



REVIEW
OF THE ACHIEVEMENT
OF THE EU-UKRAINE
ASSOCIATION AGREEMENT
OBJECTIVES

EUWA

U K R A I N E



E U R O P E

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Based on the results of the meeting of the EU-Ukraine Association Council on February 11, 2021, the EU and Ukrainian Parties confirmed their commitment to hold a comprehensive review of the achievement of the objectives of the Agreement and to commence consultations on further trade liberalisation within the framework of the Deep and Comprehensive Free Trade Area between Ukraine and the EU (DCFTA). The Parties agreed that each Party will carry out an internal review of the achievement of the objectives of the Agreement, and the results of such review will be presented at the EU-Ukraine Summit in 2021.

This report contains the results of a comprehensive review of the achievement of the objectives under the Association Agreement between Ukraine and the EU, carried out by the Ukrainian Party within five years of its entry into force in accordance with Article 481 of Title VII. The comprehensive review covers the implementation of all objectives of the Association Agreement specified in Article 1.2 of the Agreement, which relate to the various areas of the Agreement. The report notes the progress and main achievements of the Parties in reaching the objectives under the Agreement since its application, points out existing issues and challenges, and outlines recommendations under each objective of the Agreement for the joint steps and decisions with the aim of complete and proper implementation of the objectives of the Association Agreement.

OBJECTIVE A) GRADUAL RAPPROCHEMENT BETWEEN THE PARTIES BASED ON COMMON VALUES AND CLOSE AND PRIVILEGED LINKS, AND INCREASING UKRAINE'S ASSOCIATION WITH EU POLICIES AND PARTICIPATION IN PROGRAMMES AND AGENCIES

Ukraine and the EU are tied by the European values that unite free peoples of the world: democracy, the rule of law, respect for international law and human rights, the rights of national minorities, as well as gender equality. Ukraine has taken many important steps to implement these common values in practice and to **improve the human rights situation**, in particular, active work is underway to enhance the respect for human rights, civil and fundamental freedoms, in accordance with international standards and obligations, as well as to counteract racism, xenophobia, anti-Semitism and discrimination against the LGBTQ+ community. Measures are being implemented to strengthen responsibility for violence against anyone, regardless of gender, race, ethnicity, religion, sexual orientation or political views, including through legislation.

Ukraine and the EU regularly exchange information on the measures provided for in the National Human Rights Strategy; the state of affairs with the investigation of crimes committed during the protests on Maidan Nezalezhnosti in 2013-14 and the events in Odessa in 2014, in particular in the framework of criminal proceedings in absentia; progress in reforming law enforcement agencies in the context of respect for human rights and decent treatment of detainees and in places of deprivation of liberty; protection of freedom of speech in the context of combating disinformation and journalistic activities; fair and transparent elections; protection of citizens' rights to participate in peaceful assemblies and the rights and freedoms of LGBT community representatives, religious and other minorities; countering hate crimes; protecting, including in cyberspace, children as the most vulnerable category of the population; countering domestic violence; ensuring gender equality; the importance of preserving the EU sanctions regime against the Russian Federation and cooperation with the EU for the de-occupation of the Autonomous Republic of Crimea and city of Sevastopol was emphasized within the framework of the International Crimea Platform. In September 2020 The Cabinet of Ministers of Ukraine, with the active cooperation and support of the Council of Europe, has approved a National Strategy for the implementation of general measures, which provides for a comprehensive solution to the problem of non-enforcement of the court decisions, the debtors for which are a state body or a state-owned enterprise, institution, organization.

The Law of Ukraine "On Indigenous Peoples of Ukraine" was adopted, which is aimed at maximum protection of cultural, informational and other rights of indigenous peoples. Also, a law has been adopted that implements the provisions of international criminal and humanitarian law on criminal prosecution for international crimes (genocide, the crime of aggression, crimes against humanity and war crimes) (awaiting the signature of the President). Draft laws on compensation of damage to victims of violent criminal offenses and corresponding amendments to the legislation of Ukraine have also been developed.

Ukraine has made significant progress in **approximation of the electoral legislation to the recommendations of international organizations and European requirements.**

In 2019, the Electoral Code of Ukraine was adopted, which made it possible to unify and streamline electoral legislation by combining five separate laws on the elections of the president, people's deputies, local elections, on the CEC and the state register of voters. Local elections in 2020 were already held under the new rules of the Electoral Code, which provided for the introduction of a proportional electoral system with open party lists, updated voting rules, prohibition of discrimination during the electoral process, preservation of gender quotas, ensuring the electoral rights of internally displaced persons and migrant workers, etc.

Active work is underway on **development of local self-government**. The approval of the Concept of Local Governance Reform and Territorial Organisation of Power in Ukraine gave rise to the implementation of one of the most important reforms aimed at the formation of capable local self-government, decentralization of power and regional development. The reform embodies the provisions of the European Charter of Local Self-Government and the best international experience. As a result of the implementation of the first stage of the reform (2014-2019), 983 amalgamated territorial communities were voluntarily created on the basis of 4,492 existing communities, of which the first local elections were held in 936 ATCs, and 151 territorial communities joined 47 cities of regional significance. During 2020-2023, it is planned to continue the reform, in particular, the definition of the administrative-territorial structure of the basic and subregional levels.

The implementation of **public administration reform** in accordance with the European principles of good governance started in 2016 with the adoption of the new Law "On Civil Service" and the comprehensive Strategy for Public Administration Reform, which complies with the OECD/SIGMA principles of public administration. In accordance with the Strategy, the reform of the system of central executive bodies is being carried out along with civil service staff rotation, modern technologies of human resource management are being introduced, and conditions have been created for reforming the system of professional training and professional development of civil servants. Ukraine has made significant progress in providing administrative services through the CASPs and e-governance. At the same time, it is necessary to strengthen the practical implementation of certain components of the reform, in particular, strategic planning of the CMU's activities based on policy analysis, the principle of stability and political impartiality of civil servants.

Ukraine actively participates in **the work of a number of the EU agencies** on the terms of mutually beneficial cooperation. In particular, effective cooperation of the International Police Cooperation Department of the Ministry of Internal Affairs with **Europol**, which includes 24/7 information exchange, participation in a number of joint operations (NONGRETA, VERSKAM, LADA, etc.). Thus, during January-July 2021, the International Police Cooperation Department of the Ministry of Internal Affairs processed 3,411 appeals, including 1,039 outgoing and 2,372 incoming. The most intensive cooperation was with law enforcement agencies of Germany (813), Poland (673), France (501) and Latvia (434).

Cooperation of the State Border Service of Ukraine with **European Border and Coast Guard Agency Frontex** promotes counteraction of illegal migration and cross-border crime by means of border control and strengthening security at the borders between the EU member states and Ukraine. For that, technical capabilities have been created for the rapid exchange of information, and in May 2019, a new Cooperation Plan with Frontex

for 2019-2021 was signed. Working agreement between the Ministry of Internal Affairs and **EU Agency for Law Enforcement Training (CEPOL)**, signed on February 5, 2020, promotes cooperation and knowledge exchange between law enforcement officials of the EU member states and Ukraine on security issues.

Ukraine also **participates in a wide range of the EU programmes**, which were introduced in 2014-2020. In the framework of broadening financial cooperation with the EU, the work has started on Ukraine's engagement in the EU programmes as part of the EU's Multiannual Financial Framework for 2021-2027. Work is underway to prepare for the signing: the Association Agreement to the EU's framework programme for research and innovation "Horizon Europe" and its complementary the Euratom research and training programme"; Ukraine's accession to the EU's programme "Creative Europe" (2021-2027) and participation in the EU's programme "Erasmus+". In addition, the Ukrainian Party has started official consultations with the EC on participation in such EU programmes as: "Single Market Programme", "Digital Europe", "Connecting Europe Facility", "Customs Programme", "FISCALIS programme", "Euratom Research and Training Programme", "Pesco", "European Migration Network Programme", "EU4Health 2021-2027", "European Maritime and Fisheries Fund (EMFF) 2021-2027)", "Life", Interreg Baltic Sea Region, "InvestEU", "Rights and Values Program", "Justice Programme", "European Space Programme", "EU Civil Protection Mechanism", "Asylum, Migration and Integration Fund (AMIF)". Interested state bodies are actively working with the EU to agree on the terms of participation and prepare relevant draft international treaties in the mentioned programmes.

For a long time, the EU has been not only a key political, economic and foreign trade partner, but also a donor that provides significant **financial assistance resources to facilitate the achievement of the Association Agreement objectives and to support the implementation of reforms in Ukraine**. Ukraine highly appreciates the EU's assistance, in particular, received as part of the implementation of four EU macro-financial (loan) assistance programmes (in the period of 2014-2020) in the amount of 3.81 billion euros.

Continuation of the effective cooperation with the EU in 2020-2021 has become an important component of **stabilization of the macro-financial situation in the country**. In 2020, the 1st tranche under the new Fifth package of the EU macro-financial assistance programme in the amount of 600 million euros was received. Taking into account the progress made by Ukraine in implementing the reforms, in September 2021 the EU Party decided to allocate the second conditional tranche. In this context, cooperation with the IMF and the implementation of relevant commitments are also an important priority.

Ukraine also receives **gratuitous and non-refundable financial assistance through the relevant EU financing mechanisms and instruments**. During 2016-2020 the EU provided assistance within the framework of budget support programmes in the areas of overcoming technical barriers to trade, energy, transport, regional development, public administration and within the framework of the State Development Contract (about 173 million euros were transferred to the state budget); 474 EU technical assistance projects (totalling about 606.7 million euros); agreements on financing new EU assistance programmes to Ukraine (35 agreements totalling about 1.4 billion euros were concluded). In 2021, the EU assistance is provided through 275 EU technical assistance projects (totalling approximately 413.840 million euros) and sectoral budget support programmes in the field of public administration (totalling 90 million euros).

Such financial assistance contributes to **achieving the objectives of the Association Agreement and implementing ambitious reforms**, both at the national level and on the ground. In particular, according to the joint estimates of the Parties, the implementation indicators of the programme “Support to Comprehensive Reform of Public Administration in Ukraine” are the highest in the entire history of sectoral programmes. Thanks to the support of the EU under this programme, directorates aimed at strengthening policy formation and strategic planning have been created in all ministries, to which more than 800 specialists have been selected under new competitive procedures and with transparent remuneration terms; more than 100 administrative services have become available online. Also, with the support of the U-LEAD with Europe: Ukraine - Local Empowerment, Accountability and Development Programme, the capacity of central and local executive authorities to implement regional policies and decentralization reforms has been strengthened, the quality of administrative services provided at the local level has been improved, 147 appropriate CASPs have been launched (including seven mobile CASPs) and 342 more CASPs are expected to start working in 2021.

As a part of the implementation **the EU Multiannual Support Framework Programme for Ukraine for 2021-2027** priority areas of support are defined as: public administration reform; the rule of law (including anti-corruption issues); digitalization; innovation and economic development; infrastructure development for better mobility; green economy and energy efficiency, assistance to eliminate the consequences of the COVID-19 pandemic, mitigating the impact of the pandemic on socio-economic development and health care reform; rehabilitation of the eastern part of Ukraine.

In order to comply with the principles of **good financial management in the context of implementation of the EU-funded programmes/projects/activities**, Ukrainian Party has introduced a national mechanism for coordination of the state bodies interaction in order to protect the financial interests of Ukraine and the European Union, under the framework of which a corresponding Interdepartmental Coordination Council has been formed, headed by the Deputy Prime Minister for European and Euro-Atlantic Integration. The State Audit Service was entrusted with the responsibility for organizing interaction with the European Anti-Fraud Office (OLAF) and the European Court of Auditors (ESA). Internal work is underway on the division of powers between government agencies and external cooperation is ongoing in terms of institutionalization of interaction between the relevant public bodies and OLAF, in particular, the conclusion of relevant agreements that will become an important component of functioning of the mechanism for protecting the financial interests of the Parties in the implementation of relevant EU financial instruments.

Work to bring legislation in line with the rules in force in the EU (the EU Directive 2017/1371) will be strengthened after updating Annex XLIV to the Agreement, which will create a legal framework for the development and implementation of the necessary legislative changes. In this context, the effective joint interaction of the Parties on updating this Annex should be noted.

RECOMMENDATIONS FOR OBJECTIVE A):

- Continue enhanced cooperation with Frontex, including the implementation of operational cooperation plans and continue negotiations on the conclusion of an agreement on the status of representatives,
- Strengthen cooperation with CEPOL through the national contact point and address the issue of participation of law enforcement officials in relevant trainings.
- Conclude cooperation agreements with the European Union Agency for Cybersecurity ENISA, the European Anti-Fraud Office (OLAF), and the European Migration Network (EMN).
- Ensure systematic exchange of information and interaction within the framework of the Cybersecurity Dialogue.
- Step up the dialogue on expanding Ukraine's access to the EU financial instruments, including to finance the "green" and "digital" transformation of the state.
- Ensure preparation of the Association Council decision on approval of the updated Annex XLIV.

OBJECTIVE B) TO PROVIDE AN APPROPRIATE FRAMEWORK FOR ENHANCED POLITICAL DIALOGUE IN ALL AREAS OF MUTUAL INTEREST

Within the framework of the EU-Ukraine political dialogue, the following is provided for: **regular high-level meetings, meetings in the formats provided for in Article 5 of the Association Agreement**. As a rule, more than 20 meetings of bilateral bodies of the Association of all levels and formats are held annually. In particular, since the signing of the Agreement, 22 Ukraine-EU Summits, 7 meetings of the EU-Ukraine Association Council, and 6 meetings of the Association Committee, 5 meetings of the Association Committee in Trade Configuration, annual meetings of their subcommittees and regular meetings of other sectoral dialogues between Ukraine and the EU (on human rights, intellectual property, transport, certain sectors of industry, raw materials extraction, cyberspace protection, readmission, European Green Deal, agricultural issues) have been held. 11 meetings of the EU-Ukraine Parliamentary Association Committee ensured a constant dialogue and exchange of information between the Verkhovna Rada of Ukraine and the European Parliament. Based on the results of nine meetings of the EU-Ukraine Civil Society Platform, joint statements were prepared with recommendations for improving the implementation of the Association Agreement by the Parties.

Bilateral cooperation within the framework of these dialogues demonstrated its effectiveness and contributes to the deepening of Ukraine's political association and economic integration into the EU.

