

# Synchronization of strategic documents in the energy sector in the context of the post-war recovery of Ukraine

**Cooperation for Restoring  
the Ukrainian Energy Infrastructure project**  
Task Force



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## INTRODUCTION

The post-war recovery of Ukraine should be based on a clear vision of the further development of the Ukrainian economy and the energy sector, as one of its most important components. For this purpose, the President of Ukraine created the National Recovery Council that prepared the Ukraine Recovery Plan, and presented it on July 4-5, 2022 at the Ukraine Recovery Conference (URC2022) in Lugano, Switzerland. This Plan outlined a strategic vision for the recovery and further development of Ukraine, including the energy sector.

At the same time, there are other strategic documents in Ukraine that outline the development of the energy sector in general and its subsectors in particular. The strategic documents are developed and approved by various stakeholders. Although the energy subsectors are closely interrelated, some documents are often prepared separately from each other and do not take into account the general vision of related industries development.

Since the recovery process requires a unified vision for the development of all industries, the Task Force conducted a comprehensive analysis of strategic legislative framework in the energy sector to illustrate an overall picture of strategic documents for key Ukrainian stakeholders.

This document was developed by the Task Force comprised of representatives of the Ministry of Energy of Ukraine, NJSC "Naftogaz of Ukraine" and the Energy Charter Secretariat, established under the Project "Cooperation for Restoring the Ukrainian Energy Infrastructure" in cooperation with other Ukrainian and international organisations. The general objective of the Project is to assist the Government of Ukraine in the cost-effective restoration of energy infrastructure, taking into account the clean energy transition while ensuring energy security. The Project is funded by the European Commission and implemented by the Energy Charter Secretariat.

All comments and proposals for improvement can be sent to [vladyslav.maksakov@encharter.org](mailto:vladyslav.maksakov@encharter.org).

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Information contained in this work has been obtained from sources believed to be reliable. However, the Task Force does not guarantee the accuracy or completeness of any information published herein. This work does not attempt to render legal or other professional services.

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## KEY NATIONAL STAKEHOLDERS

### **Office of the President of Ukraine**

The main tasks of the Office are organisational, legal, advisory, informational, expert-analytical as well as delivering other administrative support to the the President of Ukraine in exercising of his powers defined by the Constitution of Ukraine

### **The National Security and Defense Council of Ukraine (NSDCU)**

NSDU under the Constitution of Ukraine, is a coordinating body on issues of national security and defense under, the President of Ukraine. The functions of the National Security and Defense Council of Ukraine are, in particular, to prepare and submit the proposals and recommendations to the President of Ukraine regarding the implementation of the principles of state internal and foreign policy in the field of national security and defense<sup>1</sup>.

### **The National Council for the Recovery of Ukraine from the Consequences of the War (National Recovery Council)**

The main tasks of the National Recovery Council are the development of a plan of measures for the post-war recovery and development of Ukraine, which, especially, will provide for the restoration and development of utilities, energy infrastructure, structural modernisation and restarting the economy, definition and development of proposals for priority reforms, the adoption and implementation of which are necessary in the war and post-war periods, preparation of strategic initiatives, drafts of the regulatory and legal acts, the adoption and implementation of which are necessary for the efficient work and recovery of Ukraine during the war and post-war periods<sup>2</sup>.

### **The Cabinet of Ministers of Ukraine (CMU)**

The Cabinet of Ministers of Ukraine is the highest body in the system of executive authorities. The Cabinet of Ministers of Ukraine exercises its executive powers directly and through the ministries, other central executive bodies of executive power, the Council of Ministers of the Autonomous Republic of Crimea and local state administrations, directs, coordinates and controls the activities of these bodies<sup>3</sup>.

