UKRAINIAN CLIMATE OFFICE



on the basis of a decision by the German Bundestag

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Expert analysis



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#### **Registered offices**

Bonn and Eschborn, Germany Address Postcode and town, country T +49 61 96 79-0 F +49 61 96 79-11 15 E info@giz.de I www.giz.de/en

#### Legal address:

01004, Kyiv, 16B Antonovycha str., +38 044 594 07 60 +38 044 594 07 64 www.giz.de/ukraine-ua

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# **Abbreviations**

- CBAM Carbon border adjustment mechanism
- CMU Cabinet of Ministers of Ukraine
- COP Conference of Parties
- EGD European Green Deal
- ETS Emissions trade system
- KPIs Key performance indicators
- NDC Nationally Determined Contribution
- NSDC National Security and Defence Council
- MRV Monitoring, reporting and verification
- RST Reform Support Team
- SECAP Sustainable Energy and Climate Action Plan
- UNFCCC United Nations Framework Convention on Climate Change

### Introduction

The issues of mitigation of and adaptation to climate change occupy an important place in the country's policy agenda. Since May 1991, Ukraine has the Ministry of the Environment, which deals with climate issues; the political parties that won the latest elections and entered the parliament consider climate policy issues within the green energy development framework.<sup>1</sup>

Ukraine's international commitments and the EU's adoption of the European Green Deal have become decisive factors in increasing the priority of climate issues. According to the "Pulse of the Agreement"<sup>2</sup>, which was created by the Ukrainian government as a way to measure the level of implementation of European legislation in accordance with the Association Agreement, Ukraine has made high progress in the field of environment and climate. At the same time, the evaluation by the EU itself, published in February 2023, is significantly different from the Ukrainian one: it reveals rather low level of implementation of the EU environment and climate change acquis in Ukraine.

Russia's full-scale aggression against Ukraine temporarily weakened attention to the climate issues. However, in connection with Ukraine's acquisition of the status of a candidate for EU membership and the planning of Ukraine's post-war reconstruction, climate policy has become relevant while requires new approaches. It includes such issues as the development of climate policy, the need to implement an emissions trading system, integrating adaptation to climate change in the process of post-war reconstruction of cities, understanding the impact of armed aggression on greenhouse gas emissions, and many others.

In connection with the need to integrate climate issues into all sectors of the economy and social life, the development and implementation of climate policy and legislation in Ukraine has a complex, interdisciplinary nature. It requires a clear division of functions and powers of state authorities, their proper interaction, as well as cooperation between various stakeholders, including civil society. Therefore, the issue of institutional structure in climate governance architecture is particularly important.

For the purpose of this analysis we understand the climate governance architecture as a system of principles, rules and processes for the development and implementation of state climate policy.<sup>3</sup>

To achieve good climate governance, its architecture must be based on certain principles (openness, participation, accountability, effectiveness, and coherence), which will be the unifying element for the rules and processes for the development and implementation of state climate policy.

The rules in (of) the climate governance architecture are requirements that determine the conditions, norms of behaviour, a certain order of actions of all institutions, their competence and powers in the process of development (including planning), adoption, implementation, reporting and monitoring of the state climate policy.

Processes include fields, mechanisms and instruments of the state climate policy. Their list may change or be refined as a result of public dialogue and the degree of development of climate policy in Ukraine and in the world. Processes may include strategic planning and forecasting; integration of climate issues into other spheres; monitoring, reporting and verification of greenhouse gas emissions; adaptation to climate change, etc.

In this document, we offer an overview of the climate governance architecture system in Ukraine, the institutional structure, the main challenges that exist in the field of climate policy (regarding processes, institutions, future membership in the EU, postwar reconstruction and recovery of Ukraine), and also propose recommendations for improving the current situation.

- <sup>1</sup> https://www.rac.org.ua/uploads/content/572/files/gauparliamentselections2019.pdf <sup>2</sup> https://pulse.kmu.gov.ua/
- <sup>3</sup> https://www.rac.org.ua/uploads/content/647/files/cgaconceptukr.pdf

# Chapter 1. The system of climate governance architecture in Ukraine

#### **1.1 POLITICAL CONTEXT AND STRATEGIC PLANNING**

In Ukraine, there is an increased attention to the issues of green transformation in connection with the adoption and implementation of the European Green Deal in the EU, the central element of which is the achievement of climate neutrality. Ukraine is also making efforts to develop climate policy to take advantages of the EGD and synchronize its policies and legislation with relevant EU policies and legislation.

The green transformation trends and involvement in the implementation of the EGD were especially relevant before the Russian full-scale invasion of Ukraine. This was demonstrated by the proactive position of Ukraine regarding the possibility of joining the EGD, and in the identification of several priority areas of cooperation with the EU on EGD issues (energy efficiency, transformation of coal regions, development of hydrogen energy, industrial alliances, and climate governance architecture)<sup>4</sup>. The war slowed down the pace of changes in the green sphere, but these issues are becoming particularly relevant again in the context of green reconstruction and recovery of Ukraine, as well as on the way to the EU membership.

Ukraine's involvement into the EGD implementation, and its commitment to green transformation and climate neutrality is supported at the highest level in the EU-Ukraine bilateral relations. In particular, the Joint Statement following the last Ukraine-EU summit in February 2023 emphasized the importance of signing a Memorandum of Understanding between the EU and Ukraine on a Strategic Partnership on Renewable Gases, "which will strengthen our energy security, support our fight against climate change, and have a positive impact on economic recovery and the further integration of our energy markets."<sup>5</sup>

To ensure good climate governance, its architecture should be based on principles that will serve as a unifying element in the development and implementation of state climate policy. Such principles include: openness (access to information on climate issues), participation (involvement of all stakeholders in the process of development and implementation of climate policy), accountability (proper distribution of powers in the field of climate policy among state authorities), efficiency (development and practical implementation of climate policy and legislation), and coherence (integration of climate issues into all policies).<sup>6</sup>

Since Ukraine is at the initial stage of developing a modern and effective climate policy, an important stage is strategic planning on issues of climate change and adaptation to it both through the adoption of special strategic planning documents and through the integration of climate issues into other sectoral strategies and plans.

<sup>&</sup>lt;sup>4</sup> https://www.kmu.gov.ua/en/news/spilna-zayava-za-rezultatami-7-go-zasidannya-radi-asociaciyi-mizh-ukrayinoyu-ta-yes
<sup>5</sup> https://www.consilium.europa.eu/en/press/press-releases/2023/02/03/joint-statement-following-the-24th-eu-ukraine-summit/

One of the first steps in the planning of state climate policy was the adoption in 2005 of the National Action Plan for the Implementation of the Provisions of the Kyoto Protocol<sup>7</sup>. Subsequently, the Concept of Implementation of State Policy in the Field of Climate Change for the Period till 2030<sup>8</sup> and the Plan of Measures for its implementation<sup>9</sup> were adopted.

The Strategy of the State Environmental Policy of Ukraine for the Period until 2030<sup>10</sup> defines the development of sectoral strategies on climate change mitigation and adaptation as one of the environmental policy tasks.

With the adoption in 2020 of the decrees of the President of Ukraine and the implementation of the decisions of the National Security and Defence Council of Ukraine<sup>11</sup>, climate change and adaptation was placed in the context of environmental security of Ukraine, and the development of the Strategy for Environmental Security and Adaptation to Climate Change for the Period until 2030 became one of the priority measures. Such strategy was adopted in October 2021<sup>12</sup>.

The National Economy Strategy for the Period until 2030<sup>13</sup> identified a number of key issues of Ukraine's economic development, which are interconnected with the problem of climate change, in particular, the decarbonization of transport and infrastructure with the aim of achieving the goals of climate neutrality till 2060.

The State Strategy on Forest Management of Ukraine until 2035<sup>14</sup> identified increasing carbon removal and sequestering by forests, adaptation of forests to climate change, preservation of biodiversity in forests among its tasks. The National Transport Strategy of Ukraine for the Period until 2030<sup>15</sup> identified the need to reduce greenhouse gas emissions from mobile sources to 60% of the 1990 level.

Attention was also paid to climate issues in the developed Energy Strategies of 2006, 2013 and 2016. If in the first Energy Strategy of Ukraine in 2006<sup>16</sup> emphasis was placed on overcoming the consequences for the environment from the development of the energy sector and solving environmental problems, later each subsequent strategy was increasingly focused on the prevention of environmental problems and taking into account the climate goals determined by Ukraine within the framework of international agreements. The new Energy Strategy of Ukraine until 2050, which was approved by the Cabinet of Ministers of Ukraine, but not published, is said to reflect Ukraine's international obligations regarding energy efficiency and the use of renewable energy sources, reducing greenhouse gas emissions, and to provide for the achievement of carbon neutrality of the energy sector by 2050<sup>17</sup>.

Ukraine is also elaborating the National Energy and Climate Plan until 2030, which must be adopted as part of Ukraine's obligations to the Energy Community and the European Union. The draft Plan was developed by the Ministry of Energy of Ukraine in 2021, but in 2022, by the Memorandum signed between the Energy Community and the Cabinet of Ministers of Ukraine, the Ministry of Economy<sup>18</sup> was designated as the new responsible ministry for the development and approval of the National Energy and Climate Plan. The plan must be approved by June 2024.

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<sup>&</sup>lt;sup>7</sup> https://zakon.rada.gov.ua/laws/show/346-2005-%D1%80#Text

<sup>&</sup>lt;sup>8</sup> https://zakon.rada.gov.ua/laws/show/932-2016-%D1%80#Text

https://zakon.rada.gov.ua/laws/show/878-2017-%D1%80#Text

https://zakon.rada.gov.ua/laws/show/2697-19#Text

https://zakon.rada.gov.ua/laws/show/392/2020#Text; https://zakon.rada.gov.ua/laws/show/n0005525-20#n2; https://zakon.rada.gov.ua/laws/show/111/2021#n5; https://zakon.rada.gov.ua/laws/show/n0018525-21#n2

<sup>&</sup>lt;sup>12</sup> https://zakon.rada.gov.ua/laws/show/1363-2021-%D1%80#Text

<sup>&</sup>lt;sup>13</sup> https://zakon.rada.gov.ua/laws/show/179-2021-%D0%BF#Text

<sup>14</sup> https://zakon.rada.gov.ua/laws/show/1777-2021-%D1%80#Text

<sup>&</sup>lt;sup>15</sup> https://zakon.rada.gov.ua/laws/show/430-2018-%D1%80#Text

<sup>&</sup>lt;sup>16</sup> https://zakon.rada.gov.ua/laws/show/145-2006-%D1%80#Text

<sup>&</sup>lt;sup>17</sup> https://t.me/energyofukraine/417

<sup>&</sup>lt;sup>18</sup> https://www.me.gov.ua/News/Detail?lang=uk-UA&id=799a369f-e2a5-4a66-a2b1-0e62897c6ea1&title=NatsionalniiEnerget ichniilKlimatichniiPlan

#### **1.2 LEGISLATIVE FRAMEWORK**

#### **1.2.1 International obligations of Ukraine**

Ukraine is a party to all major international legal acts in the field of climate change, including the UN Framework Convention on Climate Change, the Kyoto Protocol, the Paris Agreement<sup>19</sup>, and is also an active participant in international climate processes and negotiations.