Effective dialogue within the Association's bilateral bodies allowed to adopt a number of decisions of the Association Council, the Association Committee in Trade Configuration and its subcommittees, primarily on updating Annexes I-A, I-C, I-D, Annex V, Annex XXI, Annex XXVII and Protocol I to the Association Agreement. That is why the bilateral bodies of the EU-Ukraine Association should continue to serve as an institutional framework that will ensure further updating and proper implementation by the Parties of the Association Agreement.

In addition, the **institutional framework for political dialogue within the Eastern Partnership** is functional. The Foreign Ministers of Ukraine, Georgia and Moldova signed a Memorandum of Understanding on Establishing of Enhanced Cooperation on European Integration - the "Associated Trio". The heads of states of the Associated Trio adopted the Declaration of the Batumi Summit, where they confirmed the aspirations of the European perspective and the intention to work on identifying specific priorities in the areas of common interest to strengthen political dialogue and promote economic and sectoral integration with the EU. The Associated Trio aims to strengthen the ambition of the association agenda with the EU and expand the existing potential of association agreements, and will also pay special attention to the strategic future of the EU Eastern Partnership initiative, in particular preparations for its summit this year. Among the key areas of cooperation of the "Associated trio" are identified as follows: deepening sectoral dialogue with the EU, in particular in the EU + 3 format associate partners; developing additional tools to promote and accelerate integration into the EU internal market; developing security and defense cooperation with

the EU; engagement in the EU programmes and agencies; strategic strengthening of the Eastern Partnership based on the principle of differentiation and taking into account the European aspirations of associate partners.

RECOMMENDATIONS FOR OBJECTIVE B):

The “living” nature of the Association Agreement creates opportunities for **strengthening the political dialogue**, in particular, in order to bring Ukraine closer to getting a European perspective, update the Association Agreement, and deepen trade and sectoral cooperation. The Article 5 of the Association Agreement provides for the possibility of **introduction of other procedures and mechanisms for political dialogue**, including extraordinary consultations set up by the Parties by mutual agreement. This provides grounds, in case of mutual interest, for introducing separate dialogues in the priority areas (both at the bilateral level and within the framework of the Eastern Partnership initiative).

Taking into account the intensity of the EU-Ukraine bilateral agenda, and taking into account the EU’s ambitious goals in such areas as green transition, energy, digitalization, migration and connectivity, the Ukrainian Party proposes to introduce additional “platforms” for political dialogue, in particular:

- Dialogue on the prospects of Ukraine’s membership in the EU based on achieving the Copenhagen criteria;
- Space dialogue with the EU, which will include issues of bilateral cooperation in such areas as satellite navigation (EGNOS), remote sensing of the Earth (Copernicus), scientific research, space education, as well as the implementation of joint projects between Ukraine and ESA;
- The EU-Ukraine Energy Platform for coordinating actions on energy security and infrastructure development in accordance with Articles 274 and 338 of the Agreement. This will allow to form a common agenda with the EU to prevent threats to the energy security of the EU and Ukraine;
- Comprehensive dialogue on migration (including illegal migration, legal migration, human trafficking, Ukraine’s participation in the initiatives of the EU’s New Pact on Migration and Asylum) for joint analysis and management of migration flows;
- Subcommittee on trade in services of the Association Committee in Trade Configuration (ACTC). Trade in services occupies a significant place in the turnover between Ukraine and the EU, and its volumes continue to grow, especially in the context of the pandemic. Despite the fact that trade in services is considered at ACTC meetings, the Ukrainian Party considers it appropriate to separate the entire block of services - from telecommunication to transport and financial - to a separate ACTC Subcommittee;
- Regular enhanced dialogue in the EU + associate partners format in the areas of DCFTA;
- A joint working group within the framework of the Association Committee between Ukraine and the EU to conduct a joint assessment of the achievement of the objectives of the Agreement by the Parties.

OBJECTIVE C) TO PROMOTE, PRESERVE AND STRENGTHEN PEACE AND STABILITY IN THE REGIONAL AND INTERNATIONAL DIMENSIONS

Ukraine - EU relations have always been based on the principles of respect for independence, sovereignty, territorial integrity and inviolability of borders. Ukraine welcomes the EU's position on condemning the illegal annexation of Crimea and the city of Sevastopol and the occupation of certain areas of Donetsk and Luhansk regions by the Russian Federation. From its side, Ukraine contributes by active participation in the NATO missions and trainings, playing an essential role in the security of the Black Sea region, contributing to the European security, reforming its army to address challenges from the Russian aggression.

During the seven years of occupation, the human rights situation in the temporarily occupied Crimea and certain areas of Donetsk and Luhansk regions of Ukraine has significantly worsened. **The Russian Federation (RF)** as a state exercising control over the temporarily occupied territories (TOT) of Ukraine, **systematically violates the rights and freedoms of the population**, in particular the right to life (compulsory vaccination with the Russian vaccine), the right not to be subjected to inhuman or degrading treatment, the right to liberty and personal security, the right to a fair trial, the right to the peaceful use of property, freedom of expression, the right to an effective remedy for legal protection and the right not to be subjected to discriminatory treatment. On the TOT of the Autonomous Republic of Crimea and the city of Sevastopol Ukrainians and indigenous peoples are persecuted for their ethnic, cultural and religious affiliation. There is a militarization of education, a policy of propaganda of war is being implemented. In recent years, the Russian Federation has tightened its policy of discrimination against national minorities. In addition, the signs of restoration of the aggressor state's nuclear potential on the Crimean Peninsula are of concern. Also on the TOT of the Autonomous Republic of Crimea, there are already units of weapons and military equipment that can be carriers of nuclear warhead units.

Currently, about 3.4 million people are in need of humanitarian assistance in TOT, including more than **1.4 million internally displaced persons (IDPs)**. Ukraine has adopted legislation on the provision of a preferential long-term state loan for IDPs for the purchase of housing, a register of IDPs has been created and put into operation, work is underway to improve the mechanism for paying pensions and monetary assistance by introducing remote identification of the recipients, which contributes to the realization of the rights of Ukrainian citizens - recipients of pensions and monetary assistance in the conditions of quarantine.

Ukraine continues its practice of **joining the EU statements and declarations on international issues** including within international organizations (the UN and its system of bodies and institutions, the OSCE, the IAEA, etc.). Ukraine's active joining the EU's statements and positions on topical international issues demonstrates common views and approaches regarding the settlement and proper response to regional and global challenges. In particular, in 2020, Ukraine joined almost 90% of the European Union's statements on the international events and approaches to their settlement. In January-August 2021, the level of Ukraine's joining the EU statements reached 94.5%. In total, from 2014 to August 2021, Ukraine joined more than 2,500 EU statements.

Within the framework of **development of defense cooperation and integration into the EU security component** a working plan for cooperation between the armed forces of Ukraine and the EU Council Secretariat in the field of Common Security and Defense Policy (CSDP) is signed annually. Such an operational dialogue provides an opportunity for Ukraine and the EU to focus on important topics of security cooperation. Practical cooperation with the EU within the framework of the CSDP consists in engagement the Armed Forces of Ukraine in international peace and security operations led by the EU and the EU tactical battle groups. Thus, in the first half of 2020, units of the Armed Forces of Ukraine took up operational duty in the EU tactical battle groups Helbrok (the next duty is planned in the first half of 2023). In addition, the issue of sending officers of the Armed Forces of Ukraine to participate in the international operation for the maintenance of peace and security led by the EU Altea is being elaborated on.

Within the framework of the Eastern Partnership initiative, with the support of the European Party, representatives of the Armed Forces of Ukraine are being trained on CSDP issues. In particular, under the auspices of the National Defence University of Ukraine named after Ivan Cherniakhovskiy (NDUU), an orientation course of CSDP has been held annually since 2014. In recent years, this course has been conducted with the assistance of the European Security and Defence College (ESDC). In addition, every year representatives of the Armed Forces of Ukraine are trained at foreign courses on CSDP issues, which are held with the assistance of the ESDC.

Ukraine is a very important partner of NATO and many states of the North Atlantic Alliance on the issues related to the fight against hybrid threats. The proof of this is the strong involvement in multinational NATO exercises and trainings.

Cooperation with **European Defense Agency (EDA), participation in the Permanent Structured Cooperation on security and defence (PESCO)** projects. Thus, according to the Administrative Agreement between the Ministry of Defense of Ukraine and the EDA, the initial areas of cooperation were defined: material standardization, single European Sky, logistics, including spare parts and transportation, European Air Transport Fleet, training. Participation in the PESCO projects is considered by Ukraine as a tool to develop military-technical cooperation between Ukraine and the EU. Ukraine has high interest in the involvement to the advisory programs and training missions. Such support is of a great value, also in view of the ongoing Russian aggression and illegally annexed Crimea.

Law enforcement reform is carried out in cooperation with the EU partners, in particular with the help of the European Union Advisory Mission for Civilian Security Sector Reform in Ukraine (EUAM). Together with the EUAM experts, the Strategy for Development of the Ministry of Internal Affairs - 2020 and strategic documents of the bodies of the Ministry of Internal Affairs system were developed. Effective cooperation has been established in the field of civil protection, in particular, necessary amendments to the legislation have been developed. In addition, as a partner, Ukraine cooperates with the EU civil protection mechanism, while at the same time striving for full-fledged accession.

Ukraine is making efforts and seeking internal political support for **ratification of the Rome Statute**. For that, draft Laws of Ukraine "On ratification of the Rome Statute of the International Criminal Court and amendments thereto" and "On amendments to the

Criminal Procedure Code of Ukraine and certain legislative acts concerning the ratification of the Rome Statute and amendments thereto” have been developed. The ratification of the Council of Europe Convention on preventing and combating violence against women and domestic violence and fighting these phenomena is going on, the relevant draft law was prepared.

Within the framework of implementation and achievement of the goals of the CSDP, successful cooperation has been established on **countering disinformation and hybrid threats, and strengthening the potential in the field of strategic communications and cybersecurity**. In particular, the National Coordination Center for Cybersecurity under the National Security and Defense Council of Ukraine and the Center for Strategic Communications and Information Security on the basis of the national news agency Ukrinform have been established, and they are cooperating with the European Centre of Excellence for Countering Hybrid Threats. The EU-Ukraine Working Group on strategic communications works on a regular basis, within the framework of which a new format of cooperation has been launched - a Dialogue on cybersecurity issues. In September 2021, the Government approved the Information Security Strategy of Ukraine till 2025, developed to counter internal and external threats.

In addition, in 2021, the Center for Countering Disinformation under the NSDC was launched, which deals with issues of ensuring information security, detecting and countering disinformation, effective counteraction of propaganda, destructive information influences and campaigns, and preventing attempts to manipulate public opinion. The Center studies the experience of the European Union in combating disinformation, establishes partnerships with relevant centers of the EU member states and other states and international organizations, and participates in structured dialogues on strategic communications and countering disinformation issues.

In addition, cooperation has been established in order to **prevent and counter illegal arms trafficking**, in particular, the implementation of projects together with the OSCE has started, which are aimed at providing assistance to the Ministry of Internal Affairs, the State Border Service of Ukraine and the State Customs Service in preventing and combating illegal trafficking in weapons, ammunition and explosives, in particular, a number of expert consultations and trainings were held for personnel, technical specifications of technical means of border control were agreed.

RECOMMENDATIONS FOR OBJECTIVE C):

- Full use of cooperation opportunities between Ukraine and the EDA, in particular in the following areas: Material Standardization, Single European Sky, logistics, including spare parts and transportation, European Air Transport Fleet, training.
- EU support of Ukraine’s defense sector through strategic and practical advice.
- Continuation of the ongoing dialogue with representatives of the EU institutions (agencies), the EU Military Committee and the EU Military headquarters.

- Deepening practical cooperation with the EU within the framework of the Common Security and Defense Policy in order to further ensure the convergence of Ukraine and the EU in the field of CFSP/CSDP, in particular Ukraine's engagement in the EU-led peace and security operations (Althea, Helbrok).
- Introduction of a regular EU-Ukraine expert dialogue on cooperation within the UN, similar to the one that exists on the COE and OSCE (COSCE) issues.
- Join efforts with the EU to raise awareness of disinformation and other hybrid threats. Expansion of cooperation between the Center for Countering Disinformation under the National Security and Defense Council of Ukraine and the competent EU authorities involved in countering the spread of disinformation, creation of a system for rapid exchange of information on potential information threats.

OBJECTIVE D) TO ESTABLISH CONDITIONS FOR ENHANCED ECONOMIC AND TRADE RELATIONS LEADING TOWARDS UKRAINE'S GRADUAL INTEGRATION IN THE EU INTERNAL MARKET, INCLUDING BY SETTING UP A DEEP AND COMPREHENSIVE FREE TRADE AREA AS STIPULATED IN TITLE IV (TRADE AND TRADE-RELATED MATTERS) OF THIS AGREEMENT, AND TO SUPPORT UKRAINIAN EFFORTS TO COMPLETE THE TRANSITION INTO A FUNCTIONING MARKET ECONOMY BY MEANS OF, INTER ALIA, THE PROGRESSIVE APPROXIMATION OF ITS LEGISLATION TO THAT OF THE UNION

Since the start of the implementation of Title IV of the Association Agreement, the European Union has become the main trading partner of Ukraine, and in 2020 the EU's share in the total volume of Ukraine's foreign trade was 40.7%. Foreign trade turnover of goods and services with the EU in 2020 compared to 2015 increased by 44.1% (by 14.73 billion USD). Ukraine has become one of the main suppliers of certain types of agricultural products to the EU market.

Ukraine and the EU ensure a gradual reduction or abolition of import duties on goods originating from the other Party in accordance with the schedule in Annex I, which contributed to an increase in the volume of trade in goods between Ukraine and the EU. The level of Ukraine's use of the EU tariff quotas under the DCFTA is increasing - in terms of the number of quotas used and the volume of exports within these quotas. As of today, Ukraine has carried out supplies under 31 tariff quotas of DCFTA in 2020. According to individual quotas (honey, processed tomatoes, apple juice, processed starch, barley groats and processed grain, corn, etc.), Ukraine exports significantly more than the quota itself. The level of filling quotas for goods with the higher degree of processing is increasing. This indicates the potential and quality of Ukrainian products that are in demand on the European market.