### **The Ministry of Energy of Ukraine (Ministry of Energy)**

The Ministry of Energy is the main body in the system of central executive bodies, which ensures: formation and implementation of state policy in electricity, nuclear industry, coal industry, peat mining, oil and gas, including processing complex; formation and implementation of state policy in the field of effective use of fuel and energy resources, energy conservation, renewable energy sources and alternative types of fuel (except for issues of ensuring the energy efficiency of buildings and other structures) and in the field of supervision (control) in the fields of electricity and heat supply<sup>4</sup>. The law of Ukraine “About Heat Supply”

### **The Ministry of Communities and Territories Development of Ukraine (Ministry of Communities)**

The Ministry of Communities is the main body in the system of central executive bodies, which ensures the formation of state policy in the field of energy efficiency in buildings, the formation and implementation of state policy in the field of utility services (including heat supply)<sup>5</sup>.

### **The State Agency for Energy Efficiency and Energy Saving of Ukraine (SAEE)**

SAEE is the central body of the executive power, whose activities are directed and coordinated by the Cabinet of Ministers of Ukraine through the Minister of Energy and which implements state policy in the field of effective use of fuel and energy resources, energy conservation, renewable energy sources and alternative fuels<sup>6</sup>.

### **The National Energy and Utilities Regulatory Commission (NEURC or Regulator)**

NEURC carries out state regulation, monitoring and control over the activities of economic entities in the fields of energy and utility services<sup>7</sup>.

### **The Ministry of Infrastructure of Ukraine (Ministry of Infrastructure)**

The Ministry of Infrastructure is the main body in the system of central executive bodies, which ensures the formation and implementation of state policy in the spheres of road, railway, sea and river transport<sup>8</sup>.

### **The Ministry of Economy of Ukraine (Ministry of Economy)**

The Ministry of Economy is the main body in the system of central executive bodies, which ensures formation and implementation of the state policy in spheres of economic, social development and trade, state price policy<sup>9</sup>.

### **The Ministry of Environmental Protection and Natural Resources of Ukraine (Ministry of Environment)**

The Ministry of Environment is the main body in the system of central executive bodies, which ensures forms and implements state policy in the field of environmental protection, ecological safety<sup>10</sup>.

### **State Geology and Subsoil Service of Ukraine (Derzhgeonadra)**

Derzhgeonadra is the central executive body, whose activities are directed and coordinated by the Cabinet of Ministers of Ukraine through the Minister of Environment and which implements state policy in the field of geological study and rational use of subsoil also being an authorised body for the implementation of agreements on the distribution of products.<sup>11</sup>

<sup>1</sup> [The law of Ukraine “About the National Security and Defense Council of Ukraine”](#)

<sup>2</sup> [Regulations on the National Council for the Recovery of Ukraine from the Consequences of the War, approved by decree of the President of Ukraine dated April 21, 2022 No. 266/2022](#)

<sup>3</sup> [The law of Ukraine “About the Cabinet of Ministers of Ukraine”](#)

<sup>4</sup> [Regulation on the Ministry of Energy of Ukraine, approved by resolution of the CMU dated June 17, 2020 No. 507](#)

<sup>5</sup> [Regulation on the Ministry of Communities and Territories Development of Ukraine, approved by resolution of the CMU dated April 30, 2014 No. 197, The law of Ukraine “About Heat Supply”](#)

<sup>6</sup> [Regulation on the State Agency for Energy Efficiency and Energy Saving of Ukraine, approved by resolution of the CMU dated November 26, 2014 No. 676](#)

<sup>7</sup> [The law of Ukraine “About the National Energy and Utilities Regulatory Commission”](#)

<sup>8</sup> [Regulation on the Ministry of Infrastructure of Ukraine, approved by resolution of the CMU dated June 30, 2015 No. 460](#)

<sup>9</sup> [Regulation on the Ministry of Economy of Ukraine, approved by resolution of the CMU dated August 30, 2014 No. 459](#)

<sup>10</sup> [Regulation on the Ministry of Environmental Protection and Natural Resources of Ukraine, approved by resolution of the CMU dated June 25, 2020 No. 614](#)