In July 2021, the Government approved Ukraine's Updated Nationally Determined Contribution to the Paris Agreement, which approved Ukraine's new climate goal: to reduce greenhouse gas emissions by 35% compared to 1990 by 2030. Ukraine aims to achieve climate neutrality no later than 2060.

Currently, the draft Action Plan for the implementation of the Updated Nationally Determined Contribution of Ukraine to the Paris Agreement by 2030 has been developed and made public<sup>20</sup>. At the moment, the draft plan is being reviewed and finalized.

During the 26th Conference of the Parties to the UNFCCC Ukraine joined the Declaration on Forest and Land Use<sup>21</sup>, which aims at stopping deforestation practices. Ukraine also joined the Global Methane Pledge<sup>22</sup>, which aims to reduce methane emissions by 30% by 2030 from the 2020 level.

During the 27th Conference of the Parties to the UNFCCC the key task of Ukraine's participation was to demonstrate the impact of the war, in particular on climate change, and to receive support from the international community for the recovery of Ukraine. Within the framework of COP27, Ukraine presented a number of high-level initiatives, including the Global Platform for the Assessment of Climate and Environmental Damages as a result of war<sup>23</sup>. The platform should become a place for international expert cooperation, within the framework of which unified approaches to determining damage to the environment and climate as a result of armed conflicts will be developed.

#### Ukraine's climate obligations are found in the Association Agreement between Ukraine and the EU both in the context of the approximation of legislation in accordance with Annex XXX of the Agreement and in the context of the implementation of climate policy in accordance with Annex XXXI. The climate requirements are increasingly becoming an integral part of the work within the framework of the Energy Community.

The directions and tools of climate change policy implementation are defined in Annex XXXI of the Association Agreement and include: (1) implementation of the Kyoto Protocol; (2) development of a long-term action plan for climate change mitigation and adaptation; (3) development and implementation of long-term measures aimed at reducing greenhouse gas emissions.

Annex XXX of the Association Agreement stipulates obligations regarding the establishment of a greenhouse gas emissions trading scheme and protection of the ozone layer, in particular, the implementation of Directive 2003/87/EC establishing a scheme for greenhouse gas emission allowance trading within the Community, Regulation 842/2006 on certain fluorinated greenhouse gases, Regulation 2037/2000 on substances that deplete the ozone layer.

<sup>&</sup>lt;sup>19</sup> https://zakon.rada.gov.ua/laws/show/868-2021-%D1%80#Text

<sup>&</sup>lt;sup>20</sup> https://mepr.gov.ua/povidomlennya-pro-oprylyudnennya-proyektu-rozporyadzhennya-kabinetu-ministriv-ukrayiny-proshvalennya-planu-zahodiv-z-realizatsiyi-onovlenogo-natsionalno-vyznachenogo-vnesku-ukrayiny-do-paryzkoyi-ugod/

 $<sup>^{21} {\</sup>rm https://forest.gov.ua/news/ukrayina-priyed na lasya-do-deklaraciyi-pro-zberezhen nya-ta-vid novlen nya-lisival nya-lisival nya-ta-vid novlen nya-lisival nya-ta-vid n$ 

<sup>&</sup>lt;sup>22</sup> https://www.kmu.gov.ua/news/ukrayina-priyednalasya-do-globalnoyi-iniciativi-zi-skorochennya-vikidiv-metanu-globalmethane-rledge

<sup>&</sup>lt;sup>23</sup> https://tlu.kiev.ua/pro-nas/novini-zakhodi/novina/article/ruslan-strilec-zaklikav-mizhnarodnikh-partneriv-pidtrimatiiniciativu-ukrajini-iz-zapusku-globalnoji-p.html

Progress in the implementation of the provisions of the Association Agreement in the field of climate change can be noted due to the adoption of two laws: "On the Foundations of Monitoring, Reporting and Verification of Greenhouse Gas Emissions"<sup>24</sup> and "On the Regulation of Economic Activities with Ozone-Depleting Substances and Fluorinated Greenhouse gases"<sup>25</sup>, and a number of secondary legal acts for their implementation.

Since 2016, climate issues have become an integral part of the Energy Community. Currently, provisions related to climate change are adopted in the form of recommendations and guidelines. In particular, this concerns the implementation of Regulation 525/2013 on a mechanism for monitoring and reporting greenhouse gas emissions<sup>26</sup>, as well as climate neutrality<sup>27</sup>. In 2021, the Council of Ministers of the Energy Community adopted the Decarbonisation Roadmap for the Contracting Parties of the Energy Community<sup>28</sup>, a policy document that establishes the consistent adoption, transposition and implementation of decarbonisation rules in order to put states on the path to achieving decarbonization goals by 2030 and 2050.

#### The integration of environmental and climate priorities is also observed in relation to the new agenda of the Eastern Partnership, in particular in the context of the implementation of bilateral and multilateral flagship initiatives, as well as the funding allocated for them.

Among the flagship initiatives proposed for Ukraine, it is possible to single out support for an innovative and green economy, as well as increased energy efficiency and support for renewable hydrogen<sup>29</sup>.

#### 1.2.2 National level (general and sectoral legislation)

Climate change is not an independent object of legal regulation in Ukraine at the legislative level. The Constitution of Ukraine does not contain provisions dedicated to climate change. The Law of Ukraine "On Environmental Protection" (as a basic law in the environmental sphere) will contain a provision related to climate change in 6 months after the end of martial law. Special laws and codes in the environmental sphere (with a few exceptions) also do not contain norms aimed at regulating climate change issues. In Ukraine, there is no framework law that would comprehensively regulate the issue of climate change and state climate policy.

Basically, legal regulation in the field of climate change takes place at the level of secondary legal acts adopted by the government and the relevant ministry, and on certain issues related to Ukraine's fulfilment of its international obligations to reduce greenhouse gas emissions.

A similar situation exists in the sectoral legislation of Ukraine - climate change is either completely absent as an object of legal regulation, or is mentioned in the context of other issues<sup>30</sup>, or selected issues of climate change and state climate policy<sup>31</sup> are considered. Indirect regulation of the impact on climate change of individual sectors of the economy (such as energy, transport, agriculture, etc.) and the economy in general took place through the adoption of some planning legal acts, which established the goals, objectives, ways and measures of the implementation of state policy in the relevant sectors.

- <sup>27</sup> https://www.energy-community.org/dam/jcr:3ac54a31-06e5-4741-a972-0f4abf526797/MC2020\_Annex20.pdf
- <sup>28</sup> https://www.energy-community.org/dam/jcr:c28b58eb-22db-4ad5-9ed1-4e93b5b613b7/19thMC\_Decarbonisation\_ Roadmap\_301121.pdf

<sup>30</sup> https://zakon.rada.gov.ua/laws/show/1392-17#Text; https://zakon.rada.gov.ua/laws/show/3393-17#Text

<sup>&</sup>lt;sup>24</sup> <u>https://zakon.rada.gov.ua/laws/show/377-20#Text</u>

<sup>&</sup>lt;sup>25</sup> <u>https://zakon.rada.gov.ua/laws/show/376-20#Text</u>

<sup>&</sup>lt;sup>26</sup> https://www.energy-community.org/dam/jcr:20fa8bbd-e26e-4533-9add-5382556451ca/REC\_2016\_02\_MC\_CLI.pdf

<sup>&</sup>lt;sup>29</sup> https://www.eeas.europa.eu/sites/default/files/swd\_2021\_186\_f1\_joint\_staff\_working\_paper\_en\_v2\_p1\_1356457\_0.pdf

<sup>&</sup>lt;sup>31</sup> https://zakon.rada.gov.ua/laws/show/2755-17#Text ; https://zakon.rada.gov.ua/laws/show/2019-19#Text

Article 3 of the Law of Ukraine "On Environmental Protection" will include mitigation of the consequences of climate change and adaptation to climate change as one of the principles of environmental protection. This amendment will come into effect as a result of the Law of Ukraine "On Amendments to Certain Legislative Acts of Ukraine Regarding the State System of Environmental Monitoring, Information on the State of the Environment."<sup>32</sup> However, this law enters into force six months after the cancellation or termination of martial law.

Laws and codes of Ukraine in the environmental sphere also do not contain provisions dedicated to climate change. Exceptions are some cases, in particular the laws of Ukraine "On Environmental Impact Assessment"<sup>33</sup> and "On Atmospheric Air Protection"<sup>34</sup>. The latter was adopted in 1992 and is in fact almost the first law that raised the issue of reducing greenhouse gas emissions to the legislative level, obliging enterprises, institutions, organizations, and later citizens-subjects of entrepreneurial activity, to reduce emissions of carbon dioxide and other substances, the accumulation of which in atmospheric air can lead to negative climate changes.

Until recently, there have been no special laws in the field of climate change in Ukraine.

Only on December 12, 2019, the parliament adopted two special laws on some issues related to climate change - "On the Principles of Monitoring, Reporting and Verification of Greenhouse Gas Emissions"<sup>35</sup> and "On the Regulation of Economic Activities with Ozone-Depleting Substances and Fluorinated Greenhouse Gases"<sup>36</sup>. A number of by-laws were adopted to implement these laws.

Basically, legal regulation in the field of climate change was carried out at the level of secondary regulatory and organizational and administrative acts, dedicated to specific issues of reducing greenhouse gas emissions. In particular, issues of the functioning of the national system for estimating anthropogenic emissions and absorption of greenhouse gases, joint implementation projects, projects, aimed at reducing the volume of anthropogenic emissions of greenhouse gases, carrying out operations with assigned amount units (parts), implementing environmental (green) investments.

On April 11, 2023, the Parliament of Ukraine adopted a law amending the Budget Code of Ukraine and establishing the State Fund for Decarbonization and Energy-Efficient Transformation<sup>37</sup>. Its financial resources will be directed to the financial support of measures and government targeted programs in the field of energy efficiency, increasing the use of renewable energy sources and alternative fuels, and reducing carbon emissions. The provisions regarding the State Fund shall enter into force on January 1, 2024.