Ukraine is interested in further liberalising trade in goods with the EU and increasing the volume of duty-free trade with the EU by updating the Association Agreement in the tariff part in accordance with Article 29. In particular, Ukraine expects to review the volume of the EU tariff quotas in accordance with the current state of Ukraine's production and export potential, as well as accelerate tariff liberalisation for industrial and agricultural goods.

During the EU-Ukraine Summit in 2020, the Parties announced their readiness to start negotiation process on further trade liberalisation in 2021, based on the provisions of Article 29(4) of the Association Agreement.

In general, the Parties use **trade defence instruments** in compliance with the requirements of the Association Agreement and the WTO. However, in its anti-dumping investigation against Ukrainian metallurgical products, the European Commission did not apply the provisions of Article 50 of the Association Agreement despite a direct request.

Parties enjoy a friendly settlement of most of trade irritants. However, due to the inability to find a consensus and balance between the right to protect their own environment and forests and the right to free circulation of goods, the Parties decided to turn to a formal dispute resolution mechanism. Ukraine noted that unlimited access to Ukrainian timber for export in unprocessed form is harmful for the Ukrainian environment. As part of the dispute resolution procedure, the decision of the Arbitration Group (11.12.2020) recognized that the export restrictions of 2005 were taken in good faith due to the need to protect valuable and rare tree species, and also comply with Ukraine's obligations under the WTO and do not violate obligations under the Association Agreement. At the same time, it was noted that the established restrictions on timber exports in 2015 should be adjusted in cooperation with the EU, taking into account the provisions of the Association Agreement. Therefore, Ukraine is working on improving mechanisms for monitoring sustainable international timber turnover.

Ukraine shares the EU's climate goals and contributes to joint efforts to create a climate neutral European continent under the Paris Agreement, the UN Sustainable Development Goals 2030, and the EU-Ukraine Association Agreement. At the same time, some measures under the EU's Fit for 55 package rise concerns as they might be used for covert protectionism, which can harm Ukrainian producers and may contradict the objectives of the Association Agreement. In particular, the initiative on the carbon adjustment mechanism will result in the application of duties on goods originating from Ukraine, despite Ukraine's obligations to implement the EU environmental standards in compliance with the Association Agreement. Also the approach for the use of fertilizers and pesticides should be more balanced in order to ensure the efficiency of production processes and prevent interruptions in the supply of agricultural products both in the EU and globally.

An appropriate architecture has been created and dialogue has been ensured within the framework of regular meetings of the bilateral bodies of the EU-Ukraine Association: the Association Committee in Trade Configuration (ACTC) and its four subcommittees. Systematic work has been established at the level of the contact point within the framework of the DCFTA.

Cooperation has been strengthened **in the field of technical regulation, standardization, market supervision, accreditation and conformity assessment**. Ukraine has aligned its horizontal legislation with the EU law in advance and adopted all framework laws that regulate the issues of standardisation, metrology, accreditation, as well as conformity assessment and market supervision even before the deadline for fulfilling obligations. Significant progress has been made in adapting and implementing sectoral (vertical) legislation in line with European legislation - 25 of 27 technical regulations defined in Annex III have been adopted, and they are being reviewed in order to bring them in line with the new EU directives and regulations. Ukrainian national quality infrastructure system aligned with the EU and WTO requirements has been created, the functioning of the national standardization body, the national accreditation body has been ensured, conformity assessment bodies and state market supervision bodies have been accredited and designated. Mandatory product certification has been abolished, and national standards are being harmonised with international and European standards.

A dialogue on regulatory issues has been launched at both the horizontal and sectoral levels. The Ukrainian Party has fulfilled all its obligations to prepare for the conclusion of an Agreement on Conformity Assessment and Acceptability of Industrial Goods (ACAA) in three priority sectors: low-voltage electrical equipment, electromagnetic compatibility of equipment, and machinery. The report on the results of the first phase of the EU preliminary assessment mission on the readiness of Ukraine's quality infrastructure for the conclusion of the ACAA agreement in May 2021 presents conclusions noting that Ukrainian legal framework in the field of priority sectors has a reliable legal basis and works in accordance with EU principles. The business environment of Ukraine and the EU requires speeding up the conclusion of the agreement and extending it to new areas – medical equipment, equipment for maritime transport, pharmaceutical products, etc.

Under the direction **sanitary and phytosanitary measures** in 2016, the Government approved a Comprehensive Implementation Strategy of Chapter IV (SPS) of Title IV, which defines a schedule for systematic regulatory adaptation of legislation to the EU legislation. After a lengthy discussion, the Comprehensive Strategy was approved by Decision No. 1/2019 of the EU-Ukraine Subcommittee on sanitary and phytosanitary measures management on 18.11.2019.

In 2016, the competent body in the field of sanitary and phytosanitary measures was established - the State Service of Ukraine for Food Safety and Consumer Protection (SSUFSCP), which is responsible for the implementation of state control at all stages of the agri-food chain (in accordance with the farm to fork principle) and applies approaches established by the EU legislation. Measures are currently being taken to enhance its institutional capacity.

With the adoption of framework legislation on food safety and animal identification Ukraine has started implementation of the European model of the food safety and quality system in Ukraine, based on the farm to table principle and traceability requirements (in accordance with the requirements of Regulation (EC) No. 178/2002). Procedures are being implemented according to the HACCP system (Hazard Analysis and Critical Control Point – a system for analysing risks, hazards, and critical point control), which guarantees the production of safe products by identifying and controlling hazards to promote trade liberalisation with the EU countries.

Transparency of sanitary and phytosanitary measures applied in trade is ensured by notifying relevant information to the WTO and through direct communication with foreign competent authorities. Trade partners' access to the Ukrainian market has been facilitated by unifying the forms of veterinary certificates for the import of food products, feed and animal by-products to Ukraine, which can be used by all EU member states (separately from the forms agreed with the competent authorities of the EU member states at the bilateral level) and which approximate domestic legislation to the European and international requirements, as well as simplify the procedure for importing food products to Ukraine. This decision will facilitate Ukrainians' access to safer food products.

Internationally recognized requirements for establishing and applying the principle of regionalization in accordance with the international requirements of the International Plant Protection Convention and the World Organization for Animal Health are being

implemented. The Government on 05.07.2019 approved the Procedure for state control in exporting countries, which defines the mechanism for state control in countries that plan to import (send) products, food products of non-animal origin to the customs territory of Ukraine, in order to verify compliance (equivalence) with the legislation of Ukraine.

In 2020, the EU Party recognized the equivalence of the system of official control and certification of cereal seeds in Ukraine, which is a prerequisite for obtaining an EU permit for the export of cereal seeds of Ukrainian origin (the EU Council Directive 66/402/EEC of 14.06.1966 on the marketing of cereal seeds).

One of the important unresolved issues was the application of regionalisation/zoning to areas affected by the spread of diseases, such as highly pathogenic avian influenza. The Ukrainian Party emphasizes the need to ensure the principle of parity in this issue and expects the introduction of a procedure for recognizing zoning/regionalization in relation to animal diseases by changing Annex VII to the Association Agreement.

Customs activities are carried out in compliance with the forms of declaration of goods adopted in international practice, methods for determining the customs value of goods, systems of classification and coding of goods and the system of customs statistics, and other generally recognized in the world norms and standards. Relevant legislation has been adopted and measures are being taken on adaptation at the national level of the New Computerised Transit System (NCTS).

For the introduction of the Authorised Economic Operator (AEO) programme in Ukraine, a corresponding law has been adopted, which provides for a significant simplification of customs formalities for Ukrainian and European entrepreneurs when trading between Ukraine and the EU. Today, together with the EU experts, work continues on the development of the IT component of the Authorised Economic Operator's system and relevant training events for business are being held. Now the process of obtaining AEO status has started. It is expected that progress in the customs sphere will be achieved through Ukraine's accession to the joint transit system as soon as possible and ensuring mutual recognition of the status of authorised economic operators.

In addition, work has been carried out to bring national legislation in line with EU legislation in the field of protection of intellectual property rights when moving goods across the customs border of Ukraine. The implementation of these activities will allow, on the one hand, to strengthen the fight against counterfeit and pirated goods, and on the other hand, to speed up the movement of original goods across the customs border of Ukraine and their unhindered customs clearance.

Ukraine became a participant of **Regional Convention on Pan-Euro-Mediterranean Preferential Rules of Origin** (from 01.02.2018). Since 2019, the Convention has been applied in bilateral trade in accordance with the Decision No. 1/2018 of the EU-Ukraine subcommittee on customs cooperation of 21.11.2018 on replacing the Protocol I concerning the definition of the concept of 'originating products' and methods of administrative cooperation to the Association Agreement between Ukraine and the EU with the Convention's rules of origin.

Ukraine is taking steps to ensure regulatory approximation for obtaining a full internal market treatment **in the area of telecommunications**. In 2018, the EU Party was sent a Roadmap for Ukraine's integration into the EU digital single market, after which the EU Party initiated a multistage process of the Roadmap review. Based on the results of the assessment of the state of approximation of national legislation and institutional capacity of Ukraine in the digital sphere, as well as the EU recommendations, the Ukrainian Party presented an updated Roadmap and agreed it with the EU Party during a meeting of the Association Committee in Trade Configuration in December 2020. In December 2020, the Law «On Electronic Communications» was adopted, which implements the European Electronic Communications Code that allows Ukraine to implement reforms synchronously with the EU countries.

The Strategy for the approximation of the national legislation to the EU legislation in **the field of postal and courier services** has been approved in 2018 and is being implemented. A draft Law «On Postal Communication» has been developed with the support of the EU experts and is registered in the parliament.

The implementation of the Strategy for the approximation of the national legislation to the EU legislation **in the field of international maritime and inland water transport** ("road map"), approved in 2017, has increased compliance of national legislation with the norms of international law.

Ukraine and the EU reached an agreement to update Appendix XVII-3, XVII-4 and XVII-5 in order to introduce an internal market treatment in the area of telecommunications, postal and courier services, maritime and inland water transport in accordance with the procedure defined in Annex XVII.

As part of the ACTC activities, the Parties agreed on the need to encourage the EU member states to step up the dialogue on gradual opening of the road transport with the EU. Given the lack of noticeable progress, the Ukrainian Party highlights that in order to ensure the effective functioning of the DCFTA with the EU, the liberalisation of international road freight transport between Ukraine and the EU, in particular, transit transport, requires priority regulation.

Ukraine welcomes the EU Council decision as of June 28, 2021 to conclude **Agreement between Ukraine, the EU and its member states on Common Aviation Area**.

Ukraine has prepared its own assessment of compliance of national legislation with EU legislation in order to initiate and conclude an agreement on **mutual recognition of electronic trust services**. A joint cooperation working plan has been developed with the prospect of concluding a possible agreement, which should be based on approximation to the EU legislation and standards.

Ukraine has adopted key laws in the sphere of **regulation of banking activities and payment services**, as well as significantly improved the regulatory framework in **financial services sector** taking into account the EU legal provisions. The internal market treatment between the Parties in the financial services sector, provided for in Annex XVII to the Association Agreement, has not been implemented.

Ukraine has radically reformed **currency regulation system**, most of the temporary currency restrictions have been lifted and capital flows have been gradually liberalised in accordance with the Currency Liberalisation Roadmap. Within the framework of the ACTC, the task of continued measures for further liberalisation of capital flows in accordance with Articles 145 and 147 of the Association Agreement is fixed, with setting the timeframe based on the macroeconomic situation in Ukraine.

Decision No. 1/2018 of the ACTC of 14.05.2018 gave a positive opinion on the the **Public Procurement Reform Strategy** («road map»), approved by the Cabinet of Ministers of Ukraine as of 24.02.2016.

All prerequisites have been established for the unhindered participation of European suppliers in the public procurement procedures of Ukraine. All obligations to implement the I and II stages of the action plan of the Public Procurement Reform Strategy were fulfilled by Ukraine in full and on time, but there was no opening of public procurement markets by the EU side. The Ukrainian Party has provided the EU Party with information on the implementation of these measures and expects to receive an official positive assessment.

The decision on mutual access to public procurement markets needs to be accelerated, given the EU's initiative to restrict access to its own public procurement – International Procurement Instrument.

Ukraine's commitments **in the field of intellectual property** are due at the end of 2023. Ukraine has started fulfilling these commitments in advance and has now implemented a number of reforms in the field of intellectual property at the legislative level (more than half of the tasks have been completed). In particular, the system of collective management of property rights in the field of copyright and related rights is established and the right of copyright and related rights holders to fair remuneration is fixed, which is provided through the participation of collective management organizations, by the adoption of the Law of Ukraine «On Effective Management of Property Rights of Copyright Holders in the Field of Copyright and (or) Related Rights». Bylaws are being developed to ensure the implementation of the laws of Ukraine, which establish standards concerning intellectual property rights to **trademarks, geographical indications, industrial designs, patents, topographies of semiconductor products**.

Guidelines on penalties determination for violation of **Ukrainian competition law** has been approved and published. The methodology for creating a regional distribution map of **state aid to business entities** has been approved. An assessment of the indicators of Ukraine and the regions of Ukraine in comparison with the EU indicators and a map of regional assistance to Ukraine (according to the calculated indicators) were sent to the EC in accordance with Article 267 (3) (b) of the Association Agreement. On the annual basis, an array of information is sent to the European Commission on the total amount, types and sectoral distribution of state aid that may affect trade.

At the same time, the EU has revised the conditions for providing state aid in the EU in the context of the pandemic. The overall dynamics of easing the requirements for providing state aid in the EU is of concern in Ukraine, as this may lead to an excessive increase in the volume of subsidies to business entities in the EU.

In order to ensure non-discriminatory access of customers of **transportation services to the gas transmission system**, the tariffs for natural gas transportation services were established. They are determined solely on the basis of the power-weighted distance methodology. The provisions of the customs legislation of Ukraine on the transit of energy goods comply with the principle of freedom of transit and the 1994 Energy Charter Treaty. Ukraine has made progress in the natural gas market reforms. Since 01.08.2020, the Regulation on assigning special duties to natural gas market entities to ensure public interests in the functioning of the natural gas market has been revoked. As a result, the state regulation of supply prices of natural gas to households has been abolished, thereby opening the way for market price regulation.

