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Ministry of Economy, Environment and

Agriculture of Ukraine

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Regarding the comments and recommendations of NGO Ecoaction on the draft National Energy and Climate Plan

NGO "Center for Environmental Initiatives "Ecoaction" welcomes the update of the National Energy and Climate Plan of Ukraine for the period until 2030. We realise that this process is complex and is being carried out in a very short timeframe, therefore it requires prompt involvement and consideration of proposals from many stakeholders.

We have reviewed the updated draft of the National Plan and prepared general comments (Annex 1 to this letter) and specific proposals for the text (Annex 2 to this letter).

For any questions, please contact the head of the energy department of NGO Ecoaction, Kostiantyn Krynytskyi - kk@ecoaction.org.ua

Annex 1: General comments of NGO Ecoaction to the National Energy and Climate Plan of Ukraine on 2 pages.

Annex 2: Recommendations of NGO Ecoaction to amend/supplement the text of specific sections of the National Energy and Climate Plan of Ukraine on 14 pages.

Sincerely,

Deputy Executive Director of NGO Ecoaction **Maria BIELKINA**

Annex 1

General comments

1. The text of the draft NECP repeatedly mentions the goal of reducing greenhouse gas (GHG) emissions by 65% by 2030 compared to 1990 levels. However, the data provided does not reflect the dynamics of the goals until 2035, according to the NDC submitted by Ukraine in 2025 (Ukraine's Second Nationally Determined Contribution)[1] (for example, p.8, p.10 "Dimension: Decarbonisation, Goals: Reducing GHG emissions by more than 65% compared to 1990 levels by 2030").
It is recommended to supplement the text of the draft (in places where the 2030 target for the NDC is mentioned) with a mention of the target for 2035.
In addition, in 2.1.1.1. Elements defined in point (a)(1) of Article 4 of Regulation (EU) 2018/1999, the focus of the information is also shifted to the 2030 NDC target, while the 2035 NDC target is mentioned only briefly. The text described does not sufficiently reflect the dynamics of emission growth between the target set in the NDC by 2035 (a reduction of more than 65%) and the data of the GHG Emissions Inventory for 1990-2023 (in which, according to calculations, a reduction of 75.8% occurred by 2023).
It is recommended to change the wording of the text to one that explains the relationship between the emission reduction targets specified in the NECP and their growth compared to emissions calculated as of 2023.

2. The current NECP provides for the possibility of using carbon capture and storage (CCS) technologies in combating climate change (PM_IMG_WAM_03 conducting a study of the potential for developing carbon capture, transportation, storage, and utilization (CCUS) infrastructure in Ukraine; developing carbon capture, transportation, storage, and utilization (CCUS) infrastructure as part of PM_RIC_WAM_09). In the context of choosing methods for reducing CO2 emissions in the energy sector, it is advisable to pay attention to such methods as the gradual phase-out of fossil fuels, the transition to renewable energy sources, and the implementation of energy efficiency measures, as they are more reliable, cleaner, and cheaper compared to CCS technologies. On the other hand, investing in CCS may reduce financing for climate-neutral solutions and delay their implementation. CCS technologies may slow down the energy transition and support polluting industries. **Economic inexpediency is one of the key factors why the use of CCS technologies[2] is not justified.**
Equipping power plants with CCS technologies is expensive and requires additional space: CSS costs significantly more per ton of avoided CO2 emissions than zero-emission renewables. Moreover, there is no conclusive evidence of the effectiveness of CCS: in practice, emission reductions are significantly lower than theoretical ones.
The use of CCS increases energy demand, requiring the burning of more fossil fuels, increasing costs, emissions, and water consumption. CO2 capture at coal and gas-fired power plants can increase freshwater consumption by 20-60%, which is a problem for Ukraine, which already has an unsatisfactory level of water supply. In addition, carbon storage sites are limited and unevenly distributed. There is also the risk of CO2 leakage, which could occur over a long period of time, making it impossible to achieve climate neutrality.

[1]Second Nationally Determined Contribution of Ukraine to the Paris Agreement: https://unfccc.int/sites/default/files/2025-11/2%20Ukraine%20NDC2_adj_v2.pdf
[2]Ecodia's position on the use of carbon capture and storage technologies to combat climate change: https://ecoaction.org.ua/pozytsiia-ulovliuvannia-ta-zberihannia-vuhletsiu.html

In this regard, it is necessary to reconsider the approach of the NECP to the role of CCS technologies in the energy sector, namely, to exclude the possibility of using CCS as a basis for the continued operation or expansion of fossil fuel capacity and to redirect emphasis and financial resources to the accelerated introduction of renewable energy sources, increasing energy efficiency, and measures to reduce fossil fuel consumption until the complete abandonment of the latter.