#### 1.2.3 Regional level

Climate change mitigation and adaptation can be integrated into the instruments adopted for the development of the respective territories and other sectoral issues. For the regional level, including local, the issues of adaptation to climate change are more relevant than the reduction of greenhouse gas emissions.

The main development tool is the socio-economic development programs, which are adopted by the relevant village, settlement, city, district and regional councils. Climate change mitigation and adaptation can also be integrated into other programs adopted at the regional level by local state administrations.

<sup>&</sup>lt;sup>32</sup> <u>https://zakon.rada.gov.ua/laws/show/2973-20?fbclid=IwAR2oS1fZz0r14BW21fCkv8dFL9qpcmwVb4A4QJ842wLyhMmB-</u>T0JWk-8ImY#n295

<sup>&</sup>lt;sup>33</sup> <u>https://zakon.rada.gov.ua/laws/show/2059-19#Text</u>

<sup>&</sup>lt;sup>34</sup> https://zakon.rada.gov.ua/laws/show/2707-12#Text

<sup>&</sup>lt;sup>35</sup> <u>https://zakon.rada.gov.ua/laws/show/377-20#Text</u>

<sup>&</sup>lt;sup>36</sup> https://zakon.rada.gov.ua/laws/show/376-20#Text

<sup>&</sup>lt;sup>37</sup> https://zakon.rada.gov.ua/laws/show/3035-IX#Text

Strategic planning at the level of regions is carried out in accordance with the State Strategy for Regional Development for 2021-2027<sup>38</sup>. The State Strategy for Regional Development among the national and global challenges that affect regional development names climate change and its possible negative impact on agriculture and food security.

Although the national strategy defines among the necessary measures "the development and implementation of a set of measures for the prevention and adaptation to climate change of territories and the most vulnerable sectors (agriculture, forestry, water management, health care and transport infrastructure) and infrastructure objects", specific oblast development strategies lack respective tasks or measures.

In December 2019, the Ministry of Environment sent a letter to regional state administrations and the Kyiv City State Administration with recommendations regarding the inclusion of issues of prevention and adaptation to climate change in territories and the most vulnerable sectors (agriculture, forestry, water management, health care and transport infrastructure) and infrastructure objects, as well as the development of objects and territories of the national ecological network, during the development of regional state development strategies for the period 2021-2027<sup>39</sup>. The SWOT analysis of most strategies identifies global climate change as a threat. However, in practice the strategies do not offer adequate measures to respond to such challenges.

A selective analysis of regional (oblasts') socio-economic development programs and programs/strategies in areas related to climate change adaptation showed that climate change issues are not on the regional agenda. Exceptions are only strategic or planning documents of some regions (for example, the Program of Socio-Economic Development of Zakarpattia Oblast<sup>40</sup>), or very special documents, such as the Program for the Implementation of the EU Strategy for the Danube Region in Odesa Region for 2020-2022<sup>41</sup>.

At the moment, the Ministry of Environment is discussing methodological recommendations for the development of regional environmental protection programs<sup>42</sup>. It is planned to develop methodical recommendations for including issues of adaptation to climate change in programs of economic and social development and reconstruction of regions.

Ukrainian cities do not have a unified approach to strategic planning of climate change adaptation measures. Few urban development strategies have separate components dedicated to climate change adaptation. These are mainly strategies that have been developed and adopted recently, as well as strategies/concepts of integrated city development. Action plans for sustainable energy development and climate have a special place in the strategic planning of cities in the context of climate change adaptation. Such plans have a list of comprehensive climate change adaptation actions for vulnerable sectors, which represent a response to the conducted assessment of the city's vulnerability to climate change.

Strategic planning at the city level takes place through the adoption of development strategies and a number of other special strategies, programs, and action plans. Urban development strategies have a comprehensive approach to planning the future of cities and must cover all important elements. However, despite the fact that climate change is a serious challenge for cities and the issue of adaptation is a necessity, only a few strategies contain measures aimed at adapting to climate change. Some cities

<sup>41</sup> https://oblrada.od.gov.ua/wp-content/uploads/1379-VII.pdf

<sup>&</sup>lt;sup>38</sup> https://zakon.rada.gov.ua/laws/show/695-2020-%D0%BF#Text

<sup>&</sup>lt;sup>39</sup> <u>https://mepr.gov.ua/news/34319.html</u>

<sup>&</sup>lt;sup>40</sup> https://oda.carpathia.gov.ua/sites/default/files/imce/201217\_042\_r.pdf

<sup>&</sup>lt;sup>42</sup> https://mepr.gov.ua/povidomlennya-pro-oprylyudnennya-proyektu-metodychnyh-rekomendatsij-shhodo-rozroblennyaregionalnyh-ekologichnyh-program-ohorony-dovkillya/

have in their plans the development of special strategies for adaptation to climate change, for example, Dnipro and Lviv.

The Sustainable Energy and Climate Action Plans are an important element of strategic planning of measures in the field of adaptation to climate change. Cities voluntarily undertake such commitments under the Covenant of Mayors on Climate and Energy<sup>43</sup>. Such plans are a set of strategic measures for the improvement of all spheres and industries of the city, taking into account the possible sources and mechanisms of their financing, as well as the impact on reducing greenhouse gas emissions, the consequences of climate change and adaptation. Initially, such plans were related to energy development, but the latest trend is to include the assessment of the vulnerability of cities and, accordingly, recommendations on the adaptation of the city to climate change. The peculiarity of the adoption of such plans is that they are developed and approved not only by large cities (regional centers), but also by district centers, small towns, and hromadas. In the context of adaptation to climate change, the SECAP contains three main elements: vulnerability assessment, identification of vulnerable areas/sectors, and recommendations for adaptation of the city to climate change. Zhytomyr, Vinnytsia, and Lviv cities can be singled out among the cities with the greatest achievements in working on issues of climate change and adaptation.

The Ministry of Environment's team, together with the experts of the APENA3 project, proposed the Methodology for the development of climate change adaptation strategies and implementation plans in three pilot regions - Ivano-Frankivsk, Lviv, and Mykolaiv. Based on the results of the review, it is expected to propose a unified methodology for the development of climate change adaptation strategies and action plans for their implementation at the regional and local levels.

# Chapter 2. Institutional structure of climate governance architecture

#### 2.1 NATIONAL LEVEL

The Constitution and laws of Ukraine determine the system of state bodies at the national level, their competence and authority in the development and implementation of state policy in general, as well as in specific areas. However, they do not contain provisions that define a clear system of state bodies responsible for state policy in the field of climate change. The development and implementation of state policy in the field of climate change is carried out by legislative and executive authorities based on the general principles of their functioning.

#### 2.1.1 Legislative bodies (Parliament of Ukraine)

The Verkhovna Rada of Ukraine is the only body of legislative power that is authorized to adopt laws as normative legal acts of the highest legal force. At the same time, it influences the development and implementation of state policy in the field of climate change using a wide range of tools, including holding parliamentary and committee hearings, considering reports of executive authorities, cooperating with stakeholders, etc.

The Parliament carries out legislative work in separate areas, which it implements through parliamentary committees. It approves the list, quantitative composition and subject matters of such committees. Committees of the Verkhovna Rada, when exercising their powers, interact with other state bodies, local self-government bodies, enterprises, institutions and organizations, their officials, who are obliged to assist the committees in the exercise of their powers, to respond in accordance with the law to their appeals and recommendations<sup>44</sup>.

The Committee of the Verkhovna Rada of Ukraine on Environmental Policy and Nature Management was established in the Verkhovna Rada of Ukraine. Its responsibilities include, among other things, the prevention of negative anthropogenic climate changes<sup>45</sup>. A subcommittee on climate change and atmospheric air protection was created as part of it.<sup>46</sup> Legislative work is carried out on the basis of annual planning by the parliament. In the 4<sup>th</sup> quarter of 2023 the Verkhovna Rada plans to consider the draft Law on the Basic Principles of Climate Policy of Ukraine, in particular with the aim of establishing the institutional structure and legal basis of activity in the field of climate change.<sup>47</sup>

In 2018, parliamentary hearings were held on the topic "Implementation in Ukraine of international documents on the prevention of anthropogenic climate change<sup>48</sup>. Unfortunately, based on the results of their implementation, the parliament did not manage to adopt any recommendations.<sup>49</sup> In 2019, parliamentary hearings on "Priorities of environmental policy of the Verkhovna Rada of Ukraine for the next five years" were held.<sup>50</sup> In the field of climate change, the Parliament recommended that the Government, together with the central bodies of executive power, speed up the development and submission to the Verkhovna Rada of Ukraine of draft laws on the

- <sup>48</sup> https://komekolog.rada.gov.ua/documents/sluhannja/parlam\_sluhannia/74598.html
- <sup>49</sup> http://w1.c1.rada.gov.ua/pls/zweb2/webproc4\_1?pf3511=64687

<sup>&</sup>lt;sup>44</sup> https://zakon.rada.gov.ua/cgi-bin/laws/main.cgi?nreg=116%2F95-%E2%F0#Text

<sup>&</sup>lt;sup>45</sup> <u>https://zakon.rada.gov.ua/rada/show/19-IX#Text</u>

<sup>&</sup>lt;sup>46</sup> https://komekolog.rada.gov.ua/news/Pro\_komitet/GENERAL\_INFORMATION/72604.html

<sup>&</sup>lt;sup>47</sup> https://itd.rada.gov.ua/billInfo/Bills/pubFile/1642667

<sup>&</sup>lt;sup>50</sup> https://komekolog.rada.gov.ua/documents/sluhannja/parlam\_sluhannia/74714.html

fulfilment of international obligations, the implementation of EU legislation on climate change and the protection of the ozone layer, as well as speed up the development and approval of national action plans on adaptation to climate change.<sup>51</sup>

The topics of the hearings at the Environmental Committee of the Parliament covered various thematic issues, in particular, Ukraine's participation in the EGD (2020)<sup>52</sup>, fulfilment of various international obligations in the field of climate change (2021)<sup>53</sup>. Another such platform is round tables and meetings held by the committee. The committee paid attention to the implementation of Ukraine's NDC<sup>54</sup>, the national ETS<sup>55</sup>, the role of the parliament in Ukraine's readiness for climate change<sup>56</sup>. Based on the results of the latter, the Environmental Committee adopted recommendations to the executive authorities to strengthen work in the development of the necessary draft laws, acts of state policy planning in the field of climate change, etc.<sup>57</sup>

Some of the committees of the Verkhovna Rada deal with issues that are inextricably linked to climate change issues. For example, the Committee on Energy and Housing and Communal Services is responsible for such issues as energy saving and energy efficiency, unconventional and renewable energy sources, and the Committee on State Power Organization, Local Self-Government, Regional Development and Urban Planning - energy efficiency in the construction industry. Other parliamentary committees, although they do not have the issue of climate change, will indirectly influence the development and implementation of state policy in the field of climate change. Thus, the Committee on Ukraine's Integration into the European Union provides conclusions on draft laws (regardless of the issues considered in the drafts) on their compliance and consideration of such provisions of EU law. This mechanism is also applied to draft laws on climate issues.