Measures are being taken to ensure commercial metering of natural gas and to bring the standards of consumption by domestic consumers to a reasonable level in the absence of gas meters. In April 2020 the status of GTSO as an observer member of the European network of gas transmission system operators ENTSOG has been confirmed. Integration into the European market occurs due to the expansion of the range of services provided by the Ukrainian GTS Operator. In order to develop the gas production industry and improve the environment for the extractive enterprises of Ukraine, the Government has developed and adopted a number of legislative and other regulatory legal acts.

The ultimate goal of implementing the Association Agreement in terms of energy trade is Ukraine's integration into the EU markets. Ukraine has ensured the implementation of all essential EU energy regulations in its national legislation. At the same time, the formal process of market integration has not yet been completed. On the one hand, this weakens Ukraine's energy security, since Ukraine cannot use all the tools available within the EU, in particular the energy solidarity mechanism. On the other hand, Ukraine's energy security suffers from the fact that within the EU itself, suppliers from third countries are trying to circumvent the EU norms on regulating the energy market and protecting competition.

Appropriate mechanisms have been established to respond promptly to all requests by the other Party regarding its application of any measure of general application or administrative proceedings. They do not interfere with any review or appeal procedures introduced or supported by the Parties, nor do they prejudice the rights and obligations of the Parties under Chapter 14 («Dispute Settlement») and Chapter 15 («Mediation Mechanism») of Title IV of the Agreement.

RECOMMENDATIONS FOR OBJECTIVE D):

- Continue implementation of the measures for the DCFTA establishment and further trade liberalisation, including by updating the Association Agreement in the tariff part in accordance with Article 29.
- Continue to comply with the requirements of the Association Agreement and the WTO in the use of trade defence instruments. Continue to prevent any dispute and resolve any dispute between the parties in good faith.

- Ensure enhanced cooperation between Ukraine and the EU on the settlement of the issue of timber trade in order to prevent excessive damage to the environment and climate from illegal logging.
- Continue the climate dialogue in order to fully comply with the requirements of the Association Agreement within the framework of acts that are planned to be approved under the Fit for 55 package.
- Continue regular dialogue in the areas of mutual interest in the field of trade defence instruments
- Do not impose or maintain any prohibitions or restrictions or equivalent measures in respect of the import of any goods of the other Party or the export or sale for the export of any goods intended for the territory of the other Party, except as provided for in this Agreement or in accordance with Article XI of the GATT 1994 and its interpretative notes in accordance with Article 35 of the Association Agreement.
- Do not apply anti-dumping and countervailing measures in cases where, on the basis of information that was obtained during the investigation, it can be clearly concluded that the application of such measures will not be in the national interest. And if necessary apply them in the least harmful way for the Parties, as stipulated in the Association Agreement.
- Conclude the ACAA agreement in three priority sectors: low-voltage electrical equipment, electromagnetic compatibility, and machinery. Consider expanding the ACAA agreement to the areas of medical equipment, pharmaceuticals, maritime transport equipment and other sectors specified in Annex III to the Association Agreement. Extend the principles of a circular economy between Ukraine and the EU by transposing the latest version of the EU rules on energy labelling and eco-design and mutual recognition of these rules within the framework of the ACAA agreement.
- Intensify cooperation on recognition of equivalence for SPS products and procedures in line with the Article 66, as well as the authorisation of Ukrainian exports of animal origin products. Ensure that Annexes IV-XIV to the Association Agreement on sanitary and phytosanitary measures are updated. Provide for a procedure for recognising regionalisation/zoning of animal diseases by changing Annex VII. Taking into account the quarantine restrictions related to COVID-19, provide for carrying out inspections and audits in remote mode (online), and therefore it is advisable to amend Annexes VII-X. Amend Annex XII, in particular with regard to official languages for certification.
- Complete functional formalities for further accession of Ukraine to the common transit system in accordance with the Convention of 20 May 1987 on a common transit procedure. Revision of the Annex XV to the Agreement.
- Continue work on the application of alternative rules of origin of the Regional Convention on Pan-Euro-Mediterranean preferential rules of origin.
- With a view to future liberalisation of establishment conditions and cross-border supply of services, the Parties shall undertake reviews in order to assess any obstacles to establishment and cross-border supply of services (as referred in Articles 89 and 96), and negotiate expanding the provisions of Chapter 6, in particular to include provisions on investment protection and procedures for resolving investor-state disputes.

- Update Appendix XVII-2 of Annex XVII of the Association Agreement and continue close cooperation on its implementation for mutual granting of an internal market treatment in the field of financial services. Together with the EU Party, determine a clear mechanism (procedure) for the financial services market of Ukraine to obtain the status of an internal market treatment.
- Continue cooperation on the updated roadmap implementation for Ukraine's integration into the EU Digital Single Market. Ensure that Appendix XVII-3 is updated. Implement a monitoring system of the Annex XVII implementation. Introduce an internal market treatment in the area of telecommunications in accordance with the procedure defined in Annex XVII.
- Update Appendix XVII-4 of Annex XVII and continue close cooperation on its implementation for mutual granting of an internal market treatment in the field of postal and courier services. Introduce an internal market treatment in accordance with the procedure defined in Annex XVII.
- Update Appendix XVII-5 of Annex XVII and continue close cooperation on its implementation for mutual granting of an internal market treatment in the field of international maritime transport. Introduce an internal market treatment in accordance with the procedure defined in Annex XVII.
- Remove artificial trade barriers through reaching the agreement on the road transport transit liberalization.
- Sign and implement an agreement between Ukraine, the EU and its member states on a common aviation area.
- Continue implementation of the joint working plan for mutual recognition of electronic trust services, as well as ensure the creation of prerequisites for the conclusion of an Agreement between Ukraine and the EU on mutual recognition of electronic trust services.
- In accordance with the pace of improvement of the macroeconomic situation in Ukraine, continue currency liberalisation for the transition to the free movement of capital between Ukraine and the EU. At the next ACTC meeting, the Parties should consider the implementation of Article 147, paragraph 3, of the Agreement.
- Recognise the completion of the I and II stages of the Public Procurement Reform Strategy (in line with Annex XXI-A) leading to opening of the respective EU public procurement markets to Ukrainian suppliers on the basis of the national treatment.
- Continue the dialogue to avoid distortions in the rules for providing state aid, which will negatively affect trade between the Parties. Continue annual fulfillment of the obligations to exchange information on state aid issues provided for in Paragraph 1 of Article 263 of the Association Agreement.
- Accelerate Ukraine's integration into the EU energy markets. Ensure full application of the EU rules and regulations, including the requirements of the Third Energy Package, in the relevant markets in order to prevent abuse by third-country suppliers, including in the process of construction, certification and operation of oil and gas pipelines.

OBJECTIVE E) TO ENHANCE COOPERATION IN THE FIELD OF JUSTICE, FREEDOM AND SECURITY WITH THE AIM OF REINFORCING THE RULE OF LAW AND RESPECT FOR HUMAN RIGHTS AND FUNDAMENTAL FREEDOMS

Ukraine is taking active actions aimed at implementing the provisions of the Association Agreement in terms of justice, freedom and security in order to ensure the rule of law and respect for human rights and fundamental freedoms.

Judicial reform aimed at strengthening the judiciary, increasing its efficiency, and guaranteeing its independence is one of the most important priorities in the framework of Ukraine's integration into the European Union and NATO. During 2014-2020, Ukraine carried out significant work on legislation approximation in this area, amendments were made to the Constitution, new laws «On the judicial system and the status of judges», «On the High Council of Justice» were adopted, comprehensive amendments were made to the procedural codes, and so on. The judicial system was simplified, competitions were introduced for all vacant judicial positions, the Prosecutor's Office was deprived of excessive functions, a new Supreme Court was created, and so on.

The next stages of judicial reform and development of the justice system are defined in the Strategy for the Development of the Judiciary and Constitutional Justice for 2021-2023, which was approved in 2021. In particular, it is planned to conduct an audit and reorganization of the local courts' system, strengthen the functional and procedural capacity of the Supreme Court, provide the necessary resources for the effective organization of the work of the Supreme Anti-Corruption Court, develop Prosecutor's Office and improve the institution of defence lawyers, etc.

As part of the implementation of this Strategy, laws were adopted and entered into force (in August 2021) **on the reform of judicial management bodies**, which are aimed at resuming the work of the High Qualification Commission of Judges of Ukraine (HQCJ) in the reshaped staffing and reforming the High Council of Justice (HCJ) to be staffed by honest and professional candidates based on the results of an open competition held with the participation of international experts.

For the purpose of **implementation of anti-corruption reform** during 2014-2020, Ukraine carried out comprehensive measures aimed at bringing legislation closer to the EU requirements and developing a system of independent anti-corruption bodies (NACP, NABU, SAPO, ARMA), work continues on ensuring the proper practical implementation of anti-corruption legislation and strengthening the capacity and independence of anti-corruption bodies.

In June 2018, the Law of Ukraine was adopted, which **established Supreme Anti-Corruption Court** (SACC), defined its status and tasks, jurisdiction of SACC cases, requirements for candidates for the positions of SACC judges, the procedure of occupying the positions, as well as additional guarantees of the safety of judges of this court. In the period from 05.09.2019 to 03.09.2021, the workload of the SACC panel of judges was 336 criminal proceedings. During this period, the judges completed the consideration of 147

of them. In 45 criminal proceedings, the court issued a verdict, in particular, in 14 cases, plea agreements were approved. The total amount of funds received by SACC in the form of bail as a preventive measure is UAH 999,514,400.

In January 2020, the law came into force, which significantly **improved whistleblower protection** and their legal status was determined. A legal framework has also been established for whistle-blowers' reporting through a Single reporting portal.

The amendments to the legislation were also adopted and entered into force in connection with the need to restore the powers and rights of the National Agency on Corruption Prevention, in particular, regarding judges and judges of the Constitutional Court of Ukraine, establishing responsibility for declaring false information and for failure to submit a declaration by a declarant.

The draft **Anti-Corruption Strategy for 2020-2024** is under consideration in the Verkhovna Rada of Ukraine, which was adopted in November 2020 as a basis with a reduced preparation period.

Also due to the need for **regulation of legal gaps in the activities of the National Anti-Corruption Bureau of Ukraine**, in May 2021, the draft Law (registr. No. 5459-1), which defines the status of NABU as a central executive body with a special status, was adopted as a basis; it stipulates that the acquisition by NABU of the status of central executive body with a special status does not require any additional measures related to the liquidation or reorganization of the body, performing any actions regarding its employees, etc. The draft law additionally stipulates that from the date of its entry into force, the formation of a commission for holding a competition for the position of NABU director starts and an open competitive selection for this position is held.

In order for Ukraine to fulfill the conditions for receiving the second tranche of macro-financial assistance within the framework of the Memorandum of understanding between Ukraine as a borrower and the European Union as a lender dated 23.07.2020, a law was adopted that introduced **automation of the autonomous system of electronic criminal proceedings of NABU/SAPO**.

Work continues to fulfill Condition 5a of receiving the second tranche of macro-financial assistance regarding the expansion of the powers of private judicial enforcement agents. In July 2021, the draft Law (registr. No. 5660) aimed at **comprehensive improvement of the judgements enforcement process** was adopted in the first reading. In particular, innovations include: expanding the powers of private judicial enforcement agents and facilitating access to the profession of a private judicial enforcement agents to increase their total number; digitalization of the process of judgements enforcement; determining the specifics of the enforcement of certain categories of judgements; new approaches to foreclosure on the debtor's property, determining the specifics of foreclosure on certain types of property.

In September 2020 the Cabinet of Ministers of Ukraine, with the active cooperation and support of the Council of Europe, approved the National strategy for the implementation

of general measures to implement the pilot decision in the case “Yuriy Mykolayovych Ivanov v. Ukraine” and the decision of the Grand Chamber in the case “Burmich and others v. Ukraine”. The Strategy provides for a comprehensive **solving of the problem of non-compliance with court decisions**, the debtors for which are a state body or a state-owned enterprise, institution, or organization.

In order to improve **anti-discrimination legislation in terms of countering multiple discrimination** the draft Law of Ukraine “On amendments to certain legislative acts of Ukraine (concerning the approximation of legislation in the field of preventing and countering discrimination with the law of the European Union)” (registr. No. 0931) was developed and adopted as a basis, the purpose of which is to resolve the issue of defining victimization as a form of discrimination, prohibiting multiple discrimination and association discrimination, and clarifying the list of circumstances in which the establishment of certain restrictions or granting of privileges, if they are justified, cannot be considered discrimination. The draft law is currently awaiting a second reading in the Parliament.

An updated version of the **National Human Rights Strategy** was approved in March 2021, and in June 2021 – an Action plan for the implementation of the National strategy for 2021-2023. The document has been supplemented with new sections, new rights have been added, individual sections have been updated, and the mechanism for monitoring the implementation of the Strategy has been updated. The Strategy defines, in particular, important tasks aimed at implementing the state policy for the protection of human rights in the context of armed aggression of the Russian Federation.

In July 2021, the Law of Ukraine “**On Indigenous Peoples of Ukraine**” was adopted, which is aimed at maximum protection of cultural, informational and other rights of indigenous peoples. In particular, the law stipulates that the indigenous peoples of Ukraine that were formed on the territory of the Crimean Peninsula are Crimean Tatars, Karaites, and Krymchaks. Indigenous peoples have the right to self-determination within Ukraine and political status within the framework of the Constitution and laws of Ukraine. They have the collective and individual right to full enjoyment of all human rights and fundamental freedoms. The law prohibits denying the ethnicity or ethnic identity of the indigenous peoples of Ukraine.

In May 2021, a law was adopted that implements the provisions of international criminal and humanitarian law on **criminal prosecution for international crimes (genocide, crime of aggression, crimes against humanity and war crimes)**, it is also aimed at ensuring the implementation of international obligations to prevent legal and de facto impunity for the commission of such crimes. In June 2021, the law was sent to the President for signature. Draft laws **on compensation of damage to victims of violent criminal offenses** and corresponding amendments to the legislation of Ukraine have also been developed.

A draft of the **Strategy for countering torture in the criminal justice system** was developed with a view to countering torture by law enforcement officers in the criminal justice system and the proper enforcement of the decisions of the European Court of Human Rights in the group of cases “Kaverzin (application no.23893/03), Afanasyev (application no. 38722/02) and Belousov (application no. 4494/07) v. Ukraine”. The draft Strategy provides for a comprehensive solving of the problems identified in the judgements,

is designed to solve the systemic problem of torture and create and ensure the functioning of an effective mechanism for responding to torture.

