
Results and plans
“Report on Implementation of the Association Agreement between Ukraine and the European Union in 2019” was prepared by the Government Office for Coordination of European and Euro-Atlantic Integration of the Secretariat of the Cabinet of Ministers of Ukraine with the support of the EU project “Association4U”. The report is the result of a comprehensive assessment of Ukraine’s implementation, during 2019, of the Association Agreement between Ukraine, on the one hand, and the European Union, the European Atomic Energy Community and their Member States (hereinafter referred to as the Association Agreement).

The report was prepared based on the results of processing the reports submitted to the Government Office by the ministries and other interested public authorities within the framework of quarterly monitoring of the Action Plan on implementation of the Association Agreement (Resolution of the Cabinet of Ministers No. 447 dated 31.05.2017).

The report consists of three sections, the last of which is devoted to the analysis of key achievements in the implementation of the Association Agreement for 2019 in 24 areas of public life, as well as trade between Ukraine and the EU. Taking into account that the implementation of the Agreement contributes to the implementation of the Sustainable Development Goals, specific goals and national sustainable development targets that are achieved through the implementation of the Association Agreement are indicated under each area.

The tasks for implementing the Agreement are based directly on the Agreement, decisions of bilateral bodies of the EU-Ukraine Association, as well as road maps, concepts and strategies of state policy. Since the progress of activities can be measured and recorded, they serve as indicators of the status of Association Agreement tasks implementation.

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2019 was a landmark year, because for the first time the Government, defining European integration as a cross-cutting task of reforming the country and devoting the section to European and Euro-Atlantic integration in the program of activities, set itself the goal of achieving the Copenhagen Criteria for EU membership.

This approach makes it possible not only practically implement the political association and economic integration of Ukraine and the EU within the association, but also implement the strategic course of the state to acquire full membership of Ukraine in the European Union.

Moreover, both the Government’s Program and the Association Agreement are implemented in the context of the Sustainable Development Goals, as a comprehensive and human-oriented set of goals and objectives, which in a balanced and integrated way ensure sustainable development in its three dimensions – economic, social and environmental.

These three components – the Association Agreement, the Copenhagen Criteria and the Sustainable Development Goals – are a reliable roadmap for Ukraine’s successful long-term development, ensuring well-being and prosperity for all citizens.

In November 2019, a European integration meeting of the Government was held, where the results of the work were summarized and priorities were determined – such meetings will become traditional. In particular, at the first meeting, the Action Plan on implementation of the Association Agreement was updated. The updated plan reflects our integration goals and objectives, aims to implement the decisions taken by bilateral bodies of the Association over the past three years, and updates and supplements measures in all areas.

European integration has become a transparent, measurable and accountable public policy for the first time in Ukraine. By the decision of the Government, “Pulse of the Agreement” – a tool for planning, monitoring and evaluating the effectiveness of the implementation of the Association Agreement – was made public. Now every citizen can find out how the Association Agreement is being implemented.

In 2019, we introduced a conceptually new tool for regional dimension of the European integration policy. In particular, the process of creating European integration offices in the regions has started, which will improve local citizens’ access to information about new opportunities opening up within the framework of cooperation with the EU, and will allow them to be involved in educational, scientific, cultural, business projects and programs as much as possible. The first stage was the commencement of a pilot project to create a European Integration Office in Kherson on the basis of the Regional Development Agency. By 2024, it is planned to extend the geography of European Integration Offices to other regions of Ukraine, primarily the eastern ones.

Interaction between the Cabinet of Ministers and the Verkhovna Rada has been significantly strengthened. In November 2019, a joint parliamentary-government platform was created. The Government-Parliamentary road map, which includes a list of priority European integration draft laws for consideration in Parliament, is constantly updated.

This joint legislative work of the Government and the Parliament of Ukraine has already allowed for the adoption of more than 30 fundamental European integration laws.
This got the things moving with the reform process and ensured results in many areas.

In particular, the legislative changes have resulted in the long-awaited creation of the High Anti-Corruption Court, re-launch of the National Agency on Corruption Prevention (NACP) (which has access to all necessary registers), the reinstatement of criminal liability for illegal enrichment, and the adoption of the Electoral Code as a positive step towards the harmonization of electoral legislation.