#### One of the forms of positive lobbying, which was used by members of the Parliament to promote reforms in the field of climate change, is the creation of thematic groups in the parliament.

In 2017, a thematic group ("inter-factional association") "Green Energy of Change" was created, which presented the Green Agenda for Ukraine until 2030.58 In October 2019 (Parliament of the 9th convocation), "Energy and Environment" thematic group was formed with the aim of providing a legal basis for the transition to sustainable development, the implementation of international obligations within the framework of the Association Agreement and the Paris Agreement<sup>59</sup>. Other thematic groups whose activities are related to climate challenges are registered in the current Parliament. They include "European Green Deal", "Energy-efficient Ukraine".60

#### 2.1.2 The President of Ukraine and the National Security and Defence **Council of Ukraine**

The President of Ukraine exerts influence on the development and implementation of state policy in the field of climate change within the framework of the constitutional authority to ensure the national security of the state. In recent years, such influence has been exercised by implementing the decisions of the National Security and Defense Council (NSDC) of Ukraine. The decision-making practice of the NSDC testifies to its broad interpretation of issues covered by national security and defense. As a result, its influence occurs in various spheres of state policy, in particular in the sphere of climate change.

<sup>58</sup> <u>https://www.rada.gov.ua/news/Novyny/169582.html</u>

grup-vkhodiat-poltavski-mazhoritarniki

<sup>&</sup>lt;sup>51</sup> https://zakon.rada.gov.ua/laws/show/457-IX#Text

<sup>&</sup>lt;sup>52</sup> https://komekolog.rada.gov.ua/documents/sluhannja/kom\_sluhannia/75388.html

<sup>&</sup>lt;sup>53</sup> https://komekolog.rada.gov.ua/documents/sluhannja/kom\_sluhannia/75730.html

<sup>&</sup>lt;sup>54</sup> https://komekolog.rada.gov.ua/documents/sluhannja/krugli\_stoly\_zustrichi/75680.html

<sup>&</sup>lt;sup>55</sup> https://komekolog.rada.gov.ua/documents/sluhannja/krugli\_stoly\_zustrichi/75201.html

<sup>&</sup>lt;sup>56</sup> https://komekolog.rada.gov.ua/documents/sluhannja/krugli\_stoly\_zustrichi/75187.html

<sup>&</sup>lt;sup>57</sup> https://docs.google.com/document/d/149gqcq2HLwClfyjIl4LlwmuQmouwNQr9/edit

<sup>&</sup>lt;sup>59</sup> https://www.facebook.com/greenrada?locale=ru\_RU

In 2020, the President of Ukraine approved the National Security Strategy of Ukraine, which states that it is the basis for developing, among other things, the Strategy for Environmental Security and Adaptation to Climate Change<sup>61</sup>. In 2021, the NSDC of Ukraine adopted a decision dedicated to the challenges and threats to the national security of Ukraine in the environmental sphere and identified the priority measures that the government of Ukraine should take, in particular, in the field of climate change.<sup>62</sup> Thus, within a six-month period, the Cabinet of Ministers of Ukraine had to submit a draft law on Ukraine's low-carbon development strategy for the period until 2030 (national energy and climate change plan, national energy efficiency action plan, national action plan for the development of renewable energy).

Measures in the field of climate change were determined by the NSDC of Ukraine and in some decisions related to the reform of state policy in other areas, for example, regarding the neutralization of threats in the energy sector.<sup>63</sup>

## 2.1.3 Executive bodies (government, ministries, other central bodies of executive power)

The system of bodies at the national level consists of the Cabinet of Ministers of Ukraine, ministries and other central bodies of executive power. There are no clear provisions in the laws of Ukraine that determine their competence and authority regarding the development and implementation of state policy in the field of climate change. Similarly, the main body responsible for policy development in this area has not been determined. The powers of the executive authorities are partially laid down in subordinate legal acts, mainly in the CMU decisions setting legal status and order of activity of such authorities.

The Cabinet of Ministers of Ukraine is the highest body in the system of executive authorities. Its legal status is defined by such basic laws as the Constitution of Ukraine and the Law of Ukraine "On the Cabinet of Ministers of Ukraine"<sup>64</sup>. Both of them lack provisions regarding the role of the CMU in the development of state policy in the field of climate change, and therefore it is determined based on the general principles of implementation of state policy by CMU.

The CMU includes the Prime Minister of Ukraine, the Vice Deputy Prime Minister of Ukraine, the Vice Prime Ministers of Ukraine (now there are four of them and are responsible for the recovery of Ukraine, reintegration of temporarily occupied territories, European and Euro-Atlantic integration of Ukraine, Innovations, development of education, science and technology), as well as ministers of relevant ministries (in particular, the Minister of Environmental Protection and Natural Resources of Ukraine). The substantive division of powers has been carried out between the First Vice-Prime Minister of Ukraine and the Vice Prime Ministers of Ukraine.65 The issue of protecting the ozone layer and preventing the increase in global warming, climate change and the fulfillment of the requirements of the UN Framework Convention on Climate Change, the Kyoto Protocol to it and the Paris Agreement are under the responsibility of the Vice Prime Minister of Ukraine for Innovation, Development of Education, Science and Technology - Minister of Digital Transformation. Climate and environmental issues were assigned to his competence on November 24, 2021 (CMU Resolution No. 1223). In the initial version of the resolution, climate and environmental issues did not belong to the area of any deputy vice prime minister; only by Resolution of the CMU dated July 28, 2021 No. 790, they were initially assigned to the competence of the First Vice Prime Minister of Ukraine - the Minister of Economy.

<sup>63</sup> https://zakon.rada.gov.ua/laws/show/n0056525-21#Text

<sup>65</sup> https://zakon.rada.gov.ua/laws/show/274-2020-%D0%BF#n12

<sup>&</sup>lt;sup>61</sup> <u>https://zakon.rada.gov.ua/laws/show/392/2020#n5</u>

<sup>&</sup>lt;sup>62</sup> https://zakon.rada.gov.ua/laws/show/n0018525-21#Text

<sup>&</sup>lt;sup>64</sup> https://zakon.rada.gov.ua/laws/show/794-18#Text

The Ministry of Environmental Protection and Natural Resources of Ukraine is the special ministry for environmental protection and combating climate change. Its structure includes a division - the Department of Industrial Pollution Prevention and Climate Policy, which includes the Division of Climate Policy and Reporting - responsible for climate change issues.<sup>66</sup> Although previously there was a department that did not combine several issues, but was responsible only for the development of climate policy and other climate issues. An important component of the institutional capacity of the Ministry of Environment is the availability of sufficient human resources necessary for the development and implementation of state policy in the field of climate change, especially given its interdisciplinary nature. The maximum number of employees of the apparatus of the Ministry of Environment's website about the number of employees who are part of the Department of Climate Policy and Ozone Layer Preservation.

The Law of Ukraine "On Environmental Protection"<sup>68</sup> is a key legislative act that defines the competence and powers of the Ministry in the environmental sphere. Currently, the law does not contain provisions that would relate to its competence to ensure the development of state policy in the field of climate change, nor a mention of climate change. On March 20, 2023, a law was adopted which, among other things, makes changes to the Law of Ukraine "On Environmental Protection".<sup>69</sup> The changes only partially eliminate the outlined problems. After all, the planned changes to the law do not define the Ministry of Environment as the central body that ensures the development and implementation of state policy in the field of climate change. With the changes, the Ministry is entrusted with the implementation of international cooperation on the issues of both environmental protection and climate change and the preservation of the ozone layer, as well as the organization of the fulfillment of Ukraine's obligations in accordance with international agreements on these issues. The changes will enter into force six months from the date of the cancellation or termination of martial law, which is now in place in due to the aggression of the Russian Federation.

More specifically, the powers of the Ministry of Environment on climate issues are defined in the Regulations on the Ministry of Environmental Protection and Natural Resources of Ukraine.<sup>70</sup> The main tasks of the ministry include provision of the development and implementation of state policy in the field of regulation of ozone-depleting substances and fluorinated greenhouse gases, protection of the ozone layer and prevention of the increase in the level of global warming, climate change and the fulfillment of the requirements of international agreements in the climate sphere, as well as a number of measures are defined that the ministry carries out in the climate field.

The Ministry of Environment, in order to ensure the consistency, planning and integrity of the development of state policy, has established the procedure for interaction with central executive bodies.<sup>71</sup> However, the procedure has a clearly defined sphere of cooperation, which, firstly, concerns only bodies whose activities are coordinated through the Minister of Environmental Protection and Natural Resources of Ukraine (namely: State Forestry Agency, State Water Agency, State Geological Survey, State Environmental Inspection, State Agency of Ukraine on Exclusion Zone Management), and also concerns a specific range of issues, in particular preparation, development, approval of draft laws and by-laws, determination of priority areas of activity of these bodies, implementation of control functions and exchange of information. This order of interaction does not apply to other ministries and central executive bodies.

<sup>&</sup>lt;sup>66</sup> <u>https://mepr.gov.ua/pro-nas/struktura/</u>

<sup>&</sup>lt;sup>67</sup> https://zakon.rada.gov.ua/laws/show/85-2014-%D0%BF#n13

<sup>&</sup>lt;sup>68</sup> <u>https://zakon.rada.gov.ua/laws/show/1264-12#n22</u>

<sup>&</sup>lt;sup>69</sup> https://zakon.rada.gov.ua/laws/show/2973-20#Text

<sup>&</sup>lt;sup>70</sup> https://zakon.rada.gov.ua/laws/show/614-2020-%D0%BF#Text

<sup>&</sup>lt;sup>71</sup> https://zakon.rada.gov.ua/laws/show/z1335-22#Text

Definition of the competence and powers of other ministries and central executive bodies (services, agencies, inspections, commissions, bureaus) in the development of state policy in the field of climate change is, in most cases, absent both in laws and regulations on their activities. Among the exceptions, we can mention the Ministry of Agrarian Policy and Food of Ukraine, whose tasks include ensuring the implementation of measures aimed at adapting agricultural production to climate change and preventing climate change.<sup>72</sup>

In the process of rebuilding Ukraine and overcoming the consequences of the war, a number of initiatives related to climate policy and decarbonization policy have additionally appeared. E.g, a separate law established the Fund for Decarbonization and Energy-Efficient Transformation<sup>73</sup> under the State Energy Efficiency Agency, which operates in the Ministry of Infrastructure of Ukraine.