3. In the NECP, in terms of assessing the total contribution expected from each type of RES to achieving the indicative targets for 2030, it is expected that the use of electricity from RES in the transport sector will reach 409 thousand toe in 2030; while overall consumption of liquid biofuels will be 408 thousand toe in 2030.

Taking into account the conducted studies[3], which indicate the current inefficiency of biofuels (including biomethane) as a fuel alternative for cars compared to electric engines, as well as in accordance with the Law of Ukraine "On Some Issues of the Use of Vehicles Equipped with Electric Engines and Amendments to Some Laws of Ukraine on Overcoming Fuel Dependence and the Development of Electric Charging Infrastructure and Electric Vehicles" and in accordance with the National Transport Strategy of Ukraine until 2030, the appropriate amount of growth in the share of biofuels in the transport sector should be 25%. Therefore, **we recommend changing the parity distribution of goals between biofuels and electricity in favor of increasing and developing electricity.** For additional generation of capacity, it is advisable to consider technological solutions based on RES.

[3]Biofuels in cars: A dead end for Europe. Transport and Environment. 2025. https://www.transportenvironment.org/articles/biofuels-in-cars-a-dead-end-for-europe

Annex 2

Recommendations for Section 1 Overview and Implementation Process of the National Energy and Climate Plan

1. We propose supplementing paragraph 1.1.1. “Political, environmental, and social context of the NECP” of subsection 1.1. “Summary” of section 1 “Overview and process of implementation of the NECP” as follows:

Wording in the draft NECP	Proposed changes
... The energy-consuming sectors also suffered significant damage and losses. According to RDNA4, direct damage to buildings and infrastructure amounted to about 176 billion US dollars. The housing sector (over 57 billion US dollars, or 33% of the total damage) and the transport sector (over 36 billion US dollars, or 21%) were the most affected, while the trade and industry sectors also suffered losses (over 17 billion US dollars, or 10%). Thus, the main problems of developing and implementing NPEK are: 1. The continuation of hostilities and the need to consider their consequences, uncertainty about the scale of the destruction caused and the pace of recovery, which directly affect the possibility of implementing certain identified policies and measures, the pace of their implementation and success;	... The fuel and energy consumption sectors also suffered significant damage and losses. According to RDNA4, direct damage to buildings and infrastructure is estimated at around USD 176 billion. The housing sector (over USD 57 billion, or 33% of the total damage) and the transport sector (over USD 36 billion, or 21%) were the most affected, while the trade and industry sectors also suffered losses (over USD 17 billion, or 10%). **At the same time, the post-war recovery and reconstruction of damaged infrastructure pose additional challenges to climate policy. It is estimated that the recovery of destroyed facilities could cause additional emissions of around 73.3 million tonnes of CO2-eq. In this context, the issue of low-carbon reconstruction becomes strategic to ensure that short-term recovery measures are consistent with the long-term goals of reducing emissions and achieving climate neutrality.** Thus, the main problems of developing and implementing NPEK are: 1. The continuation of hostilities and the need to consider their consequences, uncertainty about the scale of the destruction caused, and the pace of recovery, which directly affect the possibility of implementing certain identified policies and measures, the pace of their implementation, and success; **2. Lack of clearly defined and integrated mechanisms at the strategic level to reduce emissions during the reconstruction process;**

The current NECP **does not contain comprehensive** policies and measures for the reconstruction of infrastructure damaged by a full-scale war, which could cause additional emissions of **73.3 million tons**

of CO2-eq (based on calculations for four years of a full-scale invasion).[4] The inclusion of this information in the NECP is necessary due to the following factors:
1) significant emissions from reconstruction: ignoring this aspect in the NECP is inconsistent with the overall goal of reducing emissions and achieving climate goals;
2) there is a need for a comprehensive approach: although the NECP contains a reference to the Build Back Better concept and provides some support to citizens in the construction of residential buildings with nearly zero energy consumption, such references are situational and fragmented, while a comprehensive approach to low-carbon reconstruction is absent;
3) resource allocation and planning issues: as already noted above, the reconstruction of destroyed infrastructure can cause about 73.3 million tons of CO_2-eq. of additional emissions. Ignoring this factor in the NECP complicates strategic planning and the effective allocation of financial and technical resources (national and international), and will also affect the implementation of climate goals.
Therefore, the text of the document needs to be supplemented with information on the factors of additional greenhouse gas emissions that will occur in connection with the reconstruction **of infrastructure damaged by a full-scale war, which may cause additional emissions of 73.3 million tons of CO2-eq**.