<sup>11</sup> [Regulation on the State Geology and Subsoil Service of Ukraine, approved by resolution of the CMU dated December 30, 2015 No. 1174](#)

## LIST OF STRATEGIC DOCUMENTS (list contains direct references)

### National level

**National Economic Strategy for the period up to 2030**, approved by the resolution of CMU dated March 03, 2021 No. 179 *(Ministry of Economy)*

**The updated Nationally Determined Contribution of Ukraine to the Paris Agreement (NDC)**, approved by the order of CMU dated July 30, 2021 No. 868 *(Ministry of Environment)*

**National Security Strategy of Ukraine**, approved by the decree of the President of Ukraine dated September 14, 2020 No. 392/2020 *(decision of NSDCU dated September 14, 2020)*

**Ukraine Recovery Plan** *(draft, National Recovery Council)*

**Strategy of Low-Carbon Development of Ukraine up to 2050** *(Ministry of Environment)*

### Energy sector concept documents

**Energy Strategy of Ukraine for the period up to 2035 "Security, Energy Efficiency, Competitiveness"**, approved by the order of CMU dated August 18, 2017 No. 605-r, (in process, reviewed with a planning horizon until 2050) *(Ministry of Energy)*

**Action Plan for the implementation of the stage "Energy Sector Reform (up to 2020)" of the Energy Strategy of Ukraine for the period up to 2035**, approved by the order of CMU dated June 6, 2018 No.497-p *(Ministry of Energy)*

**Energy Security Strategy**, approved by the order of CMU dated August 4, 2021 No. 907 *(Ministry of Energy)*.

**Integrated National Energy and Climate Plan up to 2030** *(Ministry of Energy, Ministry of Environment)*

**Energy Security part of Ukraine Recovery Plan** *(draft, Ministry of Energy)*

**Construction, Urban planning, Modernisation of Cities and Regions part of Ukraine Recovery Plan** *(draft, Ministry of Communities)*

### Sectoral energy

#### Power sector

**National Plan for Reduction of Emissions from Large Incineration Plants**, approved by the order of CMU dated November 08, 2017 No. 430-r *(Ministry of Energy)*

**Program of Hydropower Development for the period up to 2026**, approved by the order of CMU dated July 13, 2016 No. 552-r *(Ministry of Energy)*

**National Renewable Energy Action Plan up to 2030 (NREAP)** *(draft, SAE, Ministry of Energy)*

**Concept of Implementation of "Smart Grid" in Ukraine up to 2035**, approved by the order of CMU dated October 13, 2022 No. 908-r *(Ministry of Energy)*

**Report on the assessment of the adequacy (sufficiency) of generating capacities to cover the forecasted demand for electric energy and ensure the necessary reserve (Adequacy report)**, approved every year *(NEURC)*

**Power Transmission System Development Plan for 10 years**, approved every year *(NEURC)*

**Power Distribution System Development Plans for 10 years**, approved every year each for electricity distribution system operator *(NEURC)*

#### Natural gas

**Concept for the Development of Ukraine's Gas Production Industry**, approved by the order of CMU dated December 28, 2016 No. 1079-r *(Ministry of Energy)*

**Gas Transportation System Development Plan for 10 years**, approved every year *(NEURC)*

**Gas Storages Development Plan for 10 years**, approved every year *(NEURC)*

**Gas Distribution System Development Plan for 10 years**, approved every year for each gas distribution system operator *(NEURC)*

#### Oil and oil products

**Concept of the Development of the Oil Transportation System of Ukraine** *(Ministry of Energy)*

**Concept of the Development of the Oil and Gas Processing Industry, Petroleum Products and Gas Fuels Market of Ukraine** *(Ministry of Energy)*

#### Heating

**Concept for Implementation of State Policy in the Field of Heat Supply**, approved by the order of CMU dated August 18, 2017 No. 569-r *(Ministry of Communities)*