Currently, there is no single mechanism for coordinating the activities of executive authorities. General coordination of ministries, other central executive bodies, the Council of Ministers of the Autonomous Republic of Crimea, local state administrations is carried out by the CMU. In practice, to coordinate the activities of executive authorities in specific areas, advisory bodies are created that operate on a temporary basis. In the climate sphere, it is possible to single out the temporary consultative and advisory bodies of the CMU created in 2020:

- Interdepartmental working group on coordination issues of overcoming the consequences of climate change within the framework of the European Commission initiative "European Green Deal"<sup>74</sup>;
- Interdepartmental commission on climate change and preservation of the ozone layer.<sup>75</sup>

#### 2.2 REGIONAL AND LOCAL LEVEL

The laws of Ukraine do not contain clear provisions defining the role, competence and powers of local executive authorities and local self-government bodies in the development and implementation of state policy in the field of climate change. Their involvement in the implementation of state policy in the climate sphere is carried out based on the general principles of their creation and functioning, the need to take into account regional and local characteristics. The main form by which state policy is implemented is the inclusion of climate change issues in strategic planning documents adopted at the regional and local levels.

The Constitution of Ukraine defines the legal status of local state administrations as bodies that exercise executive power in regions and districts, the cities of Kyiv and Sevastopol. They exercise their powers in accordance with the laws of Ukraine. The Law of Ukraine "On Local State Administrations"<sup>76</sup> defines the organization, powers, and procedure of activity of local state administrations, but does not establish their powers in matters of mitigation and adaptation to climate change, development and implementation of state policy in this area. Some of their powers are defined in laws aimed at the development and implementation of state regional policy, as well as policies in other sectors.

At one time, Ukraine carried out a reform of public administration in the environmental sphere, liquidating the territorial bodies of the Ministry of Environment, whose functional competence was transferred to local state administrations.<sup>77</sup> The Ministry

ta-enerhoefektyvnoi-transformatsii

<sup>76</sup> https://zakon.rada.gov.ua/laws/show/586-14#Text

<sup>&</sup>lt;sup>72</sup> https://zakon.rada.gov.ua/laws/show/124-2021-%D0%BF#n11

<sup>&</sup>lt;sup>73</sup> https://www.kmu.gov.ua/news/derzhenerhoefektyvnosti-vru-skhvalyla-stvorennia-derzhavnoho-fondu-dekarbonizatsii-

<sup>&</sup>lt;sup>74</sup> https://zakon.rada.gov.ua/laws/show/33-2020-%D0%BF#Text

<sup>&</sup>lt;sup>75</sup> https://zakon.rada.gov.ua/laws/show/879-2020-%D0%BF#Text

<sup>77</sup> https://zakon.rada.gov.ua/laws/show/z0242-23#Text

defined the procedure for interaction with regional, Kyiv and Sevastopol city state administrations. It is carried out by exchanging information, conducting educational and methodological activities, developing joint positions on improving legislation in the environmental sphere, implementing other measures provided for by legislation. In general, the interaction has a recommendatory nature and is focused on issues of environmental protection, climate change issues are not directly mentioned in the order.

Local self-government bodies are also obliged to act on the basis, within the limits of authority and in the manner provided by the Constitution and laws of Ukraine. The peculiarity of local self-government is that it is carried out on the principle of legal, organizational and material and financial independence within the limits of powers, which are mainly determined by the Law of Ukraine "On Local Self-Government in Ukraine" and other laws.<sup>78</sup> Neither the Constitution nor this law contain provisions establishing the powers of local self-government bodies in matters of mitigation and adaptation to climate change.

#### **2.3 STRUCTURES OF OTHER STAKEHOLDERS**

In Ukraine, there is a civil society (civil associations, business associations, associations and associations of cities/hromadas, scientific and expert community, etc.), which proactively tries to influence state policy in the field of climate change and directly participates in its development. In many cases, it is networking (united in coalitions, unions, associations, networks, etc.) to promote the common interests of its members. In some cases, the issue of combating climate change is a key goal around which representatives of civil society unite (for example, the Ukrainian Climate Network), in others it is a component of international processes (in particular, the Ukrainian Side of the Ukraine-EU Civil Society Platform; Working Group 3 of the Ukrainian National Platform of the Civil Society Forum of the Eastern Partnership), or an issue that will affect the interests of their members and is therefore a subject of interest (for example, the European Business Association, GMK Center).

Civil society uses various forms of participation in the development or influence on state policy in the field of climate change, in particular, providing proposals, recommendations or comments in the development of drafts of strategic planning acts, adoption of position documents, participation in working groups for the development of such acts, etc. An example of broad and early involvement of public representatives in the development of strategic planning acts was the process of developing the draft of the National Strategy for Adaptation to Climate Change until 2030 (as a result, the CMU adopted the Strategy for Environmental Security and Adaptation to Climate Change until 2030). The Ministry of Environment practices the formation of working groups to solve specific issues, recently they relate to issues in the environmental sphere. Representatives of public associations, business associations, experts and scientists, etc., are involved in their work.

To attract the attention of national authorities, as well as the international community, EU institutions, the public uses the practice of adopting position documents. This has been actualized in the recent period in connection with the issues of recovery and reconstruction of Ukraine from the consequences of the war and the need to take into account climate and environmental issues in post-war recovery. In particular, the position of the public regarding the green reconstruction of Ukraine,<sup>79</sup> the position document regarding the draft of the Recovery Plan of Ukraine<sup>80</sup>, the position regarding the consideration of adaptation to climate change in the post-war reconstruction of Ukraine.<sup>81</sup>

<sup>81</sup> https://ecoaction.org.ua/pozytsia-hromadianskosti-adaptatsii-do-zminy-klimatu.html

<sup>&</sup>lt;sup>78</sup> https://zakon.rada.gov.ua/laws/show/280/97-%D0%B2%D1%80#n1023

<sup>&</sup>lt;sup>79</sup> <u>https://ucn.org.ua/?p=8486</u>

<sup>&</sup>lt;sup>80</sup> <u>https://dixigroup.org/wp-content/uploads/2022/09/letter-ukraines-recovery-plan-eng-1.pdf</u>

# Chapter 3. Main gaps and obstacles

# **3.1 THE MAIN DIFFICULTIES ASSOCIATED WITH THE FUTURE POST-WAR RECOVERY AND RECONSTRUCTION OF UKRAINE**

On April 21, 2022, the President of Ukraine established the National Council for the Recovery of Ukraine from the Consequences of the War, which is an advisory body under the President of Ukraine. <sup>82</sup>It is formed by the co-chairs of the Council, the secretary and other members of the Council. The co-chairs of the Council are the Chairman of the Verkhovna Rada of Ukraine, the Prime Minister of Ukraine and the Head of the Office of the President of Ukraine. Its members include senior officials of the CMU, ministries, specialized committees of the Verkhovna Rada, etc. Among its main tasks is the development of a plan of measures for the post-war recovery and development of Ukraine in various areas and on a wide range of issues. To develop the plan, 24 working groups have been created, which also include members of the civil society organizations. In July 2022, the materials of the working groups were made public for discussion.<sup>83</sup> The recovery plan for Ukraine from the consequences of the war will play a role and influence the functioning of the climate governance architecture, as it will determine the strategic direction of Ukraine's further development in both the short and long term. However, in terms of taking climate considerations into account, it has certain systemic flaws and gaps.

The Plan for the recovery of Ukraine from the consequences of the war lacks a coherent framework section, which would set the principles of such recovery and reconstruction, which should be combined and taken into account and reflected in all materials prepared by the working groups of the National Council for the **Recovery of Ukraine from the Consequences of the War.** Among the principles/ fundamentals of such reconstruction should be "build back greener", including low-carbon development of the state and the mandatory contribution of all sectors to achieving climate goals. The absence of these principles in the Recovery Plan of Ukraine will not contribute to ensuring climate-resilient post-war reconstruction and development of the state.

Although the principles of green reconstruction, which includes, among other things, the achievement of climate neutrality, are mentioned in public discourse both at the national and international level (in particular, "build back better" and "build back greener"), they were not reflected in the materials of all working groups.

Integrated climate policy is one of the key reforms defined in the materials of the working group "Environmental Safety" of the National Council for the Recovery of Ukraine from the Consequences of the War. However, such a reform remains sector-framed, as it is not properly reflected in the materials of other working groups. This, in turn, will not contribute to Ukraine's achievement of climate neutrality, the effective implementation of state policy in the field of climate change, neither support the implementation of necessary reforms in all sectoral policies, in particular those whose activities affect mitigation and adaptation to climate change (circular economy, industry, construction and transport sector, agriculture, etc.).

The materials of the working group "Environmental security" envisage the integration of climate goals into all sectors of the economy and social life. But the mechanisms by which it is possible or necessary to achieve this have not been determined. Such integration should have already taken place at the level of materials of all other working groups of the National Council for the Recovery of Ukraine from the Consequences of the War. However, this did not happen. Only part of the materials of other working groups contains some provisions that take into account the climate component of state policy: reforming the environmental tax on CO2 emissions, strengthening the health care system's readiness for emergency situations related to climate change, defining tasks and measures for mitigation and adaptation to climate change during modernization of cities and regions of Ukraine.

# 3.2 THE MAIN DIFFICULTIES ASSOCIATED WITH THE FUTURE MEMBERSHIP OF UKRAINE IN THE EU

The implementation of the Association Agreement will continue to be relevant for Ukraine, in particular, regarding the development and implementation of climate policy and legislation. The provisions of Annex XXXI of the Association Agreement need to be updated in connection with the rapid development of climate policy both at the international, European and national levels.<sup>84</sup> While the Association Agreement between Ukraine and the EU remains the main political and legal instrument of Ukraine's European integration, the EU accession process, in particular the fulfillment of all requirements regarding the environment and climate change, is gaining a priority. Focusing only on those directives and regulations contained in the Association Agreement would be a wrong step, given time and human resources needs to implement all of the EU acquis. It is worth noting that in connection with Ukraine receiving the status of the EU candidate country, Ukraine must implement all the acquis of the EU in the area of climate change, regardless of whether they are in the Association Agreement or not.