[4]Climate damage caused by Russia's war in Ukraine: 24 February 2022 – 23 February 2026: https://en.ecoaction.org.ua/climate-damage-4-years-numbers.html

Recommendations for Section 3 Policies and Measures
"Decarbonisation" Dimension

1. Within the scope of the measure PM_D_WAM_05 Implementation of climate-oriented agriculture approaches, in the part related to crop production, only mineral nitrogen fertilisers are mentioned, but the focus only on mineral fertilisers is not justified, therefore we propose to replace it with nitrogen fertilisers, which include both mineral and organic.
In the part related to livestock farming, we propose to replace "livestock waste" with manure, which is more correct. For a more detailed justification, see the proposal below.
We propose to add additional measures to those listed, relating to the observance of optimal crop rotation (GAEC 7, EU Common Agricultural Policy), as well as the preservation of pastures and hayfields, the plowing of which is recognised within the text as a problem that contributes to increased greenhouse gas emissions.

Wording in the draft NECP	**Proposed changes**
PM_D_WAM_05 Implementation of climate-smart agriculture approaches ... Description: Agriculture in Ukraine is one of the key sources of greenhouse gas emissions, related to activities in crop production (e.g., due to the use of ~~**mineral**~~ nitrogen fertilizers), livestock production (e.g., emissions from enteric fermentation and livestock waste management), and intensive land use (loss of soil organic carbon due to intensive agriculture) or land use change (e.g. loss of soil organic carbon due to plowing pastures), as well as with fuel and energy consumption by agricultural enterprises.	PM_D_WAM_05 Implementation of climate-smart agriculture approaches ... Description: Agriculture in Ukraine is one of the key sources of greenhouse gas emissions related to activities in crop production (e.g., due to **irrational** use of nitrogen fertilizers), animal husbandry (e.g., emissions from enteric fermentation and **improper manure** management), exhausting land use (loss of soil organic carbon due to intensive farming) or land use change (e.g., loss of soil organic carbon due to plowing of pastures), as well as fuel and energy consumption by agricultural enterprises.
... Climate change mitigation is achieved by reducing anthropogenic greenhouse gas emissions and increasing greenhouse gas removals by sinks. Climate technologies in the agricultural sector that have significant potential to reduce greenhouse gas emissions and increase carbon sequestration include minimum tillage technologies, increasing the efficiency of using mineral nitrogen fertilizers, increasing the volume **of application** carbon through the use of cover crops and organic fertilizers, as well as reduction technologies	... Climate change mitigation is achieved by reducing anthropogenic greenhouse gas emissions and increasing greenhouse gas removal by sinks. Climate technologies in the agricultural sector, which have significant potential for reducing greenhouse gas emissions and increasing carbon absorption, include minimum tillage technologies, technologies for increasing the efficiency of ~~**mineral**~~ nitrogen fertilizer use, increasing carbon **storage** through the use of cover crops and organic fertilizers, **maintaining optimal crop rotation, preserving pastures and hayfields,** as well as technologies for reducing emissions in livestock farming (using

emissions in livestock farming (use of feed additives and improvement of livestock waste management systems).	feed additives and improving **manure management systems**).
... Increasing the efficiency of resource use, including through technologies for differentiated application of mineral nitrogen fertilizers, will reduce greenhouse gas emissions.	... Increasing the efficiency of resource use, including through technologies for differentiated application ~~**of mineral**~~ nitrogen fertilizers, will reduce greenhouse gas emissions.

2. We welcome the addition of a new measure PM_D_WAM_06 Improvement of livestock waste management systems and biogas production. However, it is worth clarifying the definitions used within the title and throughout the text of the measure.

The title of the event uses the term “livestock waste”, and later in the text refers to animal by-products not intended for human consumption. The fact that manure can be both can generally create incorrect interpretations.

The Law of Ukraine “On Waste Management” contains the following part: “3. This Law does not apply to: 5) animal by-products not intended for human consumption, the circulation of which is regulated by the Law of Ukraine “On Animal By-Products Not Intended for Human Consumption”, except for those to which incineration, burial or which are used for the production of biogas and compost are applied”. That is, manure that is simply stored is considered a by-product, not waste.