For protection of the rights of citizens, a mechanism for rapid response to violations related to low-quality financial services has been established.

Due to changes in the laws on improving educational activities, European practices in higher education have been introduced, among other things – mandatory accreditation of educational programs, revocation of diplomas for plagiarism, dual form of higher education, more opportunities for interdisciplinary programs, key performance indicators for contracts with rectors, expanding the space for applying EIT technologies, and so on.

In the field of intellectual property, the legal protection of geographical indications has been improved, and the conditions for acquiring and protecting integrated circuit layout designs ownership rights for both large companies and ordinary citizens. Due to the new level of protection of intellectual property that crosses the borders of Ukraine, counterfeit goods that cause damage to producers and the economy will be stopped at the border.

In the field of public procurement, legislative changes have been adopted that provide for further implementation of EU standards in this area.

There have also been the developments in the energy sector. The government introduced competitive conditions for generating electricity from alternative sources and a mechanism for distributing support quotas. One of the key reforms in the energy sector took place — from now on, Ukraine is fully synchronized with Europe in the mode of the gas market operation. The reform (unbundling) of Naftogaz of Ukraine and the creation of an independent operator of the gas transmission system has been completed.

Ukraine continues fulfilment of the conditions for integration into the EU energy market. In 2019, Annex XXVII of the Association Agreement on energy related to strengthening the monitoring system was updated, and guidelines for implementing this Annex were agreed with the EU Party. Medium-term priority of the government is joining the ENTSO-e system.

In the field of energy efficiency, mechanisms are being implemented to encourage energy-efficient measures, the Energy Efficiency Fund has been launched, and the corresponding National Action Plan for Energy Efficiency is being implemented.

Due to almost no progress in previous years, it was possible to move forward and implement the envisaged measures in the field of taxation, and cooperation and coordination with the European Anti-Fraud Office (OLAF) was established. Significant progress has been made in reforming agriculture and fisheries, and the conditions for establishing business and trade in services are being liberalized.

At the same time, areas of transport and finance require increased attention and accelerated implementation of obligations.

Surely, achieving these results would not have been possible without political will, active public and business participation, and the support of our European partners.

Thanks to the assistance of the EU and its member states, hundreds of projects are being implemented to develop transport infrastructure, housing and utilities, support small and medium-sized businesses, energy efficiency, and so on.

The total amount of financial and loan support from the EU in the reporting year amounted to EUR 1.5 billion. The total amount of international technical assistance at the end of 2019 was EUR 385.7 million.

After the introduction of the free trade zone trade turnover with the EU is constantly increasing, and today the EU is the largest trading partner of Ukraine, which accounts for 41.3 % of the total volume of foreign trade in goods. Ukraine enters the EU market with new products, among which an increasing share is being taken by products with a high degree of processing.
The volumes of duty-free exports within tariff quotas are growing. In 2019, Ukrainian exporters used 32 of the 40 tariff quotas. The liberalization of the trade regime with the EU also leads to an increase in the number of Ukrainian companies exporting goods to the EU member states. In 2019, 14,545 companies delivered their products to European Single Market. The number of European-oriented exporters that have received the status of an authorized exporter and can export to the EU without registration of EUR.1 certificate is increasing. Today, there are 251 such enterprises.

Also at the legislative level, the institution of an authorized economic operator was introduced, the law on the common transit procedure was adopted and national electronic transit system was introduced, and the implementation of software for the launch of the NCTS system in Ukraine started.

The progress of European integration reforms has received an approval by the EU at the July 21st Ukraine – EU Summit in Kyiv, the fifth meeting of the Association Committee in November 2019 and the sixth meeting of the Association Council in January 2020, as well as in the report of the European Commission on the Association Agreement implementation.

Our agenda with the EU is becoming more and more ambitious.