EU legislation in the field of climate change is constantly evolving. With the adoption of the EGD a systematic review of the current legislation and the adoption of new instruments has been initiated and implemented, the ultimate goal of which is to define the tools, mechanisms and measures that contribute to the achievement of climate neutrality. For Ukraine, which is just starting to systematically work on the implementation of the EU climate acquis, the presence of such a moving target is a challenge.<sup>85</sup>

For the purpose of accession negotiations, the acquis is divided into 35 so-called «chapters» grouped into clusters. A separate decision on «opening» and «closing» the negotiations is made for each chapter (although such a decision can be made for several chapters at the same time). Currently, in the field of environment and climate, these chapters are combined into «Green Agenda and Sustainable Communication» cluster, which includes chapters 14 «Transport Policy», 15 «Energy», 21 «Trans-European Networks» and 27 «Environment and Climate Change».

When negotiations on Chapter 27 (environment and climate change) are open, in the field of climate change we expect the need to implement 14 main directives and regulations, as well as a number of implementing decisions, climate policies and principles. According to expert assessment, the following are the main acts: on climate goals and climate governance - Regulation (EU) No. 2021/1119 establishing the framework for achieving climate neutrality (European Climate Law), Regulation (EU) No. 2018/1999 on the governance of the Energy Union and climate action; on tools and mechanisms for achieving climate goals and mitigating climate change – Directive 2003/87/EC establishing a scheme for greenhouse gas emission allowance trading within the Community, Regulation (EU) 2018/842 on binding annual greenhouse gas emission reductions by Member States from 2021 to 2030 contributing to climate action to meet commitments under the Paris Agreement, Regulation (EU) 2018/841

<sup>&</sup>lt;sup>84</sup> https://www.rac.org.ua/uploads/content/549/files/aaupdate2019eng.pdf

<sup>&</sup>lt;sup>85</sup> https://www.rac.org.ua/uploads/content/678/files/euacquismappingfinalukr.pdf

on the inclusion of greenhouse gas emissions and removals from land use, land use change and forestry in the 2030 climate and energy framework, Directive 2009/31/ EC on the geological storage of carbon dioxide, Regulation (EU) 2019/631 setting CO2 emission performance standards for new passenger cars and for new light commercial vehicles, Regulation (EU) 2019/1242 setting CO2 emission performance standards for new heavy-duty vehicles, Directive 1999/94/EC relating to the availability of consumer information on fuel economy and CO2 emissions in respect of the marketing of new passenger cars, Directive 98/70/EC relating to the quality of petrol and diesel fuels, Regulation (EU) 2015/757 on the monitoring, reporting and verification of carbon dioxide emissions from maritime transport; on the regulation of certain substances and greenhouse gases – Regulation (EU) No 517/2014 on fluorinated greenhouse gases, Directive 2006/40/EC relating to emissions from air-conditioning systems in motor vehicles, Regulation (EC) No 1005/2009 on substances that deplete the ozone layer.

Although Ukraine has experience in implementing directives and regulations for the implementation of the Association Agreement, there remain challenges of a legal, institutional, financial and technical nature. In particular, the practical application of the adopted legislation in the field of environment and climate change requires significant financial resources and special financial instruments. All EU climate acts that Ukraine has to implement must be translated into Ukrainian using the correct terminology. State bodies of Ukraine need institutional strengthening and capacity to develop, implement and enforce adopted policies and legislation in the field of climate change.

A number of mechanisms, such as the greenhouse gas emissions trading system, take a long time to implement, so work on the development of special legislation and its practical application should begin now, without waiting for Chapter 27 negotiations to be open.

# 3.3 THE MAIN DIFFICULTIES ASSOCIATED WITH CLIMATE GOVERNANCE PROCESSES

**Strategic planning and forecasting** is an important process in the climate governance architecture. In the European Union, this process is mainly built within the framework of the development and implementation of joint energy and climate plans, as well as long-term low-carbon development strategies. In Ukraine, the National Energy and Climate Plan is in the process of being developed - in 2021 a draft was developed by the Ministry of Energy of Ukraine. As of 2023 the Ministry of Economy is now the authority responsible for the development of the Plan. The plan must be adopted by June 2024 (see the section on strategic documents above).

The goal of achieving climate neutrality by 2050, which is enshrined in the European Green Deal, is not reflected in Ukraine's strategic documents. Instead, Ukraine aims to achieve climate neutrality by 2060.

It remains a challenge to monitor the implementation of strategic documents, which, among other things, contain climate goals and measures. A number of strategies contain targets and indicators for monitoring, however, such monitoring is not carried out by state authorities in practice. For example, since the adoption of the State Environmental Policy Strategy, the Ministry of Environment has not prepared a single report on its implementation.

**Legislative framework** of climate governance processes in Ukraine requires special attention. This, among other things, is related to the need to implement the acquis communautaire in the field of climate change for Ukraine to become a member of the EU.

Although the government has been working on the development of framework legislation in the field of climate change in recent years, there is still no framework climate law in Ukraine that would comprehensively regulate issues in the field of climate change, define the framework of state climate policy and good climate governance. In contrast, the latest global trends indicate that in order to achieve global climate goals and fulfill their international obligations, states adopt framework or special climate laws.

Legislative regulation of the development and implementation of climate policy should also provide for the principles of good climate governance, i.e. based on the principles of openness, participation, accountability, coherence, and effectiveness.

A number of issues that require legal regulation remain outside the legal field. There is a need to adopt laws that would determine the tools and mechanisms of the state climate policy, especially this applies to carbon pricing tools (for example, revision of approaches to taxation and tax rates for emissions of carbon dioxide and other greenhouse gases, creation of a national system for trading greenhouse gas emissions), stimulating the decarbonization of the economy (in particular, the development of financial instruments).

Accounting of greenhouse gas emissions (including monitoring, reporting and verification) is a necessary process of any climate policy and must be carried out in accordance with the requirements of the UN Framework Convention on Climate Change.

Ukraine has a national system for estimating anthropogenic emissions and absorption of greenhouse gases. The system was created to fulfill the requirements of the Kyoto Protocol and decisions of the Conference of the Parties to the UN Framework Convention on Climate Change. In particular, data on anthropogenic emissions and absorption of greenhouse gases are evaluated, and a national inventory of anthropogenic emissions and absorption of greenhouse gases is prepared and periodically submitted. Ensuring the functioning of the national system is entrusted to the Ministry of Environment<sup>86</sup>, which performs these functions together with the National Center for Accounting for Greenhouse Gas Emissions.<sup>87</sup>

In Ukraine, the MRV is regulated by the law. In addition to the framework law, a number of secondary regulatory legal acts were approved, which determine the procedure for monitoring and reporting on greenhouse gases, approve the list of activities whose greenhouse gas emissions are subject to monitoring, reporting and verification, and approve the typical form of standard and simplified monitoring plans and requirements for their completion, as well as typical forms of the operator's report, verification report and improvement report and requirements for their completion. In addition, the Ministry of Environment, by its order, approved the procedure for state registration of installations in the Unified Register of Monitoring, Reporting and Verification of Greenhouse Gas Emissions.

According to the Ministry of Environment, as of April 18, 2023, 482 installations were registered in the Unified Register for Monitoring, Reporting and Verification of Greenhouse Gas Emission<sup>88</sup>. Nevertheless, on February 28, 2022, the government, for the period of martial law, suspended the terms of providing part of the services, which, among other things, include services related to monitoring and reporting on greenhouse gas emissions.<sup>89</sup> The work of the MRV system will be resumed within a month after the suspension or cancellation of martial law.

Implementation of the greenhouse gas emission trading system should be based on verified data of the MRV for at least 3 years. Therefore, any delays in the operation of

<sup>&</sup>lt;sup>86</sup> <u>https://zakon.rada.gov.ua/laws/show/554-2006-%D0%BF#Text</u>

<sup>&</sup>lt;sup>87</sup> <u>https://nci.org.ua/</u>

<sup>&</sup>lt;sup>88</sup> https://www.kmu.gov.ua/news/mindovkillia-zareiestruvaty-ustanovku-v-iedynomu-reiestri-z-monitorynhu-zvitnosti-taveryfikatsii-vykydiv-parnykovykh-haziv-vidteper-mozhna-onlain

<sup>&</sup>lt;sup>89</sup> https://zakon.rada.gov.ua/laws/show/165-2022-%D0%BF#Text

the system do not contribute to speeding up the process of implementation of the EU climate acquis, in particular regarding the implementation of ETS in Ukraine.

**Carbon pricing** is the general name for all mechanisms for setting fees (prices) for greenhouse gas emissions, including taxes, the emissions trading system, and others. It is clear that without financial incentives, it is impossible to create conditions for the decarbonization of the economy and, accordingly, to achieve the goals of reducing greenhouse gas emissions. This issue is especially relevant with the upcoming carbon border adjustment mechanism, the so-called CBAM, in the EU.

Currently, carbon pricing in Ukraine provides for taxation of carbon dioxide emissions in the amount of UAH 30 per ton, which exceeds the annual volume of emissions of 500 tons (articles 243.4 and 242.4 of the Tax Code of Ukraine). Compared to the prices in the European ETS system ( $\in$ 70-100 in 2023), the tax rate on carbon dioxide emissions in Ukraine is miserably low. Therefore, in Ukraine, this tax plays an exclusively fiscal role and does not perform any environmental or climate function to stimulate the reduction of CO2 emissions.

The system of greenhouse gas emissions trading can become the main tool for achieving the goals for reducing greenhouse gas emissions, which are declared at the international level and reflected in legislative acts. Such a system works effectively at the European level, but for Ukraine, the development and implementation of such a system is one of the biggest challenges. Currently, the process is at the initial stage: a system of monitoring, reporting and verification of greenhouse gases is provided by law (see above).

It is necessary to develop clear rules for the functioning, monitoring and control of the proper functioning of the ETS with the definition of specific bodies responsible for regulatory regulation, implementation and control over the implementation of the ETS in Ukraine. The implementation of ETS should take place with the involvement of all stakeholders (public, business, scientists, experts). The state should create opportunities and real conditions for the participation of ETS and taking into account the proposals of all stakeholders.<sup>90</sup> The GIZ project "Support for the implementation of the greenhouse gas emission trading scheme in Ukraine", which was implemented in Ukraine during 2017-2023, had a positive impact on increasing the awareness of key stakeholders in Ukraine about ETS and contributed to the dialogue of stakeholders.<sup>91</sup>

Currently, the development of the Roadmap for the implementation of ETS in Ukraine is planned.

**Integrating climate change issues into other policies** is a cross-cutting process of climate governance, manifested both in integrated planning and in sectoral targets and sectoral plans for climate change mitigation and adaptation. It also involves an interdisciplinary approach and consideration of climate change issues in areas such as human rights, gender politics, etc. Given the cross-cutting nature of climate issues in the European Green Deal, climate issues should be closely integrated into sectors such as energy, transport, agriculture, finance, economic development, education, etc. And although recently, strategic planning documents in various sectors include environmental and climate considerations, their practical implementation remains at a rather low level.