In November 2019, a separate division was created in the structure of the Prosecutor General's Office – the Department for countering human rights violations in the law enforcement and penitentiary spheres.

In order to prevent ill-treatment of detained persons and respond to such cases, the **Human Rights Office** was established in the structure of the National Police, the Department for monitoring of human rights observance in the activities of the bodies of the Ministry of Internal Affairs system – in the structure of the Ministry of Internal Affairs. The project of registration of all actions with detained persons "Custody records" is being successfully implemented, which is planned to be extended to all police departments and other bodies of the Ministry of Internal Affairs system in the future.

In 2018, **State Bureau of Investigation** was launched, which investigates criminal proceedings involving law enforcement officers, judges and senior officers.

Ukraine carries out **work to protect personal data**: in June 2021, the draft Law "On personal data protection» (registr. No. 5628) was registered in the Parliament, which was developed taking into account the requirements for the protection of personal data reflected in Regulation 2016/679 of the European Parliament and of the Council (GDPR).

Ukraine has introduced **preventive policy to combat illegal migration** and constant monitoring of the migration situation is provided by regular update of the Migration profile. A comprehensive dialogue has been introduced on the **asylum issues**, strategic documents on migration and integrated border management have also been developed.

Level of documents security was enhanced by providing centralized registration and issuance using the Unified State Demographic Register. Currently, Ukraine issues documents that comply with the recommendations of the ICAO, with an implanted contactless carrier. In addition, information interaction with the ICAO Public Key Directory is ensured. Criminal liability for forgery of identity documents has been strengthened, and legislation on citizenship issues has been improved.

A dialogue has been established on these issues in the format of the JFC Sub-Committee, the Readmission Committee, Eastern Partnership panels, deepening of cooperation through cooperation with the EU agencies and in the format of steering committees of international technical assistance projects, the Prague and Budapest processes on migration policy.

In order to ensure proper management of migration processes and joint counteraction to illegal migration, work is also underway to implement the Agreement between Ukraine and the EU on readmission of persons. The return rate is more than 80%, which is a proof of the effectiveness of cooperation in this area.

Social and legal protection of Ukrainian citizens who are **legally employed in the territory of the EU member states** is also strengthened.

In the view of **ensuring the free movement of persons** since June 2017, Ukraine has established a visa-free regime with the EU member states. Granting a visa-free regime for Ukrainian citizens is an important indicator of recognition of EU-supported reforms in Ukraine. For more than four years, the visa-free regime between Ukraine and the EU has ensured the mobility of individuals, the creation of business contacts necessary for the effective functioning of a deep and comprehensive free trade area with the EU, as well as cooperation in economic, political, scientific, cultural, humanitarian and other spheres. Since the beginning of the visa-free regime, Ukrainian citizens have made about 50 million trips to the EU countries; 10.1 million citizens have crossed the border using biometric passports. In 2020, Ukrainian citizens made more than 9 million trips to the EU countries. Most Ukrainian citizens cross the border in the direction of the EU countries without a visa (exclusively with biometric passports).

Active work is underway on **implementation of the principles of Integrated Border Management**. Thus, in 2019, a new Strategy for Integrated Border Management (IBM) until 2025 came into force, as well as an Action Plan for its implementation for 2020-2022, which will increase the efficiency of IBM subjects and convenience for people crossing the border.

The issue of attracting Ukraine to the instruments of the EU **New Pact on Migration and Asylum** are being developed to strengthen the mobility of citizens.

Within the framework of **combating money laundering and the financing of terrorism** the Law of Ukraine "On preventing and countering the legalization (laundering) of proceeds from crime, the financing of terrorism and the financing of the proliferation of weapons of mass destruction" dated 06.12.2019 No. 361-IX was adopted. It implemented the provisions of the Fourth Directive (EU) 2015/849 and improved the current National Financial Monitoring System.

Currently, the Parliament is considering three draft laws, the provisions of which are aimed, in particular, at **establishment of criminal liability for smuggling of goods**, including the draft Law of Ukraine "On amendments to the Criminal Code of Ukraine and the Criminal Procedure Code of Ukraine concerning the criminalization of smuggling of goods and excisable goods, as well as false declaration of goods" (registr. No. 5420), submitted by the President of Ukraine, which was adopted as a basis on 13.07.2021.

In the context of combating **drugs, precursor, psychoactive drugs trafficking** the implementation of the Strategy for State Policy on Drugs until 2020 and the Action plan for its implementation for 2019-2020 were ensured. A draft Strategy for State Policy on Drugs until 2030 has also been developed. The Law of Ukraine "On Ukraine's Accession to the Enlarged Partial Agreement of the Council of Europe on the Establishment of a Co-operation Group to Combat Drug Abuse and Illicit Trafficking in Drugs (Pompidou Group)" was adopted. Cooperation between Ukraine and the EU in this area has intensified, among other things, through joint projects ("EU-ACT: the EU Action Against Drugs and Organised Crime"). According to the methodological recommendations of the EMCDDA (the European Monitoring Centre for Drugs and Drug Addiction), Ukraine prepares a report on the current drug situation in Ukraine and sends it to the EU.

In September 2020, the **Strategy for Combating Organized Crime** was developed and approved by the Order of the Government, as well as a draft action plan for its implementation. The organizational, material and technical capacity of the National Police in the fight against crime has been strengthened. Criminal liability for crimes committed by the criminal community has been strengthened. The Ukrainian Assessment of organized crime threats using the Europol SOCTA methodology has also been developed. Effective cooperation has been established with Europol, as well as with the monitoring body of the Council of Europe Convention on Action against Trafficking in Human Beings - GRETA.

State social programme for combating human trafficking for 2016-2020 has been approved and implemented. 850 persons were granted the status of a victim of human trafficking for the period of 2016-2020. Comprehensive assistance to victims of trafficking has been provided in accordance with their needs. In July 2021, the Concept of the state social programme for combating human trafficking till 2025 was approved.

In May 2021, the **Bureau of Economic Security of Ukraine** (BES) was created as a central executive body, responsible for counteracting offenses that encroach on the functioning of the state economy. Its activities are directed and coordinated by the Cabinet of Ministers of Ukraine. The Bureau will receive the appropriate powers of the Security Service of Ukraine and the tax police to counteract this category of offenses. With the start of the Bureau's work, the Security Service of Ukraine will lose its uncharacteristic functions as a special purpose body for investigating crimes related to corruption and organized criminal activities in the field of management and economy. In August 2021, a resolution was adopted on the functioning of the Public Control Council under BES.

Draft law on amendments to the Law of Ukraine **«On the Security Service of Ukraine»** regarding improving the organizational and legal basis of the Security Service of Ukraine (registr. No. 3196-D) provides for the gradual deprivation of the SBU (until 2023) of law enforcement functions, primarily all investigative powers; reduction of the SBU staff; gradual transformation into a predominantly civil service; rationalization of the role of the SBU in the fight against organized crime; introduction of parliamentary control; strict prohibition of torture and ill-treatment, etc. An International advisory group consisting of representatives of the EU (EUAM, EUDEL), NATO and the United States expresses support for this draft law.

Since February 2014, more than 17,400 **terrorism-related crimes** have been registered on the territory of Ukraine. At the same time, the vast majority of these criminal offenses were committed in the context of Russia's aggression against Ukraine and are related to the ongoing armed conflict. Based on the results of the pre-trial investigation of the crimes, materials (indictments and petitions) on almost 4,600 of them were sent to the court. At the same time, more than 16,200 crimes of this category remain not investigated (in the proceeding or stopped), most of them are terrorist attacks (about 12,500). There are objective reasons for that, which complicate the investigation of crimes of this category.

Interaction with the EU member states in the field of **international cooperation in criminal proceedings** at the stage of pre-trial investigation is quite active and effective. During 2018, the number of requests for legal assistance received from the competent authorities of the EU member states and sent to the competent authorities of these

countries amounted to 866 (including 614 requests from foreign competent authorities and 252 Ukrainian ones), in 2019 – 1124 (917 and 207, respectively), in 2020 – 1015 requests (867 and 148), in the first half of 2021 – 494 (445 and 49).

Active cooperation on the **extradition issues with the EU countries** in 2021 (data for the 1st quarter) was established, the number of foreign requests for the extradition of persons received from the EU member states to Ukraine is 16, the number of Ukrainian requests for the extradition of persons sent to the EU member states is 16 (2018-27 and 46; 2019 – 35 and 27; 2020-22 and 36).

Main activities of the **Liaison Prosecutor for Eurojust** were carried out within the framework of cases registered in Eurojust, which are initiated by national representatives of the EU member states or Liaison Prosecutors, sent to Eurojust at the request of national authorities. In the first half of 2021, 52 cases regarding/from Ukraine were registered (in 2018 – 27 cases, in 2019 – 77 cases, in 2020 – 93 cases). Active cooperation is carried out in investigations on **cybercrime, human trafficking, and economic crimes**.

RECOMMENDATIONS FOR THE OBJECTIVE E)

- Ensure proper implementation of strategic documents and the use of best practices in Integrated Border Management. Continue the dialogue with the EU Party on the introduction of joint border and customs control and the development of checkpoints.
- Continue cooperation with Europol and Eurojust.
- Ensure an appropriate level of implementation of the Readmission Agreement, the conclusion of readmission agreements with the states of origin and transit of illegal migrants, as well as implementation protocols. Deepen cooperation within the framework of already established dialogues and work on the possibility of Ukraine's joining the European Migration Network (EMN), as well as formats for Ukraine's involvement in the EU New Pact on Migration and Asylum.
- Set up the bilateral dialogue with the EU Member States on agreements in the field of labor migration.
- Work on the issue of creating a legal framework for EU-Ukraine interdepartmental cooperation in the field of preventing and countering the legalization (laundering) of proceeds from crime, the financing of terrorism and the financing of the proliferation of weapons of mass destruction.
- Continue to cooperate with the law enforcement agencies of the EU member states on a bilateral basis, as well as with the EU institutions and law enforcement agencies in order to effectively counter criminal manifestations and increase the effectiveness of the fight against organized crime by bringing the EU and Ukraine policies closer together.
- Continue reforms in the civil security sector in cooperation with the EU Advisory Mission in Ukraine, in particular the reform of law enforcement agencies.

- Ensure further participation of Ukrainian law enforcement agencies in the activities of the EMPACT programme, as well as participation in joint operations.
- Ensure in-depth cooperation between Ukraine and the EU in the field of countering and protecting against human trafficking.
- Deepen cooperation with the European Monitoring Center for Drugs and Drug Addiction (EMCDDA).

OBJECTIVE F) TO ESTABLISH CONDITIONS FOR INCREASINGLY CLOSE COOPERATION IN OTHER AREAS OF MUTUAL INTEREST

Ukraine and the EU have made significant progress in cooperation in the field of energy with the aim of enhancing the **energy security, competitiveness and stability**. Ukraine has proven to be a reliable partner of the EU in the field of energy security.

According to the evaluation of the Energy Community, Ukraine in general has fulfilled 84% of all its obligations regarding **natural gas market**. Ukraine has carried out a large-scale approximation of legislation that contributes to the creation of market conditions in the energy sector of the economy, the integration of the Ukrainian GTS into the European ENTSO-G gas transportation system, attracting investments and strengthening Ukraine's energy independence.

The greatest achievements include unbundling of NJSC Naftogaz of Ukraine and certification of the GTS operator according to the European standards, deregulation of supplies to domestic consumers and introduction of gas network codes. In order to synchronize the operation of the Ukrainian gas market with the EU gas market, daily balancing of the natural gas market (instead of monthly balancing) was introduced from March 1, 2019, and gas exchange trading is being introduced. As a result, the Ukrainian gas infrastructure is becoming part of the EU energy system, and the number of gas importers is increasing. The introduction of European standards ensured deregulation and opening up to competition of the wholesale gas market and gas supplies to industrial consumers, and since 01.08.2020, the retail market for domestic consumers has been liberalised.

Ukraine has made progress in approximation of the legislation **in the electricity sector**, by adopting the framework Law «On the Electricity Market» and the main regulatory legal acts for its implementation. According to the evaluation of the Energy Community, a total of 49% of all obligations in this area have been fulfilled. The structural transformation of the electricity market has been carried out in accordance with the new EU law and regulations, and all segments of the new electricity market model have been launched and are operating. Since January 1, 2019, the retail market has been launched through unbundling regional power companies by establishing distribution system operators and suppliers. From July 1, 2019 - introduction of the wholesale market through introducing organized trade segments.

The adoption of the Law (1396-IX) opened the way for certification of the system operator NPC Ukrenergo as an ISO Transmission System Operator, which is a prerequisite for synchronizing the Ukrainian energy system with ENTSO-E and obtaining the status of an observer member in ENTSO-E. Ukraine has completed a significant part of the technological steps necessary for synchronization with ENTSO-E. Since the launch of the electricity market, there has been an increase in the number of electricity suppliers and traders.

The implementation of Energy Annex XXVII-B to the Association Agreement, which was updated following the results of the 5th meeting of the EU-Ukraine Association Council in 2018, continues.

EU-Ukraine Early Warning Mechanism according to the Annex XXVI of the Association Agreement was initiated in March 2018. In addition, effective cooperation in the framework of negotiations on the transit of Russian gas through Ukraine in the Ukraine-EU-Russia format has led to the successful conclusion of a transit agreement, the conditions of which are strictly fulfilled by Ukraine.

Ukraine is also focusing its efforts on **achieving the goals of the European Green Deal**. The process of updating Energy Strategy of Ukraine continues. The implementation of the Action plan for the I stage of energy sector reform has been completed. The updated Energy Strategy will have the planning time-frame till 2050 and will take into account Ukraine's new ambitious climate obligations. In order to ensure a fair **transformation of coal regions** the Concept of the State Target Programme of the Fair Transition of Coal Regions of Ukraine has been approved. The development and implementation of the relevant Programme till 2030 is planned for the future.

Ukraine implements the system of **energy labelling and setting requirements for eco-design** of energy-consuming products in accordance with the updated EU legislation. In recent years, the government has approved 38 technical regulations, including 23 technical regulations on eco-design and 15 on energy labelling. 11 Lists of the national standards identical to the harmonised European standards have been approved. The compliance with these standards ensures presumption of conformity with the requirements of the technical regulations on eco-design and energy labelling for a number of energy consuming equipment.