**Concept of the State Targeted Economic Program for Energy Modernisation of Centralised Heat Supply Systems in Populated Areas for the period up to 2030** *(draft, Ministry of Communities)*

**Heat Supply Schemes for 10 years**, for settlements with more than 20,000 inhabitants *(approved by local self-government bodies and agreed by the Ministry of Communities)*

#### Energy efficiency

**National Action Plan on Energy Efficiency for the period up to 2030 and a Plan of Measures for its implementation in 2021-2023**, approved by the order of CMU dated December 29, 2021 No. 1803-r *(SAEE, Ministry of Energy)*

**Long-Term Strategy for Thermal Modernisation of Buildings for the period up to 2050** *(draft Ministry of Communities)*

**Concept of the National Economic Target Program for the Support of Thermal Modernisation of Buildings for 2022-2030** (draft, *Ministry of Communities*)

**Concept of Implementation of the State Policy in the Field of Ensuring the Energy Efficiency of Buildings in Terms of Increasing the Number of Buildings with a Near-Zero Level of Energy Consumption**, approved by the order of CMU dated January 29, 2020 No. 88-r (Ministry of Communities)

**National Plan for Increasing the Number of Buildings with a Near-Zero Level of Energy Consumption**, approved by the order of CMU dated January 29, 2020 No. 88-r (*Ministry of Communities*)

### Transport

**National Transport Strategy of Ukraine for the period up to 2030**, approved by the order of CMU dated May 30, 2018 No. 430-r (*Ministry of Infrastructure*)

**Action Plan of the National transport strategy of Ukraine for the period up to 2030**, approved by the order of CMU dated April 07, 2021 No. 321-r (Ministry of Infrastructure)

### Nuclear-industrial sector

**Concept of the State Economic Program for the Development of the Nuclear Industrial Complex for the period of up to 2026**, approved by the order of CMU dated December 29, 2021 No. 1804-r (*Ministry of Energy*)

**Concept of the State Economic Program of Treatment of Wasted Nuclear Fuel of Domestic Nuclear Power Plants for the period up to 2025**, approved by the order of CMU dated June, 5, 2019 No. 385 (*Ministry of Energy*)

### Coal

**Concept of the State Target Program of Transformation of Coal Regions of Ukraine for the period up to 2030**, approved by the resolution of CMU dated September 22, 2021 No. 1024 (*Ministry of Communities, Ministry of energy*)

### Hydrogen

**National Hydrogen Strategy up to 2030** (draft, *Ministry of Energy*)

### Climate policy

**Concept of Implementation of State Policy in the Field of Climate Change for the period up to 2030**, approved by the order of the Cabinet of Ministers of Ukraine dated December 07, 2016 No. 932-r (*Ministry of Environment*)

**Action Plan for the Implementation of the Concept of Implementation of State Policy in the Field of Climate Change for the period up to 2030**, approved by the order of the CMU dated December 06, 2017 No. 878-r, (*Ministry of Environment*)

**Strategy for Environmental Security and Adaptation to Climate Change for the period up to 2030 and Operational Plan for its Implementation for 2022-2024**, approved by the order of the CMU dated October 20, 2021 No. 1363-r. (*Ministry of Environment*)

### “Green” finance

**Concept of the Introduction and Development of the Green Bond Market in Ukraine**, approved by the order of the CMU dated February 23, 2022 No. 175 (*SAEE*)

### Natural resources

**National Program for the Development of the Mineral and Raw Material Base of Ukraine for the period until 2030**, approved by the Law of Ukraine dated 21 April, 2011 No 3268-VI (Derzhgeonadra, Parliament)

## CONCLUSION

**National Recovery Council** is the body, created by the President, responsible for developing Ukraine Recovery Plan. This Plan covers all sectors of Ukrainian economy and contain specific parts related to energy, - “Energy Security” where the Ministry of Energy is the main body, and “Construction, Urban Planning, Modernisation of Cities and Regions”, where the Ministry of Communities is the main body. Also, Ukraine Recovery Plan contains parts related to transport and the environment.