The integration of climate change issues into other policies is closely related to the issue of effective communication between ministries and other central executive bodies. Despite the existence of a large number of working groups, the process of coordinating (co-approval) of draft decisions among the central executive bodies remains complex, it takes a lot of time and sometimes stops the development of documents for several years. This is also complicated by the lack of an effective mechanism for monitoring and controlling the adoption and implementation of policies. A recent example of the integration of climate change issues into other policies can be the Energy Strategy of Ukraine until 2050. The strategy was approved by the Cabinet of Ministers of Ukraine in May 2023<sup>92</sup> and has not yet been made public, however, the Ministry of Energy emphasizes that the document reflects the goals of the European Green Deal and envisages the carbon neutrality of the energy sector by 2050, prioritizing energy generation for nuclear power and renewable energy sources.

#### 3.4 THE MAIN CHALLENGES ASSOCIATED WITH THE INSTITUTIONS OF THE CLIMATE GOVERNANCE ARCHITECTURE

The institutional mechanism of state policy in the field of climate change requires special attention, in particular the definition of the system of authorities, their competence, functions and powers at the level of law. The situation with the distribution of powers in the development and implementation of state policy in the field of climate change creates risks for the implementation of national tasks and climate goals.

At the level of laws, there are no provisions that would determine the institutional features of the climate governance architecture in Ukraine. This shortcoming is partially eliminated by secondary legal acts, which assign most of the competences to the Ministry of Environment. The Regulation on the Ministry of Environmental Protection has not been amended to clearly state that the Ministry of Environment is the main body in the system of central executive bodies that ensures the development and implementation of state policy in the field of climate change. The functional powers of other ministries and central executive bodies in the field of climate change are also not defined either at the level of laws or secondary legislation.

The insufficient, sometimes low level of the "influence" of the Ministry of Environment among other ministries in the promotion of climate and environmental initiatives, which are of an interdisciplinary nature, is cause for concern. As the practice of the Ministry of Environment shows, the effectiveness of the promotion of the reforms also depends on the leadership of the minister.

The decentralization reform in Ukraine also creates additional special conditions and opportunities for building an institutional system of climate governance architecture. There are practically no provisions in the laws of Ukraine regarding competences of the local authorities and their powers in the climate sphere.

The imperfect mechanism of directing and coordinating the activities of the ministries affects, in particular, the development and implementation of state policy in the field of climate change. Currently, there is no single mechanism for coordinating the activities of executive authorities, coordination does not take place on a permanent basis and at a sufficiently high government level.

The practice of substantive distribution of powers between the officials who make up the composition of the Cabinet of Ministers of Ukraine shows a lack of understanding of the importance and cross-cutting nature of climate change issues. Previous approaches range from total absence of climate change issues in the competence of any Vice Prime Minister of Ukraine (or First Vice Prime Minister of Ukraine) to including these issues among the competences of the First Vice Prime Minister of Ukraine, and later, their transfer to the authority of the Vice Prime Minister responsible for innovations, development of education, science and technology. Such approach unbalances integration of climate change in sectoral policies (in particular, industrial, energy, agricultural, transport, etc.) and overall coordination of these issues.

The existing coordination mechanism has certain shortcomings. It features several bodies responsible for climate issues, which in turn duplicate relevant processes. Such bodies are usually created as temporary institutions with an advisory and recommendatory status. Coordination bodies are created and/ore composed of

officials at low level lacking necessary authority to making decisions. It is common to actual suspension of the activity of such bodies (for example, meetings do not take place on a regular basis, if any).

The work of several consultative and advisory bodies (in particular, the Interagency Working Group on Coordination of Climate Change Consequences within the framework of the European Commission's "European Green Deal" initiative and the Interagency Commission on Climate Change and the Preservation of the Ozone Layer), who overall and, to a certain extent, duplicate each other, does not contribute to the simplification and improvement of the coordination mechanism.

The institutional capacity of state authorities and local governments to develop and implement state policy in the field of climate change needs to be strengthened. In Ukraine, there is a practice of providing institutional support from international partners. The Reform Support Team at the Ministry of Environment (RST) has been operating for a long time, consisting of a group of Ukrainian professionals who are temporarily funded by international donors to provide targeted technical support and assistance to the Ministry in the development and implementation of priority reforms, in particular, in climate change issues. The Climate Office has been launched as part of the international technical assistance project of the German Federal Ministry of Economy and Climate Action and the EU "Capacity Building for Climate Action"<sup>93</sup>. The Climate Office will provide expert assistance to the Government of Ukraine, cities and regions, businesses to implement elements of climate policy, help with decarbonization of economic sectors, development of governance in adaptation to climate change, etc.

At the same time, institutional capacity requires the presence of structural divisions or officials responsible for the development and implementation of state policy in the field of climate change within the ministries, central executive bodies, and local selfgovernment bodies. Their number and competence will affect the effectiveness of climate policy implementation.

**Strengthening dialogue with stakeholders and their capacity** also requires special attention. The process of consultation and taking into account the opinion of key stakeholders should be fit to ensure the social and political acceptability of the goals and objectives of climate policy, contribute to its improvement and takes into account the interests of citizens. Currently, there are certain difficulties with the application of environmental policy tools, such as environmental impact assessment and strategic environmental assessment. Also, due to the martial law, there is limited public access to information, in particular environmental information, which does not contribute to the establishment of a dialogue and due consideration of public opinion in the process of developing and implementing climate policy.

**Scientific support of state policy in the field of climate change** is necessary from the point of view of implementing the principles of evidence-based (informed) state policy, protection against populism, lobbying the interests by interested groups, reliable information of decision-makers about the scope, causes of the problem, and consequences of the proposed solutions. The solution to this problem is also relevant in view of Ukraine's acquisition of the status of a candidate country for joining the EU. The European Climate Law (Regulation 2021/119) provided for the establishment of the European Scientific Advisory Board on Climate Change and invites its member states to establish a national climate advisory body responsible for providing expert scientific advice on climate policy to relevant national authorities. Regulation 2021/1119 is among the list of acquis to which Ukraine should bring its national legislation closer and implement it in its practice.

# Chapter 4. Recommendations

#### I. STRATEGIC AND LEGISLATIVE SUPPORT FOR THE IMPLEMENTATION OF CLIMATE GOALS AND CLIMATE PROCESSES.

- Proper legislative framework of climate processes requires the development and construction of a system of national legislation. The basis of this system should be a framework law that would define national climate goals, principles of functioning of climate governance architecture, institutional mechanism, strategic planning processes, integration of climate issues into other spheres of state policy, etc. Among other things, it is necessary to define a clear division of functions, competences and powers of state authorities and local self-governance in the field of climate change in the law.
- 2. Adoption of the necessary climate legislation should take into account the EU climate acquis. Legislative provision of all processes and mechanisms of climate architecture should take place in parallel, but taking into account the approach of prioritization of reforms (in particular, prioritization may be conditioned by longer terms of implementation of necessary reforms, caused by financial and institutional challenges, reforms are decisive for the implementation of other changes, etc.). Therefore, it is necessary to strengthen the work on the adoption of legislation on the creation of a national ETS and to implement the ETS in practice as soon as possible.
- 3. Proper implementation of the EU acquis in the climate sphere requires the revision of all national strategic documents for their compliance with the EU strategic documents, taking into account the climate goals and processes defined by them. In particular, agreeing on the time frame for achieving climate neutrality of Ukraine, establishing Ukraine's climate goals at the level of law. The provisions of EU strategic documents must already be taken into account during the development of new strategic sectoral documents.
- 4. Creation and implementation of an appropriate system for monitoring the implementation of all strategic documents, in particular in the field of climate change. Strategic documents should contain a system of target indicators and adequate indicators for evaluation. Improving mechanisms for monitoring and evaluating policy implementation is also possible by establishing additional climate key performance indicators (KPIs) or other monitoring tools to prevent skewed implementation. In order to integrate climate issues into strategic planning documents, it is necessary to include performance indicators on climate issues into strategic documents of state policy in other areas.
- 5. To integrate the climate component into the materials of all working groups of the Plan of the recovery of Ukraine from the consequences of the war. For this purpose, it is advisable to:
  - to develop a separate section of the Plan of the recovery of Ukraine from the consequences of the war, which establishes the general framework and defines the principles of post-war reconstruction, restoration and further development of Ukraine. They include "build back better" and "build back greener" principles to enable the environmental and climate component to be a cross-cutting direction of recovery and further development of Ukraine;

- conduct a self-screening of the materials of the working groups for their compliance with the principles of "build back better" and "build back greener", taking into account the climate component as a cross-cutting direction of recovery and further development of Ukraine;
- enable communication among the working groups, develop recommendations for integrating the climate component into the materials of the working groups and determine the order of their consideration.

Such integration should be carried out before the final adoption of the Plan of the recovery of Ukraine from the consequences of the war. In case of further changes and revisions of the Plan, it is also advisable to evaluate them in terms of their compliance with the climate policy and goals of Ukraine.

It is likely that the working groups will need additional capacity to ensure that climate issues are taken into account in all areas of economic and social life related to the post-war reconstruction and recovery of Ukraine as reflected in the Recovery Plan of Ukraine. In fact, this may be among the primary tasks of the expected to be established Climate Office, which would be able to coordinate such activities and provide methodological and expert support for the process of assessing the consideration of climate issues and, if necessary, their better crosscutting integration and inclusion into the relevant sections of the Recovery Plan of Ukraine.

- 6. Ensure the synergy of the processes of reconstruction of Ukraine, acquisition of membership in the EU, and reforms. Such synergy requires the integration of the climate component into planning documents at the national level, as well as at local and regional levels. This will require less the establishment at the legislative level of the obligation to adopt relevant strategic documents by local self-government bodies, but rather the introduction of encouraging economic and financial mechanisms (for example, access to loans, international technical assistance) for the adoption of relevant documents, as well as mechanisms for supporting and strengthening the capacity of local self-governance in adopting, in particular, strategies and plans for adaptation to climate change.
- 7. Consideration of the climate component not only in the strategic planning documents for the recovery and reconstruction of Ukraine, but the mandatory inclusion of requirements for the consideration of the climate component as one of the conditions for financing specific reconstruction and post-war reconstruction projects of Ukraine. An example can be the "green taxonomy" in the EU.