Wording in the draft NECP	**Proposed changes**
PM_D_WAM_06 Improving livestock waste management systems and biogas production ... Livestock waste management is a significant source of greenhouse gas emissions, particularly methane, in Ukraine. The Resolution of the Cabinet of Ministers of Ukraine No. 76-r of January 31, 2025 approved the Concept State Targeted Economic Program for the Development of Livestock Breeding for the Period Until 2033. For Implementation The draft resolution of the Cabinet of Ministers of Ukraine “On approval of the State "targeted economic program for the development of livestock farming for the period until 2033", the purpose of which is to create conditions for the sustainable development of the livestock industry by stimulating the achievement of competitive production of animal products to ensure adequate domestic market needs and increasing export potential.	PM_D_WAM_06 Improving systems for managing **manure, other animal by-products** , and biogas production ... The management of **manure and other animal by-products not intended for human consumption** is a significant source of greenhouse gas emissions, particularly methane, in Ukraine. The Resolution of the Cabinet of Ministers of Ukraine No. 76-r of January 31, 2025 approved the Concept State Targeted Economic Program for the Development of Livestock Breeding for the Period Until 2033. For Implementation The **resolution** of the Cabinet of Ministers of Ukraine “On approval of the State "targeted economic program for the development of livestock farming for the period until 2033", the purpose of which is to create conditions for the sustainable development of the livestock industry by stimulating the achievement of competitive production of animal products to adequately provide

	domestic market needs and increasing export potential.

3. In the LULUCF sector, the measure PM_D_WAM_09 National Targeted Program for Land Use and Protection plays an important role. The timeframe for its implementation is currently postponed to a period of approximately six months from the date of the end of martial law. This is justified by the impossibility of assessing the condition of lands in temporarily occupied territories. However, we are convinced that this can be done in the territory controlled by Ukraine. The LULUCF sector is important in terms of reducing emissions and increasing the absorption potential.

Wording in the draft NECP	**Proposed changes**
PM_D_WAM_09 National Targeted Program for Land Use and Protection ... Timeframe: from 2027 (approximately six months after the end of martial law)	PM_D_WAM_09 National Targeted Program for Land Use and Protection ... Timeframe: **from 2026**
... Development and submission for consideration by the Verkhovna Rada of Ukraine of the draft Law of Ukraine on The approval of the National Target Program for Land Use and Protection is provided for by the Resolution of the Cabinet of Ministers of Ukraine dated January 19, 2022 No. 70-r "On Approval of the Concept of the National Target Program for Land Use and Protection" and was planned for 2022. However, due to the full-scale invasion of the Russian Federation, the development of the program was postponed due to the impossibility of assessing the condition of lands in the temporarily occupied territories.	... Development and submission for consideration by the Verkhovna Rada of Ukraine of the draft Law of Ukraine on The approval of the National Target Program for Land Use and Protection is provided for by the Resolution of the Cabinet of Ministers of Ukraine dated January 19, 2022 No. 70-r “On Approval of the Concept of the National Target Program for Land Use and Protection” and was scheduled for 2022. **Due to the full-scale invasion of the Russian Federation, the development of the program was postponed due to the impossibility of assessing the condition of lands in the temporarily occupied territories. However, given that it is possible to assess the situation and implement measures in the territories controlled by Ukraine, and the condition of lands in the temporarily occupied territories can be added and updated in the process of amending the relevant law, it is advisable to return to the development and approval of the National Program for Land Use and Protection.**

4. The description of the event PM_D_WAM_10 provides outdated and irrelevant information regarding the draft resolution of the Cabinet of Ministers of Ukraine “On the features of the legal regime for the use of lands under peatlands and possible types of their intended purpose”. In particular, the draft resolution developed in 2021 is mentioned, however, the new draft was developed during 2025 and submitted for public consultations in January 2026. In this regard, we propose the following changes to the description of the measure:

Wording in the draft NECP	Proposed changes
PM_D_WAM_10 Setting up a peatland management system ... In 2021, the Ministry of Economy developed and published a draft resolution of the Cabinet of Ministers of Ukraine "On the peculiarities of the legal regime for the use of lands under peatlands and possible types of their intended purpose". As of 2025, this resolution has not been adopted, which creates a gap in the legislation, complicates state control over the use of peatlands and jeopardizes the implementation of Ukraine's international obligations, in particular in the field of climate policy. In this regard, there is an urgent need to adopt a resolution that should determine under what conditions and with what restrictions the use of peatlands, their purpose, etc. is possible.	PM_D_WAM_10 Setting up a peatland management system ... In 2021, the Ministry of Economy developed and published a draft resolution of the Cabinet of Ministers of Ukraine “On the features of the legal regime for the use of lands under peatlands and possible types of their intended purpose”. **This draft resolution was never adopted, however, in 2025, the Ministry of Environment initiated the development of a new draft of the relevant resolution. After the reorganisation of the ministries, work on the draft resolution was continued at the Ministry of Economy. In January 2026, the draft resolution finalised by the Ministry of Economy was submitted for public consultations. In this regard, it is important to finalise and adopt the resolution as soon as possible, which will allow for the introduction of effective tools for the preservation and restoration of peatlands.**

5. We welcome the addition of a new measure PM_D_WAM_21 Introduction of sustainability criteria for biofuels, bioliquids and biomass fuels. This is an important first step for the sustainable development of bioenergy. Please note that this measure is related to PM_D_WAM_19 Development of the field of growing energy crops, which was in the first version of the NECP. **However, we recommend that the timeframes of the above measures be agreed.** In the current version, the implementation of sustainability criteria for biofuels, bioliquids and biomass fuels is planned from 2026. We propose to shift the timeframe of the measure PM_D_WAM_19 Development of the field of growing energy crops to the period from 2027 or after the implementation of the measure PM_D_WAM_21.
Also, in the section on sectors of influence, only energy is indicated, we propose to also add LULUCF, because it directly affects land use and potential changes in it.

Wording in the draft NECP	Proposed changes
PM_D_WAM_19 Development of the field of growing energy crops ... Timeframe: from 2025	PM_D_WAM_19 Development of the field of growing energy crops ... Timeframe: **from 2027**
... Energy crop cultivation activities in Ukraine are at an early stage of development, which is associated with a number of barriers that hinder such development, in particular legislative (absence of the term "energy crops" in Ukrainian legislation, complicated procedure for leasing state and municipal land), administrative (short	Energy crop cultivation activities in Ukraine are at an early stage of development, which is associated with a number of barriers that hinder such development, in particular, legislative (the absence of the term "energy crops" in the legislation of Ukraine, the complicated procedure for leasing land owned by state and municipal entities), administrative (short terms

terms of land lease agreements, lack of a civilized biomass market) and financial (need to attract significant investments at the initial stages of establishing energy crop plantations, long payback period of projects).	of land lease agreements, the absence of a civilized biomass market) and financial (the need to attract significant investments at the initial stages of establishing energy crop plantations, a long payback period for projects). **The issue of compliance and confirmation of biomass sustainability also remains unresolved, which creates risks for increased emissions due to land use change within unused natural ecosystems. Further development of energy crops must take place with mandatory consideration of sustainability criteria, in particular, excluding the involvement of natural ecosystems for the cultivation of energy crops.**

6. We recommend the following changes to PM_D_WEM_21 Stimulating the development of low-carbon municipal transport:

Wording in the draft NECP	**Proposed changes**
PM_D_WEM_21 Stimulating the development of low-carbon municipal transport ... The Law of Ukraine of June 29, 2004 No. 1914-IV "On Urban Electric Transport" provides for the gradual replacement of municipal transport with low-carbon alternatives. On urban bus routes in cities with a total population of over 250 thousand people, the number of electric buses and/or buses operating exclusively on methane (compressed or liquefied) or biogas, and/or buses with a hydrogen fuel cell (cell) as a percentage of the bus fleet must be no less than:	PM_D_WEM_21 Stimulating the development of low-carbon municipal transport ... The Law of Ukraine No. 1914-IV of June 29, 2004 “On Urban Electric Transport” provides for the gradual replacement of municipal transport with low-carbon alternatives. **In cities that have rail ground transport networks (trams) and/or trolleybus networks, it is necessary to focus on increasing the rolling stock of new energy-efficient trams and purchasing trolleybuses with an in-motion charging system. Attention should also be paid to updating the accompanying infrastructure: contact network, substations, and depots. This will reduce electricity consumption and losses by transport enterprises, extend the service life of rolling stock, and ensure improved transportation quality.** On urban bus routes in cities with a total population of over 250 thousand people, the number of electric buses and/or buses operating exclusively on methane (compressed or liquefied) or biogas, and/or buses with a hydrogen fuel cell (cell) as a percentage of the bus fleet must be no less than:

... From January 1, 2028, gradual restrictions will be imposed on the purchase of buses with internal combustion engines for use in public transport.	... From January 1, 2028, gradual restrictions will be established on the purchase of buses with internal combustion engines for use in public transport **not lower than the environmental class "Euro-5" and "Euro-6".**
... In addition, from January 1, 2036, only electric buses or buses operating exclusively on methane (compressed or liquefied) or biogas, and/or buses with a hydrogen fuel cell (cell) are allowed to transport passengers on public city bus routes in the regular passenger transportation mode in cities of district and regional significance. At the same time, local governments have the opportunity to review these shares (but not more than by 50%) and terms (not more than for two years). From January 1, 2028, gradual restrictions are established on the purchase of buses with internal combustion engines for use in public transport.	... In addition, from January 1, 2036, only electric buses or buses operating exclusively on methane (compressed or liquefied) or biogas, and/or buses with a hydrogen fuel cell (cell) are allowed to transport passengers on public city bus routes in the regular passenger transportation mode in cities of district and regional significance. At the same time, local governments have the opportunity to review these shares (but not more than 50%) and terms (not more than two years). From January 1, 2028, gradual restrictions are established on the purchase of buses with internal combustion engines for use in public transport. **Municipalities should also increase the total number of public transport rolling stock that regularly operates routes in accordance with passenger traffic.**

- In the NECP, in the measure of "Stimulating the development of low-carbon municipal transport", attention is paid only to bus transportation. However, there are many cities in Ukraine with rail and non-rail electric transport.
  In accordance with one of the tasks for achieving strategic goal 3, which is specified in the National Transport Strategy of Ukraine, economic and other measures should be implemented to stimulate the use of environmentally cleaner modes of transport in cities, in particular, urban electric transport (metro, trams, trolleybuses, etc.).
  Therefore, it is important to note in the NECP that for rail ground transport networks and/or trolleybus networks in cities where these types of transport are available, it is necessary to focus on increasing these types of rolling stock, namely on new energy-efficient trams and purchases of trolleybuses with an in-motion charging system. In addition, to extend the service life of rolling stock and ensure the quality of transportation, it is necessary to pay attention to the renewal of infrastructure: contact network, substations, and depots. This will also reduce electricity consumption and losses by the relevant transport enterprises.
- According to the National Transport Strategy of Ukraine, from 2028, it is recommended to supplement the sentence on restrictions that will apply to buses with internal combustion engines with a mention of environmental classes.
- In addition to calculating the share of rolling stock that runs on electricity or biofuels, it is necessary to add indicators of the increase in the share of public transport that is released on routes, in accordance with the expected result of achieving strategic goal 2 of the National Transport Strategy of Ukraine until 2030.

New policy proposal for Section 3 Policies and measures

"Decarbonisation" Dimension

in 3.1.3.3. Policies and measures to achieve low-emission mobility (including electrification of transport)

Title: Introduction of road tolling for trucks based on the "polluter pays" principle
Goal: create a fiscally attractive and environmentally sound mechanism that forces businesses to invest in cleaner transport.
Legal basis: obligations to the European Commission in terms of the implementation of EU Directive 2022/362[5], the National Transport Strategy of Ukraine until 2030, subsection "Road Infrastructure Renewal" of the Ukraine Plan.
Timeframe: preparatory and transition period until 2028.
Sector of influence: Transport
Responsible authorities/organisations: Ministry for the Development of Communities and Territories, Ministry of Finance, Ministry of Economy, Environment and Agriculture of Ukraine.
Emission reduction type: CO2
Description :
In accordance with Ukraine's obligations within the framework of the European integration process, namely the need to adopt EU Directive 2022/362, Ukraine should gradually introduce road use fees (tolling) for all trucks weighing 3.5 tons or more.
Trucks on Ukrainian roads are responsible for a significant share of CO2 emissions[6], so the introduction of a road charging system is also a powerful economic incentive for fleet renewal[7]. The recommended charging format should take into account: distance in km, Euro emission standard (and later CO2 class), as well as air pollution and noise charges. However, the amount of charge may differ for urban/suburban areas.
This practice is an incentive to upgrade: old, "dirty" trucks will pay the most. Ambitious tolling encourages carriers to buy new trucks with modern engines that generate significantly fewer emissions. In addition, poor road conditions increase fuel costs for trucks (for example, by 1%–2% with increasing unevenness). Tolling helps to accumulate funds for rapid road repairs, which also reduces fuel consumption and CO2 emissions by trucks.
The revenue from road tolls should be directed to the Road Fund to finance road infrastructure repairs. It will also allow for improved Weighing in Motion (WIM) methodology and data collection on road conditions, truck age, Euro standards, and CO2 emissions.