**CMU** is the main body which approves all strategic documents in the country developed by specific Ministries.

**Ministry of Economy** is responsible for forecasting economic perspective of development of the whole country.

**Ministry of Energy** is drafting at least 16 strategic documents related to the power sector, renewables, gas production industry, hydrogen and energy efficiency (except buildings).

**Ministry of Communities** is drafting to at least 8 strategic documents related to the heating sector, energy efficiency in buildings, transformation of coal regions.

**Ministry of Infrastructure** responsible for developing the National Transport Strategy.

**Ministry of Environment** is responsible for strategic climate documents related to energy sector as a high greenhouse gas emitter.

**NEURC** is independent regulatory authority which responsible for approving 10 years development plans for energy enterprises.

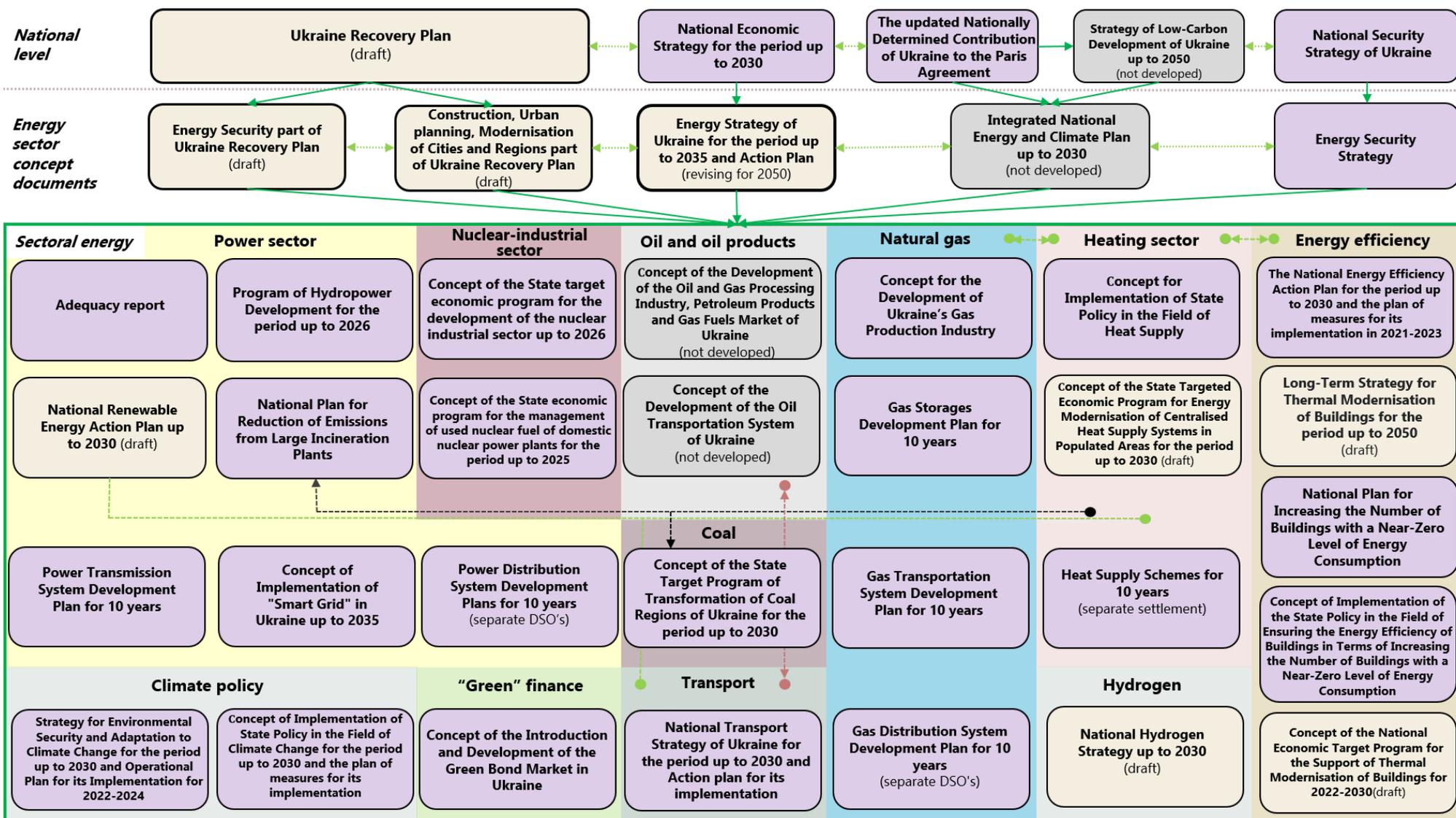
## MAIN STRATEGIC INDICATORS - 1

Indicator	National Economic Strategy for the period up to 2030	NDC	Energy Strategy of Ukraine for the period up to 2035	Ukraine Recovery Plan (energy)	Ukraine Recovery Plan (construction)	Adequacy report (baseline scenario)	Program of Hydropower Development for the period up to 2026	Concept of Implementation of "Smart Grid" in Ukraine up to 2035	