Integration in such sectors as digital economy, trade facilitation, customs cooperation and justice and internal affairs, as well as further steps in the field of technical regulation, was identified as a priority for 2020. The importance of implementing reforms and cooperation in the energy sector, creating a common aviation area, decarbonizing and environmental protection was noted.

Ukraine and the EU agreed to combine “environmental agendas” within the framework of the “European Green Deal”, which will allow us to work together on the environmental challenges facing humanity. Ukraine is already working in this area and has created an interagency working group.

A decision was reached to start the work of the preliminary expert mission in the framework of the start of negotiations on signing the Agreement on Conformity Assessment and Acceptance of Industrial Products (ACAA Agreement) in three priority sectors — the so-called “industrial visa-free regime”.

We have started discussions with the EU Party on possible forms of joint monitoring of the implementation of the deep and comprehensive free trade area with the aim of further balanced review of its parameters for the benefit of both Parties.

Work on Ukraine’s integration into the EU digital market has also been strengthened, and the EU expert mission continues to assess national legislation and institutional capacity. This is an important formal stage that will allow us to form a practical action plan.

We are working to strengthen cooperation in the areas of freedom, security and justice. In particular, it is planned to agree on a new agenda of the association in this area.

An important process, given the progress made, is updating the annexes to the Association Agreement, where necessary. New annexes are being refined jointly with the EU.

Surely, not all results are positive, and progress often means more challenges and tasks ahead. The lack of institutional capacity of the authorities prevents them from realizing the full potential of the European integration, correctly define the sequence of actions, estimate the ways to achieve the goals, and search for the necessary solutions for the interested parties to fully take advantage of all benefits.

Trying to invent a bicycle where you can safely ride an electric car is a turmoil, which should be dealt with every day so that Ukraine’s European integration would be beneficial for all citizens who have the right to be equal residents of the common European political, legal and economic space. But together with our partners in the EU, we will definitely cope with this and other challenges.
The information and analytical system for monitoring the implementation of the Association Agreement "Pulse of the Agreement" was introduced by the government in 2017.

On 20.11.2019 during the "European Integration" session of the Government, the site was opened for public via the link http://pulse.eu-ua.org.

"Pulse of the Agreement" provides for a total of about 8 thousand measures distributed within 2 thousand tasks. During the process of Agreement implementation monitoring, each activity is assigned a status "completed" or "not completed". The status of measures implementation is tracked by the main performers – the relevant authorities, which makes it possible to understand who is responsible for the execution of the corresponding obligation at a particular moment.

The Report presents two types of indicators: fulfillment of obligations with a deadline of 2019 (current progress) and overall progress of fulfillment of obligations with a deadline of 2024.

Current progress is calculated as a percentage and shows the percentage of completed activities within each year, both as a whole and with the break down into 24 areas. It shows which share of the activities planned for the year were completed as of the date of the assessment.

The overall progress shows the dynamics of the Agreement implementation over the effective period, starting with the temporary application of certain provisions in 2014, and reflects the percentage ratio of completed measures from the total number of all measures required for the implementation of the Agreement.

The percentage indicators calculated using this methodology give a general idea of the progress made in the implementation of the Agreement and other tasks in the field of European integration. These percentages may not fully reflect the assessment of the practical application of the approximated legislation, its quality and impact, tasks differing in comprehensiveness and complexity. To get complete and meaningful information in each area, you need to familiarize with the sectoral part of the report, the reports of authorities, including reports on the implementation of the Government’s program of activities, and so on.
In 2019 the current progress of the Association Agreement implementation by the Cabinet of Ministers of Ukraine, the Verkhovna Rada of Ukraine, other interested state authorities accounted for 37\% of planned tasks to be implemented during the year. The Cabinet of Ministers of Ukraine completed 53\% of the tasks envisaged in the action plan for 2019, the Verkhovna Rada of Ukraine completed 12\% of the tasks, and other state authorities completed 21\% of the tasks.

During 2019, 100\% of tasks were completed in the areas of “Political dialogue, national security and defense”, “Education, training and youth”, “Financial cooperation and combating fraud”, and also “Social policy and labor relations”.

No significant progress has been achieved in the areas of “Statistics and information exchange”, “Public Finance Management” and “Consumer Protection”.