# II. THE INSTITUTIONAL BASIS OF CLIMATE GOVERNANCE IN UKRAINE.

- 8. To prioritize reforms in the climate sphere within the general state policy of Ukraine. Such an approach will correspond to the European integration direction of Ukraine's development and is necessary for Ukraine's accession to the EU. The European Green Deal defines two main reform tracks – climate and digital transformation of the economy and other social spheres in the EU. Therefore, climate processes and reforms need to be brought to a higher level than the ministerial level. Bringing the state climate policy to the level of the CMU will contribute to the integration of the climate component into all sectoral policies, by all ministries.
- 9. To introduce a special coordination mechanism for the development and implementation of state policy in the field of climate change. To create the position of Vice Prime Minister for Climate Change within the CMU to ensure political leadership, coordination and effective integration of climate issues into all spheres of state policy. He (she) should be entrusted with the coordination of general and sectoral issues of climate change mitigation and adaptation of such ministries as

the Ministry of Environment, Ministry of Agriculture, Ministry of Energy, Ministry of Economy, Ministry of Internal Affairs (with regard to the activities of the State Emergency Service), Ministry of Infrastructure, Ministry of Health. Coordinated operational activity will require the introduction of vice ministers responsible for the implementation of state climate policy and reforms in these ministries. A positive example is the promotion of European integration and digital reforms in Ukraine, corresponding positions of vice ministers have been introduced in each ministry.

The Climate Office, which is currently in the process of being established and defining its functions and powers, can play an important role in ensuring the coordination, direction and control of the climate activities of public authorities and other stakeholders. The climate office can perform functions by analogy with the Government Office for the Coordination of European and Euro-Atlantic Integration: to provide organizational, expert-analytical, informational support for the activities of the CMU in the field of climate policy. This will help, on the one hand, to have a single center for coordinating climate issues, on the other hand, it will ensure the cooperation of all central executive bodies through the work of vice ministers on climate issues. In addition, it is important that the Climate Office becomes a platform of interaction for different levels of decision-making, including regional (local), as well as cooperation of various stakeholders, in particular civil society and business.

10. Other ministries, central executive authorities, local state administrations, as well as local self-government bodies, will also need to strengthen coordinated activities in the development and implementation of state policy in the field of climate change. One of the ways can be the identification of officials who will be responsible for the implementation of climate policy and reforms.

In the structure of ministries that need to strengthen their role and capacity on climate issues, it is necessary to single out the Ministry of Finance of Ukraine. This is primarily due to the need to reform the system of taxation of carbon emissions, and the potential opportunity to participate in the Social Climate Fund for the benefit of vulnerable households, small businesses, etc. Under any circumstances the Ministry of Finance will be involved in the development of possible elements (mechanisms) of carbon pricing in Ukraine (taxes, emissions trading, etc.).

- 11. Current mechanisms of coordination of state policy processes in the climate sphere also need rethinking, revision and enlivened. In particular, it is expedient to renew the activities of the Interagency Working Group on Coordination of Overcoming the Effects of Climate Change within the framework of the European Commission's "European Green Deal" initiative, coordination of subject-related activities on climate issues, which are also the responsibility of the Interagency Commission on Climate Change and Preservation of the Ozone Layer.
- 12. The Ministry of Foreign Affairs should pay attention to the promotion of national climate diplomacy at the international level and the strengthening of Ukraine's role in global climate processes, start the work of the institute of "climate ambassadors", promote Ukraine's climate messages through digital platforms, etc.
- 13. In terms of legislative activity, clarify the powers of the Committee of the Verkhovna Rada of Ukraine on Environmental Policy and Nature Management – keep it with the function of the main committee on climate change and give it a role of a co-main committee on draft laws that are related with issues of mitigation and adaptation to climate change.
- 14. The powers of the National Security Council of Ukraine require clarification regarding climate issues as a component of state security. This will contribute to delimiting the competence of government bodies in the field of climate change,

avoiding duplication of powers or the performance of functions that are not typical for this government body in the development of state policy in the field of climate change.

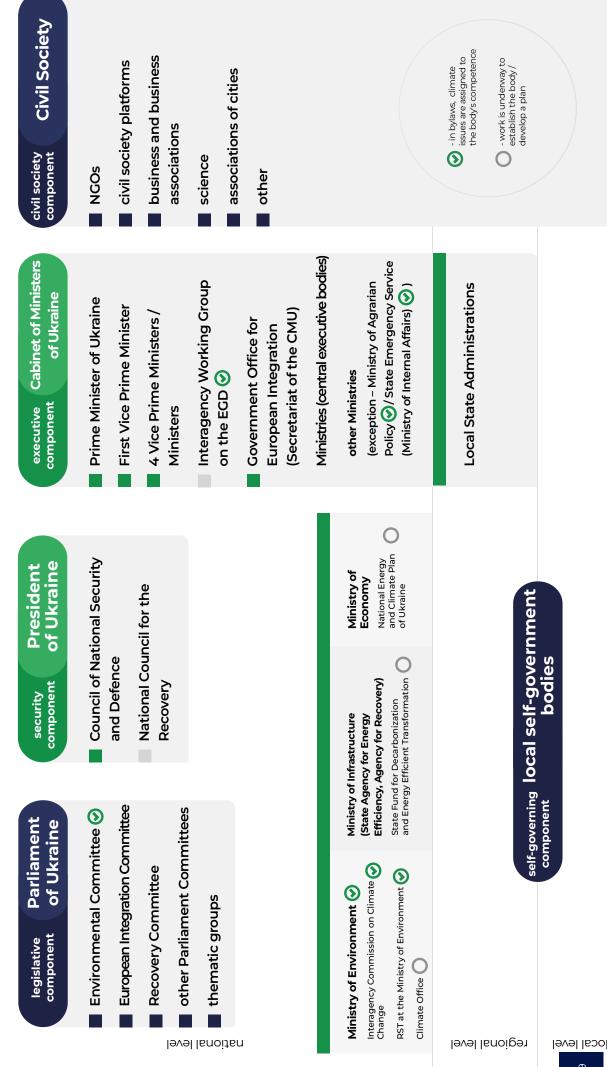
15. To use the existing potential of civil society in the development and implementation of state policy in the climate sphere. Some will need to adjust their activities in view of Ukraine's acquisition of the status of a candidate country for EU membership. In particular, the civil society platforms of the Ukrainian Side of the Ukraine-EU Civil Society Forum and the UNP of the Eastern Partnership Civil Society Forum should change the focus of their activities from the implementation of the Association Agreement to the issue of Ukraine's accession to the EU, which will strengthen the implementation of the EU climate acquis and the state climate policy of Ukraine.

#### III. CAPACITY BUILDING IN THE FIELD OF CLIMATE CHANGE AND CLIMATE CHANGE ADAPTATION.

- 16. To strengthen the potential of parliamentary thematic groups created for the promotion of climate and environmental reforms. Inter-parliamentary exchange of experience in lobbying and promotion of these reforms, cooperation projects with other interested parties, conducting research, monitoring briefs and developing recommendations for the implementation of necessary reforms, strengthening parliamentary control will be useful.
- 17. Introduce scientific support for the development and implementation of state policy in the field of climate change, which is possible through the creation of a scientific and advisory body. The creation of such a body at the national level under the patronage of the Vice Prime Minister on Climate Change Issues [currently absent, it is proposed to be created] will strengthen the ability of ministries that implement state policy in various areas to make science-based, evidence-based, comprehensive and integrated decisions , which will relate to issues of climate change.
- 18. To strengthen the institutional capacity of the Ministry of Environment regarding the development and implementation of state policy in the field of climate change. Integration into other spheres of state policy,requires an increase in the number of employees responsible for climate change. The shortage of officials in the ministry, as well as overcoming difficulties in attracting qualified specialists, is partially addressed with the help of the Reform Support Team under the Ministry of Environment, and is also planned with the help of the Climate Office. However, their activity takes place as a result of the implementation of the relevant projects. In the future, it is worth considering and changing the principles of their activity from project to permanent provision of expert support.
- 19. Strengthen the institutional capacity for the implementation of climate reforms as cross-cutting reforms at regional/local level by introducing "support offices". They would provide informational, scientific, organizational and other support, as well as strengthen the role and capacity, competences of regional development agencies on climate issues. Such support is especially important for local self-government bodies, given the lack of qualified human resources.
- 20. To introduce educational programs the possibility of short internships in EU bodies or relevant national bodies of EU member states; consider introducing secondment programs.
- 21. Create a platform for the interaction of all stakeholders.
- 22. To ensure joining by Ukraine the European Climate Pact, which is important for increasing the role of ordinary citizens in climate processes, their awareness.



# of the climate governance architecture (current) INSTITUTIONAL STRUCTURE



29

#### **INSTITUTIONAL STRUCTURE** of the climate governance architecture (proposal)

+ National Science Counsil on Climate Change	executive component       Cabinet of Ministers of Ukraine         Prime Minister of Ukraine         First Vice Prime Minister         5 Vice Prime Minister on Climate Change         Climate Office         Interagency Working Group on the EGD (to resume work, to ensure systematic activity)         Covermant Office for European Integration (Secretariat of the CMU) + capacity building on climate issues	legislative component       Parliament of Ukraine         •       Environmental Committee         •       main committee on the climate draft laws         •       o-main committee on the draft laws related to climate change         •       other Parliament Committees         •       Thematic groups         •       intensification of activities on climate issues	security component       President of Ukraine         • Council of National Security and Defence         • clarifying the competence on climate issues         • Mational Council for the Recovery         • framework chapter (the principle of «build back greener»)         • inclusion of the climate component in all chapters of the National Recovery Plan	civil society component       Civil Society         Image: NGOS       • Kisociety platforms         • change of focus from the AA to EU accession, which will strengthen the implementation of the EU climate acquis         Image: buisness and buisness associations         Image: buisness and buisness associations         Image: science         Image: associations of cities         Image: other
+ National Science C	Ministries (central executive bodies)         + Ministries under the Vice Prime Minister of + establishment of the post of Deputy Minister + establishment of the post of Deputy Minister Deputy Minister - Deputy Minister - Dep	Private Climate Change Ministry of Infrastructure (State Agency for Recovery) Ministry of Agrarian Policy Ministry of Internal Affairs (State Emergencies) Service - climate change and emergencies) Ministry of Health (climate change adaptation and healthcare)	Ministry of Foreign Affairs + promotion of climate diplomacy Ministry of Finance officials responsible for climate issues	The green text indicates the changes proposed to be made to be institutional structure of the climate governance architecture in Ucraine
	Local State Administrations + strengthening the competence of Regional Development Agencies on climate issues	self-goverment component         local self-go bodii           + capacity building on climate issues the Regional Development Agencies / «sup + stimulation (in particular, economic or adoption of strategic documents on clim mitigation and adaptation at the local do	es rough port offices» nes) for the mate change	

local level regional level

national level



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