In the sphere of **energy efficiency and energy saving, efficient use of energy in buildings** significant results have been achieved in terms of ensuring the energy efficiency of buildings.

In order to improve the energy efficiency indicators of residential and public sector buildings, Ukraine has introduced certification of energy efficiency of buildings, upon the adoption of the Law «On Energy Efficiency of Buildings» in 2017. Increasing the number of buildings with nearly zero-energy consumption is aimed at reducing the total supply of primary energy and carbon dioxide emissions as one of the main goals of Directive 2012/27/EU. As of 2021, according to the results of buildings' energy efficiency certification, 9,450 buildings' energy certificates were registered, including certificates integrated into the Unified State Electronic System in the construction sector.

Within the framework of cooperation with EU4Energy and the Energy Community Secretariat, the **Strategy of thermal modernization of buildings is being developed**. With the international assistance, in particular E5P, NEFCO and support of the international financial organizations such as the EBRD, EIB, KfW, hundreds of projects for the thermal modernization of public buildings have been implemented, and work is underway to expand investment support for Ukraine for the thermal modernization of buildings.

In 2017, the Law of Ukraine was adopted «**On the Energy Efficiency Fund**», further on, all regulatory legal acts necessary for the start of the Fund's operation were adopted. As of August 2021, 596 applications for participation have been approved (including completed), 107 applications for project approval, and 45 applications for verification (construction

works have been completed). The Fund received 759 applications for participation in the Energodim programme. After the implementation of the projects, the amount of CO2 emissions will be reduced approximately by 88 thousand tons/year, and the estimated level of energy savings will be 332,872 thousand kWh/year. The number of applications to the Fund is expected to increase due to an increase in parallel support for energy-efficient projects from local programmes synchronized with the Energodim programme, the approaching heating season, increased awareness of citizens about the Energy Efficiency Fund, the completion of housing management reform (transition of apartment buildings to certified management companies), and an increase in tariffs.

In **the budget policy** in 2018, Ukraine introduced medium-term budget planning. A new budget document is integrated into the budget process – the Budget Declaration as a strategic document, combining economic and budgetary policy. This allows to plan and implement strategic medium-term projects, which in general significantly improves the efficiency and transparency of public funds spending. Today, Ukraine is ready to transfer to long-term planning, which will allow to effectively implement large-scale projects within the state budget. In addition, reviews of state budget expenditures, gender-based budgeting were introduced, and the programme-based budgeting was improved.

Ukraine hopes for further technical assistance in order to exchange of experience in budget planning and execution with representatives of international organizations and officials of the European countries.

State internal financial control and internal audit in Ukraine were improved in 2017 in accordance with the INTOSAI GOV 9100 Internal Control Standards for the Public Sector and the Institute of Internal Auditors (IIA) standards.

For the development of financial policy, Ukraine has provided for cooperation in such specialized international organizations as IOSCO, OECD/INFE, SBFN, EABCN, ICURN, ICMA, OECD/INFE, SBN, NGFS, EFDI, IADI, IFIGS.

All these measures have increased the transparency of the budget process in Ukraine, which is important for the EU and international partners in the context of the disbursement of the funds of international financial assistance.

In the field of taxation Ukraine has introduced the principles of transparency, information exchange, tax competition, transfer pricing control, and double taxation avoidance.

In 2017, Ukraine joined the international programme of extended cooperation on the implementation of the BEPS Action Plan, which is a prerequisite for liberalising currency regulation.

In 2021, according to the conclusion of the European Commission, stated in the letter of the European Commission No. Ares (2021)592349, the national tax legislation of Ukraine in the part of value-added tax generally complies with the EU legislation.

The tax legislation of Ukraine regarding excise tax in 2018 was brought in compliance with the requirements of Council Directive No. 92/83/EEC and Council Directive 2011/64/EU by amending the Tax Code of Ukraine and some other legislative acts of Ukraine to improve the administration and revise the rates of certain taxes and fees.».

These steps allowed to create conditions for equal competition in the relevant commodities markets between Ukraine and the EU.

In order to improve the **quality of statistics**, in 2018, Ukraine prepared amended version of the Ukraine's state statistics service operating policies, harmonised with the European Statistics Code of Practice (approved by the European Statistical System Committee on November 16, 2017).

In 2019, the Programme for the development of state statistics until 2023 was approved, which aims to reform state statistics to meet current needs of the society in objective and unbiased statistical information.

The draft Laws of Ukraine were developed to amend certain laws of Ukraine regulating state statistics with the aim of harmonisation of state statistics with the norms and standards of the EU, cooperation and exchange of statistical information with the EU statistical authorities, ensuring the confidentiality of statistical information, etc.

In the field of environmental protection Ukraine has demonstrated significant progress through the introduction of environmental impact assessment procedures and strategic environmental assessment, the implementation of the legislative framework of the Water Framework Directive and the Nitrate Directive, the introduction of regular frameworks for monitoring the quality of the environment, the adoption of an environmental strategy until 2030 and the corresponding action plan, the restriction of the turnover of plastic bags.

Ukraine has adopted an updated nationally determined contribution to the Paris Agreement and at a high political level declared about its participation in the implementation of the goals of the European Green Deal, which underlines the ambitious goal of implementing the necessary key transformations. The Government of Ukraine has launched a high-level EU-Ukraine dialogue on Ukraine's engagement in the implementation of the European Green Deal.

In Ukraine, greenhouse gas emissions in 2012 decreased by 55.1% compared to the level of 1990, taking into account the LULUCF (land use, land-use change and forestry) sector, and in 2019 - by 62.4% compared to 1990, taking into account the LULUCF, which occurred due to the economic downturn, military aggression of the Russian Federation and the introduction of energy efficiency measures and reforms in the energy sector. By 2030, the country plans to restore and increase economic and industrial growth, alongside with modernization and reducing emissions to the level - 65% of the 1990 level.

Ukraine has adopted framework legislation and bylaws that introduce a system for monitoring, reporting and verifying greenhouse gas emissions, which is the first step towards launching an emissions trading system.

Almost all EU acquis standards in the field of ozone-depleting substances have been implemented at the legislative level. The implementation of the provisions of Regulation (EC) No. 2037/2000 continues, since according to the Montreal Protocol, Ukraine has the right to consume a small amount of hydrochlorofluorocarbon (HCFVS) until January 01, 2030 exclusively for service, although the time requirements in the Association Agreement significantly exceed the requirements of the Montreal Protocol. Due to the fact that there is an inventory of primary substances and to ensure the completion of the equipment life cycle, it is planned to use recuperated substances for some time.

The Concept of State Climate Change Policy Implementation until 2030 and the Action Plan for its implementation, as well as the Concept for the implementation of state policy in the field of industrial pollution were approved, and the Action Plan was approved with the aim of implementation of Directive 2010/75/EU. The Procedure of state monitoring of ambient air protection was approved, which is developed in accordance with the provisions of Directives No. 2008/50/EC, No. 2004/107/EC and establishes uniform requirements for the organization and carrying out monitoring of the state of ambient air, and ensuring the appropriate data quality. Standards have been established for arsenic, cadmium, mercury, nickel and polycyclic aromatic hydrocarbons content in the ambient air to improve air quality in accordance with Directive 2004/107/EC.

In order to introduce «seasons of silence» in places of mass breeding and rearing of offspring by animals, amendments were made to the legislation on the protection of wildlife, which contributed to strengthening the protection of animal habitats in the objects of the nature reserve fund.

Amendments were made to the legislation on the implementation of the provisions of certain international agreements and the EU directives in the field of animal and plant protection to protect animals from ill-treatment and create protected areas for the preservation of objects of the Red Book of Ukraine.

In order to protect nature, in particular for the preservation and protection of biological and landscape diversity (eco-networks), proposals for the creation of 106 new territories of the Emerald Network in Ukraine were worked out with the Secretariat of the Berne Convention.

In order to align the legislation of Ukraine with the legislation of the EU in the field of safety of hazardous facilities, namely the implementation of Directive 2012/18/EU, amendments were made to some legislative acts of Ukraine.

Negotiations are continuing with the European experts to update the provisions of Annexes XXX and XXXI to the Association Agreement.

Significant results have been achieved **in the field of inland water transport**. In 2020, the framework Law «On inland water transport» was adopted, which comes into force next year and provides a legal basis for the functioning of the inland water transport market. In particular, the law provides for opening of free access to the inland waterways of Ukraine for the fleet of the EU countries without passing the procedures for obtaining permits to enter river ports; improving the level of safety of navigation and maintenance of the

fleet on the inland waterways of Ukraine; introduction of European technical standards for Ukrainian inland navigation vessels, which, in particular, work on European rivers; creation of an education system according to European principles and improving the qualification of Ukrainian personnel of inland navigation vessels, including for personnel working in the fleet of the EU member states; functioning of the modern River Information Service of Ukraine, the work of which will be synchronized with the RIS of the European countries on the exchange of information on navigation, etc.

In addition to the adoption of basic industry legislation, active cooperation continues within the framework of the Danube Commission for the improvement of navigation on the Danube (Ukraine for the first time was chairing the Commission), the Ukrainian navigable sections of the Dnieper and Southern Bug were brought in proper navigable condition, which allows to apply for their inclusion in the TEN-T network, major repairs have started at the locks of the Dnieper cascade, which will contribute to the revival of safe navigation.

In the field of maritime transport important changes in security and control requirements continue, as a result of which in July 2021 Ukrainian flag was removed from the Black List of the Paris Memorandum and is now in the grey zone. To achieve this goal, in 2018, audits of the International Maritime Organization (IMO) and the European Maritime Safety Agency (EMSA) were completed, they were the impetus for systemic changes in the control (supervision) of Ukrainian and foreign flags vessels, its quality; training of ship crews; training and advanced training of the inspectorial staff (PSC, FSC inspectors) of the Maritime Administration by the qualified foreign specialists. Ukraine continues to improve the national maritime security system in accordance with the country's obligations under international treaties, taking into account the best European experience.

Amendments were introduced to the procedure of maintaining the State Shipping Register of Ukraine and the Ship Book of Ukraine regarding the prohibition of registration in the State Shipping Register of Ukraine of oil tankers that do not meet the requirements for a double hull or equivalent design, which are established by the Rules of the International Convention for the Prevention of Pollution from Ships, 1973, as well as oil tankers aged 25 years and older, which will contribute to improving of environmental safety in the region.

The close cooperation with the European Maritime Safety Agency (EMSA) was established, thanks to which our state's specialists in the field of maritime safety have the opportunity to receive high-quality professional support and advice from the agency's experts.

In the field of ground transport work continues on the legislative reform of the provision of public passenger transport services by road and rail, including within the framework of a joint project with the EIB on contracting socially important suburban passenger transportation services (in Dnipropetrovsk and Zaporizhia regions). Thus, the parliament has registered two draft laws that should regulate public passenger transportation services by road and urban electric transport.

Starting from 2019, **the quota of permits set for Ukraine for international road freight transportation in Poland** - is constantly decreasing. The lack of a sufficient quota of permits by the other member countries of the EU could be also emphasized. This situation

violates the conditions of Ukraine's access to the EU road transport market in accordance with Article 136 of the Association Agreement, which establishes the obligations of the Parties not to worsen the conditions of mutual access to the market. Due to the lack of a sufficient number of permits, it is impossible to ensure the effective functioning of the DCFTA between Ukraine and the EU and maintain the existing trend of trade turnover not only with transit countries, but also with countries that are the main consumers of Ukrainian products in the EU. In addition, it negatively affects the export activities of European investors located in Ukraine, who cannot freely deliver their products to the EU customers. In the recent years there has been a constant increase in the quota of permits issued by Germany, France, Belgium, the Czech Republic, Finland, Lithuania, Latvia, with France and the Netherlands. Ukraine and the United Kingdom of Great Britain and Northern Ireland ratified an Agreement on International Road Transport to provide a permit-free system for international road transport by vehicles of Euro-5 and Euro-6 categories.

Ukraine has submitted the necessary data on the situation with the reduction of the quota of permits for Ukrainian freight road carriers by Poland for consideration by the EU and is awaiting an EU assessment. Ukraine hopes for the prompt adoption of a joint decision on the liberalisation of road transit freight transportation, which will prevent violations of Article 136 of the Association Agreement.

For the purpose of the reform of **railway transport industry** and ensuring approximation to the EU legislation, a draft framework Law «On Railway Transport» (registr. No. 1196-1 of 06.09.2019) was developed and submitted to the Parliament for consideration. Today, steps are being taken to reform JSC «Ukrzaliznytsya», the target organizational structure of JSC «Ukrzaliznytsya» has been approved; a pilot project has been implemented to allow private locomotives to operate on public railway tracks.

In the field of transport policy and development of the logistics network, transportation safety the National Transport Strategy of Ukraine till 2030 and the Action Plan for its implementation were approved. The Strategy sets priorities for implementing state policy in the field of transport aimed at integrating the national transport network into the international transport network, meeting the needs of the population for transportation and improving business environment to create a competitive and efficient national economy.

The Integrated Border Management Strategy till 2025 and the Action Plan for 2020-2022 for its implementation were approved. The Parliament is working on adoption of draft laws on multimodal transportation (), and on aligning with the EU legislation in the field of dangerous goods transportation

Significant results have been achieved regarding inclusion of the Ukrainian transport network into the TEN-T indicative maps. Within the framework of the EU Eastern Partnership, an Indicative TEN-T Investment Action Plan has been developed, according to which about 30 priority infrastructure projects will be implemented: part of them have been already implemented. In May 2021 Ukraine had provided required information and data to the EU Party to include inland waterways in the TEN-T indicative maps (stage I – Southern Bug river and Dnipro river).

In the context of transport safety, a road safety Strategy of Ukraine was adopted (21.10.2020), as well as a number of regulatory legal acts on the safety of two- and three-wheeled vehicles (05.01.2021), on drivers' professional competence confirmation (18.11.2020), on working hours and rest times of drivers (24.06.2021), on the traffic safety management system on railway transport (24.12.2020), on mandatory doctor presence on the ship boards (16.07.2020), etc. Also in June 2021, the technical regulation on safety requirements for marine equipment, procedures for confirming compliance with established requirements, as well as rules for marking and putting into circulation of such equipment in accordance with current EU requirements (Directive 2014/90/EU) were updated.