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[5]Directive (EU) 2022/362 of the European Parliament and of the Council of 24 February 2022 amending Directives 1999/62/EC, 1999/37/EC and (EU) 2019/520, as regards the charging of vehicles for the use of certain infrastructures. https://eur-lex.europa.eu/eli/dir/2022/362/oj/eng

[6] Eurovignette for Ukraine: Truck tolling to save Ukrainian roads and environment. Transport and Environment. https://www.transportenvironment.org/articles/eurovignette-for-ukraine-truck-tolling-to-save-ukrainian-roads-and-environment

[7] T&E (2025). Eurovignette for Ukraine: Truck tolling to save Ukrainian roads and environment. https://www.transportenvironment.org/articles/eurovignette-for-ukraine-truck-tolling-to-save-ukrainian-roads-and-environment

Recommendations for Section 3 Policies and Measures

"Energy Security" Dimension

1. The PM_ES_WEM_10 measure does not define a mechanism for regular review of the methodology and percentage of deductions to the financial reserve for decommissioning of nuclear power plants. Deductions are set as a share of the cost (price) of electricity sales and other payments, while the Energoatom's price is formed in different market segments. The text also incorrectly mentions the National Commission for the Regulation and Control of Energy and Utilities of Ukraine as a participant in management and control.

It is worth identifying the Cabinet of Ministers of Ukraine as the responsible body for the functioning of the financial reserve for decommissioning of nuclear facilities, since it is the CMU, based on the Law of Ukraine No. 1868-IV "On Regulating Issues Related to Ensuring Nuclear Safety", that establishes and/or approves key procedures.

We propose to clarify the PM_ES_WEM_10 measure "Financial reserve for decommissioning of nuclear facilities" as follows:

Wording in the draft NECP	**Proposed changes**
PM_ES_WEM_10 Financial reserve for decommissioning of nuclear facilities ... Responsible bodies/organisations: Ministry of Energy, Energoatom, State Nuclear Regulatory Inspectorate of Ukraine (SNRIU).	PM_ES_WEM_10 Financial reserve for decommissioning of nuclear facilities ... Responsible bodies/organisations: **Cabinet of Ministers of Ukraine**, Ministry of Energy, Energoatom, State Nuclear Regulatory Inspectorate of Ukraine (SNRIU).
... The amount of deductions is defined by the Concept of decommissioning of operating nuclear power plants of Ukraine, and the mechanism for establishing this amount is defined in a separate Procedure (approved by the Resolution of the Cabinet of Ministers of Ukraine dated April 27, 2006 No. 594). After the approval of the decommissioning project, the amount of deductions is revised taking into account the provision of the necessary amount of costs.	... The amount of deductions is defined by the Concept of decommissioning of operating nuclear power plants of Ukraine, and the mechanism for establishing this amount is defined in a separate Procedure (approved by the Resolution of the Cabinet of Ministers of Ukraine dated April 27, 2006 No. 594). **In accordance with the Law of Ukraine No. 1868-IV "On the Regulation of Issues Related to Ensuring Nuclear Safety", after the approval of the decommissioning project, the amount of deductions is revised taking into account the provision of the required amount of costs; the revision is carried out according to the procedure determined by the Cabinet of Ministers of Ukraine and may be carried out as needed, but not more often than once a year. To increase the predictability and financial stability of the reserve formation mechanism, it is advisable to provide for a regular planned revision of the methodological parameters of the calculation**

	(in particular, basic assumptions regarding costs and decommissioning terms) and to take into account, during such revision, updated estimates of costs and terms, results of financial control/inspections and macroeconomic indicators that affect future costs.

2. NECP describes the financing of radioactive waste and spent fuel management, however, the list of responsible bodies in PM_ES_WEM_11 does not reflect the role of the Cabinet of Ministers of Ukraine. At the same time, the competence of the CMU in the field of radioactive waste management is directly defined by Article 6 of the Law of Ukraine "On Radioactive Waste Management" dated 30.06.1995 No. 255/95-VR, and the procedure for using the funds of the State Fund for Radioactive Waste Management is established by the Cabinet of Ministers of Ukraine in accordance with Article 24-3 of the Budget Code of Ukraine (also in Law No. 255/95-VR this issue is related to financial provisions, in particular Article 4). The implementation of these powers is enshrined in the Resolution of the Cabinet of Ministers of Ukraine No. 330 dated April 25, 2018, which approves the Procedure for the Use of Fund's funds and defines the budgetary roles of the executors: the Ministry of Energy, as the main administrator, and the State Agency for the Development of Energy and the Energy Sector, as a lower-level administrator and responsible executor.

