</b> . (e.g. phase in of ETS 2)	Ukrainian carbon price would have to increase ~ 80x when joining EU; <b>gradual increase now crucial to prevent pushback</b>	✗
Overcome <b>timing mismatch</b> when decarbonisation investments only start arrive after carbon revenues accrue (e.g., frontloading of ETS2 revenues)	Low revenues do not allow supporting industrial decarbonisation investment -> <b>using funds future revenues and foreign grants/landing to frontload investments</b>	✗
<b>Targeted transfers</b> from wealthier to poorer economies (e.g., EU Modernisation Fund )	<b>The EU should support Ukraine financially</b> to manage the upscale of its domestic carbon price	✗



### 3. How to overcome these problems?

- Sequenced price increases
- A co-financed credible decarbonisation fund for industry
- Revenue recycling for households



### 3. How to overcome these problems?

## Sequenced price increases

- Substantial near-term increase needed – but not at “break-neck speed”
- Steps are more political credible – than mastering “the wall”
- Gradual increase allows to
  - gradually calibrate complementary instruments (revenue recycling, support mechanisms, ...)
  - Introduce and adjust a carbon pricing system that is converging to the EU ETS to enable smooth accession





## Option: Same ETS price – but still breathing space for Ukraine

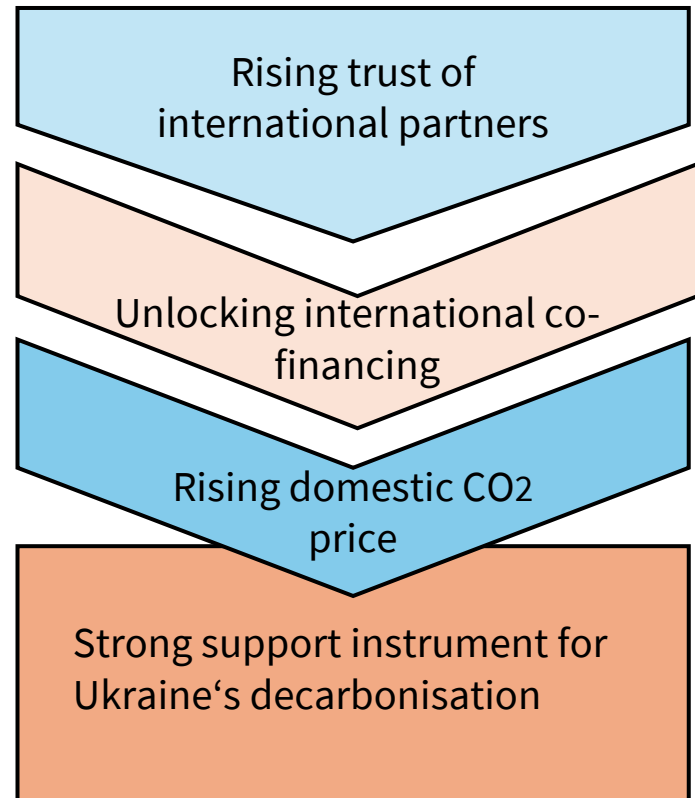
Important differentiation: *nominal* vs. *effective* carbon price

- *Nominal*: on paper
- *Effective*: After discounts or rebates (free allocation of allowances, partial surrendering obligations, etc.)
- Both subject to negotiation
- How to design discount mechanism?
  - **Free allocations** of allowances (but prone to political capture)
  - **‘Maritime approach’** – partial surrendering obligations, increasing over time
- Technical: How to ensure equivalent price to volatile EU ETS?
  - Very practical mechanism already exists – pricing rules for CBAM certificates
  - Quarterly or weekly average EU ETS allowance price
  - Could also be used for Ukraine’s ETS allowances
  - Effectively a ‘carbon price peg’ to EU ETS