In the field of civil space research and use of outer space significant results were achieved by ensuring effective and productive cooperation with the European Commission within the framework of the EGNOS and Copernicus projects, as well as within the framework of the Horizon 2020 programme.

In recent years, a number of agreements have been signed with the European Commission, the European Space Agency (ESA) in the field of space research for the purpose of implementing joint projects, in particular, on the access and use of Sentinel satellite data, the technical operation of the Copernicus space component, and the agreement on cooperation in the peaceful use of outer space has been extended until 2024. Also the main data access point of the Copernicus regional mirror site has been created - <http://sentinel.spacecenter.gov.ua/>.

Negotiations are continuing on the conclusion of an agreement between Ukraine and the European Union on the expansion of the European satellite navigation system EGNOS to the territory of Ukraine, the first stage of which was held in Kyiv in 2020. Within the framework of cooperation on the Civil Global Navigation Satellite System (GNSS), a project is being implemented with the EU to install a RIMS ground control station in Kyiv.

Effective cooperation has been ensured **in the field of science and technology** through Ukraine's participation in the EU Framework Programme for research and innovation «Horizon -2020», which created a legal basis for Ukrainian researchers' participation in the implementation of joint projects with the EU member states in order to increase the number of innovative technologies, inventions and promising developments by promoting ideas in the European market.

Ukraine has joined the European Research Infrastructure Consortium (ERIC), is a full member in the European Cooperation in Science and Technology (COST) programme, actively participates in the European Institute of Innovation & Technology (EIT), in particular, Ukrainian scientists are members of the EIT thematic knowledge and innovation communities (KICs), and Ukraine is engaged in the processes of creating and developing the European Open Science Cloud (EOSC).

Ukraine is actively involved in the implementation of the Common Maritime Agenda for the Black Sea and the Black Sea Strategic Research and Innovation Agenda, in particular, it is a member of the Organization of the Black Sea Economic Cooperation (BSEC).

The exchange of information on policy formation in the field of science and innovation is ensured through the gradual integration of Ukraine into the European Research Area, in particular into the subgroups of the EU Council European Research Area and Innovation Committee (ERAC).

Participation in the Euratom Research and Training Programme and the International European Innovative Scientific and Technical Programme EUREKA, the Joint Programming Initiatives was ensured. In 2020, Ukraine joined the EU action plan «ERAvsCORONA», joint research activities are also carried out within the framework of bilateral cooperation between Ukraine and the EU member states.

At the national level, the implementation of the open innovation policy mechanisms and tools has started; the smart specialization approach has been introduced at the regional level as a key tool for shaping innovation policy in the regions. The process of Ukraine's accession to the European Institute of Innovation and Technology (EIT) has started.

In the field of **company law, corporate governance, accounting and audit** Ukraine has adopted a number of laws and regulations to bring domestic legislation in line with EU Directives No. 2004/25/EC, No. 2007/36/EC, No. 2013/34/EU and No. 2006/43/EC, No. 2012/30/EU, Recommendations of the European Commission No. 2005/162/EU and No. 2004/913/EU. In 2018, Ukraine submitted all the necessary compliance tables through official channels and expects the EU Party to assess the completeness of the implementation of these acts of the EU law by the end of 2021.

These measures have created a favourable legal framework for the activities of foreign companies in Ukraine, and also helped to reform the operation of domestic companies, including state-owned ones, in Ukraine, which makes them more efficient and transparent. In particular, common with the EU accounting and auditing systems and approaches were introduced in line with the international standards.

Cooperation is underway in order to **promote the audiovisual industry in Europe and promote co-production in cinematography and television**. To this end, Ukraine has secured accession to the enlarged partial agreement of the European support fund for the co-production and distribution of creative cinematographic and audiovisual works («Eurimages»). Ukraine also continues the process of approximation to the EU law, as well as international legal documents in the field of audiovisual policy. Internal procedures are being implemented for Ukraine's accession to the Council of Europe Convention on Cinematographic Co-production (revised).

To ensure a high level of **protection of consumer rights and achieving compatibility between the Parties' systems** Ukraine has approximated national legislation to the EU legislation in accordance with Annex XXXIX to the Association Agreement, in particular, regarding the issue of consumer crediting and putting non-food products into circulation and ensuring their safety by adopting the relevant Laws of Ukraine «On consumer crediting» and «On the general safety of non-food products». At the level of bylaws, the sale of goods that imitate food products and pose a threat to the health and safety of consumers, especially children, is prohibited, and only lighters that are protected from possible use by children are allowed in the market, and non-standard lighters are prohibited in the market.

A new draft law «On consumer rights protection» has been developed, taking into account the recommendations of the European Commission's official assessment of the current version of this law in the framework of information exchange.

For **ensuring the development of the tourism industry as a driver of economic growth and stimulating the economy, employment and currency earnings** Ukraine has implemented a number of measures that will help European and foreign tourists effectively plan their trips to Ukraine and choose the most interesting places to visit. In particular: a Memorandum of Cooperation was signed between SATD (State Agency for Tourism Development of Ukraine) and Google on the development and digitalization of the tourism industry in order to promote Ukraine as a tourist destination; Travel Ukraine communication campaign was launched. Also, work continues on a project to promote tourist products and markets – «Tourist routes of Ukraine»; a programme is being developed to promote the tourist potential of the regions of Ukraine in the tourists' donor-countries; the development of the State target programme for the development of domestic and inbound tourism «Travel Ukraine» and corresponding regional target programmes to support local projects aimed at popularizing destinations continues. In 2021, Ukraine joined the Enlarged Partial Agreement on Cultural Routes.

In the context of agricultural and rural development a number of the EU acts on quality policies namely, the requirements for products made from cocoa and chocolate, honey, sugar were implemented and the work continues on the implementation of trade standards for plants, plant seeds, products obtained from plants, fruits and vegetables.

In **the field of organic production**, a framework law has been adopted that creates transparent conditions for the production and turnover of organic products, defines the mechanism for certification of organic production and/or turnover of organic products. This ensures the growth of consumer and investor confidence in the field of organic production, increases the competitiveness of Ukrainian organic products, and contributes to the expansion of foreign sales markets. Currently, measures are being taken to ensure the implementation of this law.

The measures were implemented to ensure the implementation of Ukraine's obligations regarding the **protection of rights to geographical indications** as to the improvement of legal regulation of relations in the field of intellectual property rights in accordance with the EU law. The new version of the law (which came into force at the beginning of 2020) ensures the creation of a system of legal protection of geographical indications in Ukraine that meets the European requirements and practice. Work continues on the adoption of three sectoral laws regulating the use and protection of geographical indications for agricultural and food products, as well as for wines and spirits. In addition, documents on such authentic Ukrainian goods as «Hutsul cow bryndza», «Hutsul sheep bryndza» and «Melitopol cherry» have already been sent for inclusion in the EU geographical indications register. Now the Ukrainian Party is considering a number of such other goods that require legal protection.

Land reform. According to the law of Ukraine amending the conditions of circulation of agricultural lands as of 31.03.2020, since July 1, 2021, **the ban on the acquisition of private agricultural lands will be gradually lifted** (except for temporarily occupied territories). In

order to reform the management system in the field of land relations and remove artificial restrictions on economic activity to simplify access to land resources for the population and businesses, the law of Ukraine on improving the management system and deregulation in the field of land relations was adopted. In accordance with the adopted legislation, it is planned to create a single system that combines **geospatial data** both in the private and public sectors. As a result, investors will have access to complete information on land, including utilities, buildings and structures, grant coverage etc.

It is worth noting the positive dynamics of cooperation with the EU projects (SAFPI) and other international organizations, such as FAO, IBRD, which support the development of the agricultural and rural sector in Ukraine.

In the field of fishery cooperation with the EU Party and active participation of representatives of the State Fisheries Agency in the events and projects within the framework of the Commission for the Conservation of Antarctic Marine Living Resources, the Northwest Atlantic Fisheries Organization, and the General Fisheries Commission for the Mediterranean are ensured. Ukraine has sent an appeal to the European Commission Directorate-General for Maritime Affairs and Fisheries and the European Fisheries Control Agency with a proposal to sign a separate document on cooperation within the framework of implementing the provisions of the Association Agreement. The State Fisheries Agency with the participation of scientific institutions and enterprises of the fishery industry joined the implementation of the EU programme «Sturgeon 2020». Annual coordination with the Romanian side of the terms of the ban on fishing in the period of spawning is ensured in Danube river in accordance with the Agreement on Fishing in the Waters of the Danube.

In the sphere of **ensuring decent work and employment policies** partial progress has been made. Laws of Ukraine have been adopted that regulate flexible forms of employment; distinguish between the concepts of remote and flexible working modes, detail the mechanisms for their implementation, and also define the main aspects of the use of home-based job, including for the period of quarantine restrictions. Work is underway to improve the effectiveness of state supervision of compliance with labour legislation; to regulate of certain non-standard forms of employment; to implement the provisions of Council Directive 89/391/EEC; Council Directives No. 91/533/EEC and No. 2019/1152 (EU), Directive No. 2001/23/EC.

In the field of social policy important steps have been taken to provide social support to internally displaced persons and persons with disabilities, reform the pension system, and raise state social standards. The ILO Social Security (Minimum Standards) Convention No.102 has been ratified. The European Code of Social Security has been signed. Work is underway to improve the mechanisms for providing social services, an extensive network of institutions and organizations providing social services has been created: currently, 2 thousand subjects (institutions and organizations) provide social services to about 3 million people. The European model of providing social services in the community has been introduced - Centers for providing social services in the "Transparent Office" format have been opened. 19 "Transparent Offices" have been put in operation. In 2021, the Human Development Strategy was adopted.

The **system of institutional care and upbringing of children** is being reformed. The protection of children's rights, primarily to be brought up in a family, or in conditions as close as possible to family ones, has been strengthened. The National Strategy of Reforming the System of Institutional Care and Parenting for 2017-2026 is being implemented. The issue of supporting orphaned children, children deprived of parental care, children in difficult life circumstances, as well as comprehensive improvement of mechanisms for helping families with children has been regulated.

In the field of ensuring **equal rights and opportunities for women and men** in all spheres of life, a number of the EU directives in the field of gender equality have been implemented: Council Directive 79/7/EEC; Council Directive 2004/113/EC; Council Directive 92/85/EEC of the European Parliament and of the Council; the State Social Programme on Providing Equal Rights and Opportunities for Women and Men up to 2021 and the National Action Plan for the implementation of UN Security Council Resolution 1325 "Women, Peace, Security" have been implemented. The Government of Ukraine has joined the international initiative Biarritz partnership to promote gender equality. Pursuant to the Resolution of the Parliamentary Assembly of the Council of Europe No. 2079 (2015) "Equality and shared parental responsibility: the role of fathers" and the recommendations of the Biarritz partnership, in 2021, equal opportunities for mother and father to care for a child and combine work with family responsibilities and develop responsible fatherhood in Ukraine are ensured. A network of specialized institutions has been established to provide assistance to victims of domestic violence and gender-based violence.

Work is underway to create favourable conditions for employment of persons with disabilities. The relevant draft law approved by the government has been registered in the parliament.

In **healthcare sector** the reform of the healthcare system is continued. For the first time, private, municipal and public institutions received equal access to the opportunity to receive funds from the state for specific medical services provided. Work is underway to create a modern model of financing the European-style healthcare system, which will ensure the effective use of limited public resources in the healthcare system by directing them to cover the cost of medical services actually provided to the citizens. During 2018-2020, 23 regional public health centers were established, combining regional health centers, statistics centers, AIDS control centers and monitoring and assessment departments.

A number of procedures of simplified registration of medicines registered under a centralized procedure in the EU have been approved. Registration of such medicines is based on the medicine assessment report, which is compiled by the European Medicines Agency (EMA).

Ukraine has joined the European Union Health Security Committee as an observer to attract the EU experts to further implement healthcare reform, cooperate and exchange experience. A two-year cooperation agreement was signed between the World Health Organisation Regional Office for Europe and the Ministry of Health of Ukraine for the period 2020-2021 with a total budget of 6,6 million US dollars.

Since 2015, the Ministry of Health has introduced procurement of medicines and medical devices with the involvement of specialized international organizations, in 2017, the Concept of reforming the procurement of medicines and medical devices, auxiliary equipment, and other medical products was approved, and the State Enterprise «Medical Procurement of Ukraine» was designated as a centralized procurement organization.

In the field of the blood safety and blood supply service in 2020, the Law of Ukraine «On the safety and quality of donated blood and blood components» was adopted, which approximated national legislation to the current EU standards. The issue of safety and quality of donated blood and blood components, blood donation and its components was regulated, and the volume of mandatory provision of public health needs with donated blood, its components and preparations was approved. As part of the state institution Center for Public Health of the Ministry of Health of Ukraine, a transfusiological center has been established, which coordinates, monitors institutions and organizations of the blood supply system and supports a unified system of information exchange in real time mode, methodological guidance on the functioning of the blood supply system at the state level. Active work is underway to improve legislation and develop the blood supply service.

For the purpose of **development of tissue, cell and organ transplantation** the Law of Ukraine «On the use of transplantation of anatomical materials to humans» was adopted and important amendments were adopted in 2019. The issue of the use of transplantation of anatomical materials to humans regarding bioimplants, xenoimplants, medical and biological requirements for animals, conditions of their maintenance, the procedure for extracting anatomical materials from animals for the manufacture of xenoimplants; transportation of human anatomical materials within Ukraine, the issue of import and export of tissues and cells were regulated. A specialized state institution Ukrainian Transplant Coordination Center has been established; the procedure and conditions for the functioning of the Unified State Information System for Organ and Tissue Transplantation have been defined, which ensures the comparison of the donor-recipient pair and interaction between all participants in the transplantation system.

In August 2021, Ukraine successfully completed the process of self-testing and verification with EU servers. Ukraine welcomes the prompt Decision by the European Commission approved on the compatibility of digital COVID-certificates of Ukraine and the EU, which recommends the EU member states to recognize Ukrainian certificates. Ukraine is included in the EU Certificate Trust Network. There is no doubt that European partners play an important role in overcoming the consequences of the COVID-19 pandemic, provide systematic organizational, material, and methodological assistance to overcome the pandemic.