In this context, "coordination" means the role of the Cabinet of Ministers of Ukraine as a body that forms mandatory rules and procedures for the financing system, while the Ministry of Energy and the State Agency for the Development of Energy and the Energy Sector perform operational and budgetary functions within the framework of these rules. At the same time, the NECP does not establish requirements for regular review of financial parameters and accountability for the use of funds from specialised Funds, which increases the risks of underfunding and non-transparency. Additionally, the requirement for publicity and transparency of the use of Fund's funds is consistent with the Law of Ukraine "On the Openness of the Use of Public Funds" dated February 11, 2015 No. 183-VIII.

We propose to supplement the measure PM_ES_WEM_11 "Management of spent nuclear fuel and radioactive waste" as follows:

Wording in the draft NECP	**Proposed changes**
PM_ES_WEM_11 Spent Nuclear Fuel and Radioactive Waste Management ... Responsible bodies/organisations: Ministry of Energy, State Agency of Ukraine for Exclusion Zone Management, Energoatom, Association "Radon", Central Enterprise for Radioactive Waste Management, State Nuclear Regulatory Commission of Ukraine	PM_ES_WEM_11 Spent Nuclear Fuel and Radioactive Waste Management ... Responsible bodies/organisations: **Cabinet of Ministers of Ukraine (coordination)**, Ministry of Energy, State Agency of Ukraine for Exclusion Zone Management, Energoatom, Association "Radon", Central Enterprise for Radioactive Waste Management, State Nuclear Regulatory Commission of Ukraine
... As for spent nuclear fuel, Ukraine has chosen the path of long-term safe storage in interim storage facilities. A decision on further processing or disposal of spent fuel is expected to be made	... **To ensure the predictability of the replenishment of the State Fund for Radioactive Waste Management and the fulfillment of long-term obligations in the field**

before the end of the operational life of such storage facilities.	**of radioactive waste and spent nuclear fuel, the Cabinet of Ministers of Ukraine approves a mechanism for regular review of financial parameters (planning of revenues and expenditures) at least once every three years based on approved work plans and updated cost estimates, as well as the results of financial audits. State Agency of Ukraine for Exclusion Zone Management provides annual public reporting on revenues and use of funds of the State Fund for Radioactive Waste Management according to a unified structure of indicators.** As for spent nuclear fuel, Ukraine has chosen the path of long-term safe storage in interim storage facilities. A decision on further processing or disposal of spent fuel is expected to be made before the end of the operational life of such storage facilities.

Recommendations for Section 5 Impact Assessment of Planned Policies and Measures

5.3 Overview of Investment Needs

in Subsection 5.3.1. Existing Investment Flows and Future Investment Forecasts in the Context of Planned Policies and Measures

1. We propose to reflect a new financial mechanism to support coal regions - the Just Transition and Just Resilience for Ukraine (JTR-U) Programme from the European Investment Bank, which was announced in 2025. This will allow to clearly fix one of the external financial instruments for the implementation of the measure, which will eliminate the gap between political commitment and resource provision for its implementation. It will also increase the transparency and coherence of the just transition policy with international sources of funding.

Wording in the draft NECP	**Proposed changes**
Investment needs for the implementation of the policy of fair transformation of coal regions ... The financing of measures for the implementation of the Program will be carried out at the expense of state and local budgets, as well as at the expense of international technical assistance and other sources not prohibited by law. The financing of the Program at the expense of state budget funds will be carried out starting from the second budget period after the termination or abolition of martial law in Ukraine, provided that funds are foreseen in the relevant local budgets for co-financing the specified measures.	Investment needs for the implementation of the policy of fair transformation of coal regions ... The financing of measures for the implementation of the Program will be carried out at the expense of state and local budgets, as well as at the expense of international technical assistance and other sources not prohibited by law. The financing of the Program at the expense of state budget funds will be carried out starting from the second budget period after the termination or abolition of martial law in Ukraine, provided that funds are foreseen in the relevant local budgets for co-financing the specified measures. **International financial instruments include, but are not limited to, the European Investment Bank's Just Transition and Just Resilience for Ukraine (JTR-U) Programme with an initial budget of EUR 19.6 million. The Programme aims to support projects that mitigate the socio-economic consequences of the gradual closure of the coal industry and contribute to the structural transformation of coal communities.**