Draft NREAP	National Action Plan on Energy Efficiency for the period up to 2030	National Transport Strategy of Ukraine for the period up to 2030	Concept for Implementation of State Policy in the Field of Heat Supply
<b>General</b>												
Climate neutrality	<b>2060</b>	<b>2060</b>										
Primary energy consumption in Ukraine			<b>91,000</b> <i>(2030)</i>							<b>91 468</b> <i>(2030)</i>		
Share of RES			<b>17%</b> <i>(2030)</i> 25% <i>(2035)</i>		<b>27%</b> <i>(2032)</i>				<b>27%</b> <i>(2030)</i>			
<b>Power sector</b>												
Electricity generation, TWh		<b>190</b> <i>(2030)</i>	<b>185</b> <i>(2030)</i>	<b>174,5</b> <i>(2030)</i>		<b>174,5</b> <i>(2030)</i>			<b>160,1</b> <i>(2030)</i>			
Share of RES in electricity	<b>25%</b> <i>(2030)</i>	<b>30%</b> <i>(2030)</i>	<b>&gt;13%</b> <i>(2030)</i> >25% <i>(2035)</i>	<b>25.4%</b> <i>(2030)</i>		<b>25,4%</b> <i>(2030)</i>			<b>25%</b> <i>(2030)</i>			
New nuclear capacity (2030)		not planned		<b>+2 GW</b>		<b>+2 GW</b>						
New HPP and pSHP capacity (2030)				<b>+3,5 GW</b>		<b>+0.3 GW</b>	<b>+ 3,5 GW</b>					
Losses in electricity transportation	<b>8%</b> <i>(2030)</i>		<b>8%</b> <i>(2030)</i> <7,5% <i>(2035)</i>	<b>8%</b> <i>(2032)</i>				<b>7,5%</b> <i>(2035)</i>				
SAIDI	<b>&lt;175 min</b> <i>(2030)</i>		<b>&lt;150 min</b> <i>(2035)</i>					<b>100 min</b> <i>(2035)</i>				