Ukraine is actively implementing European standards **in pharmacology**. A new version of the Procedure for confirming the compliance of the medical products manufacturing conditions with good manufacturing practice requirements is approved, distant assessment for issuing a Certificate of compliance of the medical products manufacturing conditions with good manufacturing practice requirements (GMP certificate) is introduced based on a documented survey of a manufacturer (without physical inspection), the possibility of recognizing official documents issued by the authorised bodies of the EU Member States, Great Britain or countries that have a mutual recognition agreement with the EU or with

Ukraine on the compliance of the medical products manufacturing conditions with GMP requirements is envisaged.

Work is underway to implement Directive 2014/40/EU, a draft law has been registered in the Parliament that will significantly strengthen the fight against the negative impact of tobacco products on public health with smoking, will set the requirements for the turnover of electronic cigarettes and the latest tobacco products in Ukraine.

The involvement of Ukraine in the international initiatives to develop and test new drugs to combat infectious diseases such as COVID-19, as well as drugs to solve a different range of health problems, will allow us to move towards the development of bioclusters and provide an opportunity for in-depth international cooperation in the field of health and exchange of best practices.

In education, training and youth policy the quality assurance system of higher education is being improved, and the content of higher education is being updated. Ukraine's co-chairing in the Bologna Process during January-June 2020; functioning of the National Agency for Higher Education Quality Assurance in accordance with Standards and Guidelines for Quality Assurance in the European Higher Education Area (ESG); compliance of the National Qualifications Framework with the European Qualifications Framework for lifelong learning (EQF) and the Framework for Qualifications of the European Higher Education Area were ensured.

The programme "EU4Skills: best skills for modern Ukraine" is being implemented, which contributes to improving management in the field of professional (vocational) education, developing modern standards of professional (vocational) education and modernizing the infrastructure of educational institutions. Ukraine is an active participant in the European Union's Erasmus+ Programme. Since January 2020, within the framework of the Erasmus+ Programme, the project "New mechanisms of partnership-based governance and standardization of vocational teacher education in Ukraine» is being implemented, which aims to improve the management of vocational teacher education in Ukraine.

Active work is underway on **development of the cultural industry** in Ukraine. The Ukrainian Cultural Foundation, which gives equal access on a competitive basis to state support for cultural projects to organizations; the Ukrainian Book Institute, which promotes the development of the Ukrainian book publishing industry and supports the promotion of reading have been established; a programme for the development of folk arts and crafts for 2021-2025 has been developed. A law has been adopted that ensures the practical implementation of reforms for the development of creative industries in Ukraine and defines the types of economic activities related to creative industries. Since 2016, Ukraine has been actively participating in the EU Creative Europe Programme. During Ukraine's participation in the Creative Europe Programme, 38 projects for more than 5 million euros were supported. This list also includes 9 films created in joint production with other countries with the support of the Creative Europe Programme.

Active work is underway on **development of a healthy lifestyle among people of different ages**, promoting the social functions and educational values of sport, and combating threats to sport. Physical Culture and Sports Strategy till 2028 is being

implemented. The process of expanding the autonomy of sports federations and approving professional standards for the field of physical culture and sports, improving the skills of Ukrainian specialists in the field of physical culture and sports continues. A great achievement of Ukraine in the field of sports is joining the Enlarged Partial Agreement on Sport (EPAS). Together with experts from the Council of Europe and the World Anti-Doping Agency, new anti-doping legislation has been developed. Measures are being taken to ratify the Council of Europe Convention on an Integrated Safety, Security and Service Approach at Football Matches and Other Sports Events.

In the context of the civil society development, in 2016, the implementation of the National Strategy for Promoting the Civil Society Development in Ukraine for 2016-2020 started, aimed at establishing dialogue between the authorities and civil society organizations, primarily on ensuring human rights and freedoms. The Coordination Council for Promoting Civil Society Development with the status of an advisory body was created under the President of Ukraine. Coordination Council for the Implementation of the Communication Strategy in the field of European Integration for 2018-2021 has been established. The EU-Ukraine Civil Society Platform has been created – a joint civil society body aimed at ensuring public control over the implementation of the Agreement. Cooperation has been established with experts of the Ukrainian Party of the EU-Ukraine Civil Society Platform.

Cross-border cooperation between Ukraine and the EU member states is ensured, in particular, within the framework of agreements on trade, economic, scientific, technical, cultural and humanitarian cooperation between the relevant administrative-territorial units. Intergovernmental commissions, councils and working groups (Ukrainian-Slovak Intergovernmental Commission on Cross-Border Cooperation; Ukrainian-Hungarian Intergovernmental Mixed Commission on Cross-Border and Border Cooperation; Joint Ukrainian-Polish Coordination Council for Interregional Cooperation) are also an important tool for solving common problems with the EU member states at the local and regional level. Work is underway to update the framework law on cross-border cooperation.

Successful implementation of 4 cross-border cooperation programmes of the European Neighbourhood Instrument 2014-2020 continues with Ukraine's participation in the framework of the programmes «Ukraine-Poland-Belarus», «Romania-Ukraine», «Ukraine-Hungary-Slovakia -Romania» and «Black Sea Basin». In 2016-2019, with the support of the EU, 2 pilot programmes of territorial cooperation «Ukraine-Belarus» and «Ukraine-Moldova» were successfully implemented within the framework of the Eastern Partnership initiative, the results of which demonstrated the interest of all participating countries to continue such cooperation. Ukraine is interested in continuing the implementation of cross-border cooperation programmes in the new programme period 2021-2027.

Ukraine is actively involved in the formation of joint operational programmes of Interreg NEXT for the next 7 years.

Ukraine's participation in the EU Strategy for the Danube Region is one of the priorities of the government's European integration agenda. We are grateful for the support and opportunity to preside in the implementation of the Strategy from November 2021 to November 2022. Ukraine adheres to its obligations under the implementation of the

Danube Transnational Programme, is interested in continuing cooperation in the next financial period and is actively involved in the preparation of a new programme for 2021-2027.

The development of the EU Macro-Regional Strategy for the Carpathian Region remains a priority of the government in the context of ensuring the regional development of Ukraine, sustainable development of the Carpathians and the implementation of the European policy of rapprochement.

RECOMMENDATIONS FOR OBJECTIVE F):

In order to deepen economic and sectoral cooperation, it is important to establish an effective dialogue on further regulatory approximation based on the conditionality of mutual interests of both Parties.

In the energy sector:

- Ukraine expects to receive the conclusion of the Energy Community Secretariat on compliance of Ukrenergo's activities with the requirements of the current European legislation in the near future.
- Expand the energy partnership with the EU by including new acts in Annex XXVII-B of the Association Agreement, in particular on energy labelling and eco-design.
- Ukraine is interested in implementing the clear mechanism for holding consultations with the European Commission provided for in Annex XXVII and in fulfillment of obligations to assess and recognize compliance of national legislation in accordance with the Annex XXVII. Strengthen cooperation within the framework of the EU-Ukraine Working Group on reforming electricity and gas markets to further integrate electricity markets.
- Ukraine hopes for high-level political support from the European Commission, the EU member states and the United States on the integration of Ukraine's energy system into ENTSO-E, scheduled for 2023.
- Enlist the EU's support in ensuring guaranteed capacities from the EU member states, in particular Poland, Hungary and Slovakia, as well as implement measures to minimize restrictions on gas supplies to the domestic gas market in Ukraine.
- Enlist the EU's support in the issue of extension of the contract with the RF on gas transit through the territory of Ukraine in the volume of not less the 30 billion m³ per year.
- Within the framework of Joint Working Groups, assess the implementation of the EU legislation in national legislation in the energy sector.
- Establish a High level Working Group under the EU-Ukraine bilateral energy partnership to accelerate electricity and gas market reforms in Ukraine.
- Establish a High level dialogue on energy security issues to discuss strategic aspects of energy cooperation with participation of the EU Member States, which will provide a platform for strengthening overall European energy security and boost green transition in Ukraine and the EU.

In the field of energy efficiency and energy saving:

- Conclude an Agreement between Ukraine and the EU on further co-financing of the Energy Efficiency Fund.

In the field of budget policy and taxation:

- Ukraine and the EU shall jointly prepare a draft decision of the EU-Ukraine Association Council on the schedule of gradual implementation of the 13th Council Directive on refund of value-added tax to taxable persons not established in Community territory until December 2021 in accordance with the agreements based on the results of the Fourth meeting of Cluster 2 of the Subcommittee on Economic and Other Sectoral Cooperation of the EU-Ukraine Committee (July 03, 2020).

In the field of statistics:

- Implement the next round of Global Assessment of the National Statistical System of Ukraine for its compliance with EU norms and standards (a request was sent to Eurostat and a positive response was received).
- Work on obtaining of an observer status by Ukraine at Eurostat, following the example of European Free Trade Association (EFTA) countries. A corresponding request from three interested countries (Georgia, Moldova and Ukraine) was sent to Eurostat in early 2019.
- In order to harmonise educational programmes in the field of statistics with European standards, work with the EU Party to introduce training of specialists in the EU master's programme in official statistics (EMOS, European Master in Official Statistics), in particular, to involve the National Academy of Statistics, Accounting and Audit of Ukraine in this programme.

In the field of environmental protection:

- Attract financial resources to start the systemic development of a network of ambient air quality monitoring stations.
- Get support within the framework of the CASE project to create a joint Ukrainian-European Analytical Center for the Ukrainian Climate Fund.
- Ensure that Ukraine joins the Life programme for nature reserve facilities.
- Ensure access to the EU instruments and funds in the areas that promote decarbonisation with the aim of Ukraine's engagement in the EU's Green Deal initiative, at the first stage for cross-border projects.
- The expert support from the EU Party is required in order to combat air pollution and achieve ecological sustainable development of the state by implementing environmental policies, technological innovations, as well as a national system for greenhouse gas emissions quotas trading in Ukraine.
- Formalize the EU-Ukraine High Level Dialogue on Ukraine's Involvement in the Implementation of the European Green Deal.

- Ensure that Ukraine joins the EU Civil Protection Mechanism in order to integrate the unified state civil protection system into the Pan-European system of emergency prevention and response.

In the transport sector:

- Complete by the end of 2021 the procedure required to sign a high-level Agreement between Ukraine and the EU on updating TEN-T network in order to include the inland waterways in the TEN-T indicative maps (I stage - Southern Bug river and Dnipro river).
- Cooperate in the implementation of reforms of national legislation in the field of railway and maritime transport.
- Step up the dialogue on the Agreement on the road transit liberalization for freight transportation.

In the field of civil space research and the use of outer space:

- Step up cooperation with ESA and the EU member states to implement joint projects in the field of global navigation satellite systems, Earth observation and global monitoring, applied space technologies, in particular launch technologies and rocket engine technologies.
- Conclude an Agreement between Ukraine and the European Union on expanding of the European satellite navigation system EGNOS to the territory of Ukraine in order to ensure full coverage of the territory of Ukraine by the EGNOS system and ensure the possibility of its practical use in the interests of the Ukrainian Party.
- Start a high-level dialogue in the space sphere between Ukraine and the EU.

In the field of science and technology:

- Sign and implement an Agreement on Ukraine's participation in the Horizon Europe Research and Innovation Framework programme and the Euratom Research and Training programme (2021-2025), which is complementary to the Horizon Europe Research and Innovation Framework programme.
- Hold negotiations with partners of the EU member states on opening of the competitions for bilateral research projects and holding meetings of bilateral commissions on scientific and technological cooperation.
- Hold negotiations with the European Research Infrastructure Consortium (ERIC), the European Institute of Innovation and Technology (EIT), and the European Open Science Cloud (EOSC) on cooperation with Ukrainian research infrastructures.

In the field of company law, corporate governance, accounting and auditing:

- Ukraine and the EU should jointly update Annex XXXIV and Annex XXXV to Chapter 13 Company law, corporate governance, accounting and auditing of Title V Economic and Sector Cooperation to the Association Agreement between Ukraine and the EU.

In the field of employment policy:

- Continuation of the constant dialogue with the EU on ensuring an effective employment policy, creating safe and healthy working conditions, stimulating the development of labor markets, reducing the volume of the informal economy by transforming illegal employment.

In the field of healthcare:

- Ukraine is interested in the support, technical and advisory assistance from the EU in the development of tissue and cell transplantation, the development of an appropriate regulatory framework.
- Continuation of negotiations with the EMA on expanding the formats of possible cooperation and access of the Ukrainian Party to EMA information systems, participation of Ukrainian experts in EMA educational programmes, options for cooperation with the EMA on obtaining sales permits and inspections, establishing communication channels with EMA and information exchange;
- Signing of the Agreement on Conformity Assessment and Acceptance of Industrial Products (ACAA) with the EU with the aim of ensuring mutual recognition with the EU of certificates of conformity for medical devices and conditions of production of medicines with the requirements of Good Manufacturing Practice (GMP);
- Obtaining access to Pan-European systems and databases on the quality, safety and effectiveness of medicines, especially innovative and organic medicines, which will allow making informed decisions when allowing access to the market of such medicines in Ukraine or carrying out public procurement;
- Participation in training programmes for national experts, involved in evaluating the materials of the registration dossier for medicines, in the European programmes «EU4Health 2021-2027», the programme "Horizon Europe», and engagement in the assistance to the development of digital technologies in healthcare;
- Implementation of the norms of the WHO Framework Convention on Tobacco Control and deepening cooperation with the EU for the ratification of the Protocol to Eliminate Illicit Trade in Tobacco Products to WHO FCTC;
- Attracting the EU international technical assistance under the following areas: quality standards of medical care, industry standards of medical care, clinical protocols and guidelines based on international best practices, development of a network of institutions for epidemic control and biological safety, fight against drug trafficking, improvement of the transplantology service, development of emergency medical care.

In the field of cultural industry development:

- Complete the coordination procedures for signing the Agreement between Ukraine and the EU on participation in the Creative Europe Programme for 2021-2027.

In the field of healthy lifestyle development:

- Implement joint projects and initiatives with the EU aimed at developing a healthy lifestyle among people of different ages, promoting social functions and educational values of sports, and combating threats to sports: doping, match-fixing, racism and violence.

In the field of cross-border cooperation:

- Take into account the priorities of developing the country's cross-border cooperation in future Interreg operational programmes.
- Ukraine counts on the active position and support of the European Commission, in the dialogue with individual EU member states of the Carpathian region regarding their involvement and support for the EU Macro-Regional Strategy for the Carpathian Region.
- Ukraine counts on the appropriate EU support of cross-border cooperation programmes implementation in the programme period of 2021-2027.



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