## Breaking the vicious circle with predictable international co-financing?

- **Logic:** Leverage blended finance to raise Ukraine's carbon price and strengthen decarbonisation incentives in Ukraine
- **Best-case solution:** Substantial amount of international co-financing comes from the European Union
- **Challenge:** How to attract predictable international co-financing?
- **Possible Pathway:**



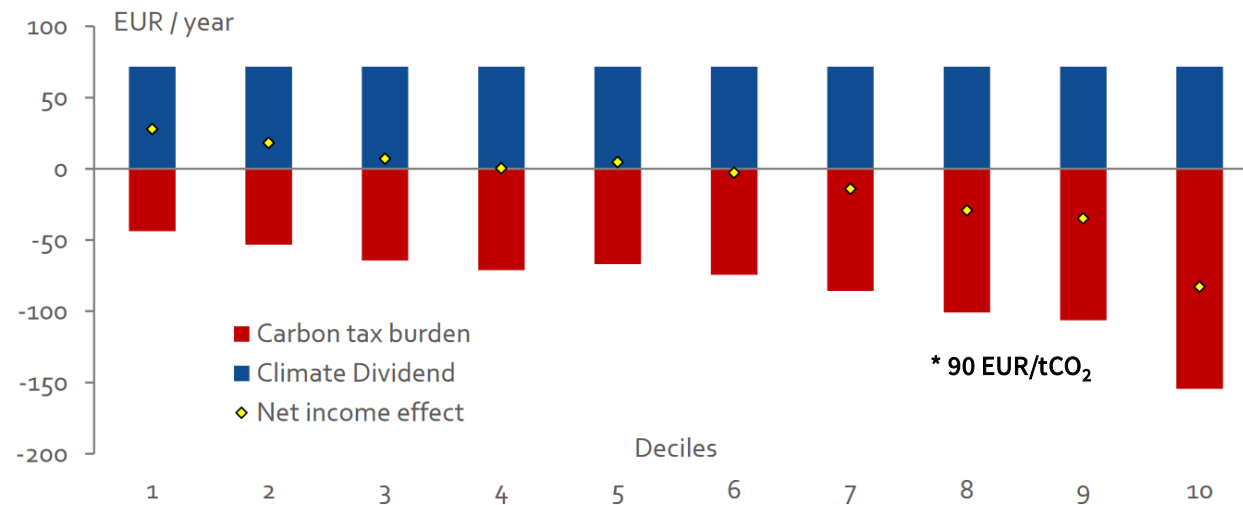
- ✓ By including potential donor representatives/experts in the Fund's supervisory board
- ✓ More transparency on projects selection
- ✓ Linking int'l cofinancing to the revenues from domestic carbon pricing
- ✓ Incentive to gradually increase it should be given by matched international funding
- ✓ Needs to be enabled by a joint international-Ukrainian governance structure of the Fund

## Embedding co-financing in co-governance

	The international mainstream	The middle-ground	The quick fix option
<b>Fund model</b>	Afghanistan Reconstruction Trust Fund	Ukrainian Energy Efficiency Fund	Ukrainian Decarbonisation and Energy Transformation Fund
<b>Implied design features</b>	<ul style="list-style-type: none"> <li>• International trustee as an independent fund administrator</li> <li>• Ukrainian implementing agency</li> <li>• EU-UA Supervisory Board</li> </ul>	<ul style="list-style-type: none"> <li>• Keep Ukrainian carbon revenues within the national budget</li> <li>• Establish a separate trust fund, where international financial contributions can be channelled</li> <li>• Both funding streams could be coordinated through a jointly governed board</li> </ul>	<ul style="list-style-type: none"> <li>• Allow the EU to appoint the independent members of the Fund's Supervisory Board</li> <li>• Improve the transparency in the project selection process</li> </ul>
<b>Assessment</b>	Increase of international trust & co-financing likely, but significant intervention into Ukraine's current system	Domestic ownership of national resources ensured while providing international partners with a strategic role in governance	Relatively easy step to strengthen oversight and increase EU confidence