## MAIN STRATEGIC INDICATORS - 2

Indicator	National Economic Strategy for the period up to 2030	NDC	Energy Strategy of Ukraine for the period up to 2035	Ukraine Recovery Plan (energy)	Ukraine Recovery Plan (construction)	Adequacy report (baseline scenario)	Program of Hydropower Development for the period up to 2026	Concept of Implementation of "Smart Grid" in Ukraine up to 2035	Draft NREAP	National Action Plan on Energy Efficiency for the period up to 2030	National Transport Strategy of Ukraine for the period up to 2030	Concept for Implementation of State Policy in the Field of Heat Supply
<b>Heating</b>												
Share of RES in heating									<b>35%</b> <i>(2030)</i>			<b>35% (2030)</b> <b>40% (2035)</b>
Losses in heat transportation	<b>8%</b> <i>(2030)</i>		<b>&lt;10%</b> <i>(2035)</i>	<b>8%</b> <i>(2032)</i>								<b>10%</b> <i>(2035)</i>
<b>Transport</b>												
Share of RES in transport									<b>14%</b> <i>(2030)</i>		<b>50%</b> <i>(2030)</i>	
<b>Energy efficiency</b>												
Thermo-modernization of buildings				<b>100%</b> <i>(2050)</i>								<b>100%</b> <i>(2035)</i>

# MAP OF ENERGY STRATEGIC DOCUMENTS



## RECOMMENDATIONS

- **The indicators for energy sector development have to be defined based on the macroeconomic forecast of the whole country and should equally consider supply and demand management options.** According to the macroeconomic forecast, the energy demand (electricity, natural gas, heat, coal, petroleum, uranium, renewables) has to be defined taking into account the objectives of the clean energy transition, energy security, demand side management and 'energy efficiency first' principle. Carefully predicted energy demand should be the basis for further development of generation capacities, networks, district heating systems, oil and natural gas infrastructure.
- Until the end of martial law, the National Recovery Council is responsible for developing and updating the National Recovery Plan. After the end of the war, the Ukraine Recovery Plan has to be finalised and synchronised with other national-level strategic documents, i.e. National Economic Strategy for the period up to 2030 (Ministry of Economy), The updated National Determined Contribution to the Paris Agreement (Ministry of Environment), National Security Strategy of Ukraine (National Security and Defense Council of Ukraine) etc.
- The Energy Strategy up to 2050, which is being developed by the Ministry of Energy and with the KPMG's assistance<sup>12</sup>, has to be synchronised with the Ukraine Recovery Plan while considering the updated macroeconomic forecast on energy demand. It is important that the Ministry of Energy ensures the synchronisation of both strategic documents, **definition and unification of all indicative goals and approaches for all energy subsectors development.** Once the national-level strategic documents are synchronised, the unified approaches and the same principles for energy sector development should be further integrated into the Integrated National Energy and Climate Plan up to 2030<sup>13</sup> and other mid- and short-term strategic documents.
- The adoption of the Energy Strategy up to 2050 should follow the rigorous revision of all sectoral strategic documents and sectoral policies. Rather than being revised, some obsolete documents might also be cancelled if necessary.
- **The coordination between Ministries and state government bodies has to be strengthened, especially in the area of aligning long-term climate-related goals with mid- and short-term goals and documents.** It is especially important to strengthen coordination between the Ministry of Energy and the Ministry of Communities in terms of the interaction of the heat supply, natural gas and energy efficiency sectors, between the Ministry of Energy and the Ministry of Infrastructure in terms of the development of the transport sector and the oil and oil products market. It is important to agree on the terms of implementation of the National Plan for Reduction of Emissions from Large Incineration Plants and the Concept of the State Target Program of Transformation of Coal Regions of Ukraine for the period up to 2030.
- NEURC should revise and update its 10-year development plans considering the unified approaches and the same principles for energy sector development defined in the Energy Strategy until 2050. The same applies to the development and approval by the Ministry of Communities of urban heat supply schemes.
- All strategic documents should also be synchronized with the requirements of key legislative documents that are part of the EU Acquis Communautaire and Ukraine's obligations under the Energy Community Treaty. Such synchronization would further assist Ukraine in reforming the energy sector and joining the pan-European energy market

<sup>12</sup> <https://www.mev.gov.ua/reforma/enerhetychna-stratehiya>

<sup>13</sup> Recommendations of the Council of Ministers of the Energy Community 2018/01/MC-EnC