## Effective revenue recycling use can mitigate impacts for households

- Support affected households
- Targeted subsidies
- But should be discussed within broader picture of tariff liberalisation / subsidy reform, not in isolation for carbon pricing
- *Alternatively or complementary:* per-capita / per-household ‘climate dividends’ (can be designed in a progressive way to make bottom half of income distribution better off from combined impact of carbon price and climate dividend)



Distributional impact with climate dividend (high scenario, 2030)

Source: [Stubbe \(2024b\)](#)

## 4. And what comes next & beyond?

- ETS law
- Article 6
- ETS2

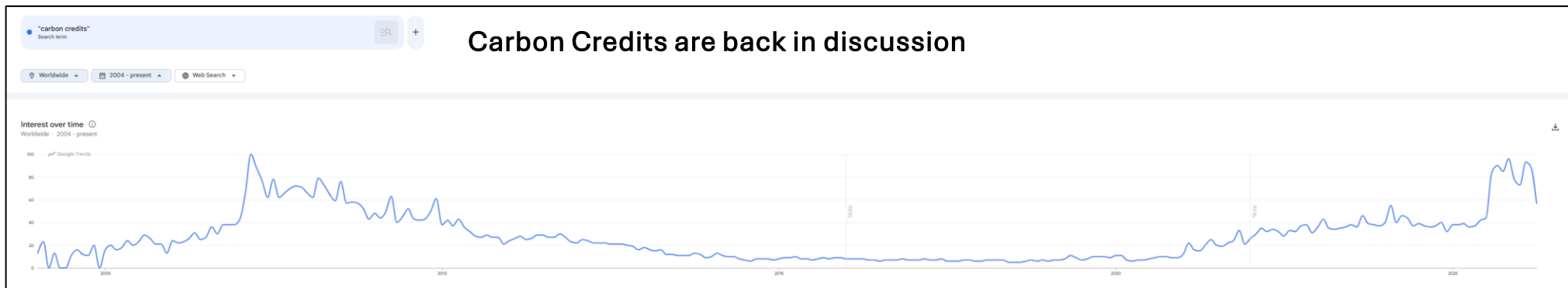
## ETS law

- Draft ETS Law in consultations soon
  - Expected to be adopted around September 2026
- Now is the window of opportunity to have discussions, shape final design of UA ETS



## Article 6

- Baku COP 2024 finalised the rulebook on international emission trading
- EU 2040 target includes possibility to meet 90% target using up to 5% international flexibilities
- This can trigger a market for up to 700 mnt of international credits



- Ukraine is eyeing this market
- Should Ukraine sell ,cheap mitigation‘ to the EU now – or make use of it once it entered

## Next challenge: ETS 2 (buildings, road transport, small industry)

- EU is set to introduce ETS2 in 2028
- Ukraine would also have to transpose it upon accession
- Possible transition via reformed carbon tax (upstream fuel-based tax for buildings, road transport, small industry)



## Conclusions

- ETS introduction is urgent – but we need better tools to allow Ukraine to committ to a credible pathway
- An EU co-financed decarbonisation fund could:
  - Engineer political acceptability for growing carbon prices in Ukraine (incl by industry lobby)
  - Ensure donor support will „build back better“
  - Open new fiscal resources in the future
- Article 6 is a promise for Ukraine – and we need a mutually beneficial political deal with the EU

green deal  
**UKRAINA**



# Feedback session: tomorrow 30th of April

- all Ukrainian political partners are kindly invited
- tomorrow (Thursday 30th of April) at 9am at the hotel lobby
- around 15 min. to conference room at Potsdamer Platz 10
- session to receive your feedback, highlight key takeaways and collect your suggestions for next IKI workshop in 2027

# Closing Remarks and Outlook

**Oleksandr Krasnolutskyi**

Deputy Minister, Ministry of Economy,  
Environment and Agriculture

**Kathrin Blaufuss**

Head of Division International Climate  
Initiative (IKI), BMUKN