In three areas ("Intellectual property", “Customs” and “Public health”), there were no tasks that were due in 2019.
## Progress in the Association Agreement Implementing in 2019 by Area

<table>
<thead>
<tr>
<th>Area</th>
<th>Progress</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy</td>
<td>28%</td>
</tr>
<tr>
<td>JFS, Human Rights</td>
<td>14%</td>
</tr>
<tr>
<td>Technical Barriers to Trade</td>
<td>63%</td>
</tr>
<tr>
<td>Entrepreneurship</td>
<td>73%</td>
</tr>
<tr>
<td>Political Dialogue, National Security and Defense</td>
<td>100%</td>
</tr>
<tr>
<td>Taxation</td>
<td>54%</td>
</tr>
<tr>
<td>Education, Training and Youth</td>
<td>100%</td>
</tr>
<tr>
<td>Humanitarian Policy</td>
<td>65%</td>
</tr>
<tr>
<td>Agriculture</td>
<td>64%</td>
</tr>
<tr>
<td>Science, Technology and Innovations, Space</td>
<td>50%</td>
</tr>
<tr>
<td>Financial Sector</td>
<td>19%</td>
</tr>
<tr>
<td>Public Procurement</td>
<td>87%</td>
</tr>
<tr>
<td>Social Policy and Labor Relations</td>
<td>100%</td>
</tr>
<tr>
<td>Statistics and Information Exchange</td>
<td>0%</td>
</tr>
<tr>
<td>Transport, Transport Infrastructure, Postal and Courier Services</td>
<td>16%</td>
</tr>
<tr>
<td>Energy Efficiency and Housing and Utility Infrastructure</td>
<td>61%</td>
</tr>
<tr>
<td>Public Finance Management</td>
<td>0%</td>
</tr>
<tr>
<td>Environment and Civil Protection</td>
<td>28%</td>
</tr>
<tr>
<td>Sanitary and Phytosanitary Measures</td>
<td>43%</td>
</tr>
<tr>
<td>Consumer Rights Protection</td>
<td>0%</td>
</tr>
<tr>
<td>Financial Cooperation and Combating Fraud</td>
<td>100%</td>
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</tbody>
</table>
OVERALL PROGRESS IN THE AGREEMENT IMPLEMENTING FOR 2014-2024

As of 01.01.2020, the overall progress in the Association Agreement implementation for 2014-2024 is 43%.

The greatest progress during the implementation of the Association Agreement was achieved in the areas of “Political dialogue, national security and defense” - 86%, “Justice, freedom, security, human rights” - 82%, “Public procurement” - 80%, “Technical barriers to trade” - 79%, “Entrepreneurship” - 76%.

At the same time, there are areas where Ukraine is behind the schedule in fulfilling its obligations under the Association Agreement: “Transport, transport infrastructure, postal and courier services” - 19%, “Financial sector” - 22%, “Energy” - 29%.
## OVERALL PROGRESS IN THE ASSOCIATION AGREEMENT IMPLEMENTING BY AREA

<table>
<thead>
<tr>
<th>Area</th>
<th>Progress</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy</td>
<td>29%</td>
</tr>
<tr>
<td>Entrepreneurship</td>
<td>76%</td>
</tr>
<tr>
<td>Education, Training and Youth</td>
<td>61%</td>
</tr>
<tr>
<td>Science, Technology and Innovations, Space</td>
<td>35%</td>
</tr>
<tr>
<td>Social Policy and Labor Relations</td>
<td>35%</td>
</tr>
<tr>
<td>Energy Efficiency and Housing and Utility Infrastructure</td>
<td>54%</td>
</tr>
<tr>
<td>Sanitary and Phytosanitary Measures</td>
<td>52%</td>
</tr>
<tr>
<td>Public Health</td>
<td>34%</td>
</tr>
<tr>
<td>JFS, Human Rights</td>
<td>82%</td>
</tr>
<tr>
<td>Political Dialogue, National Security and Defense</td>
<td>86%</td>
</tr>
<tr>
<td>Humanitarian Policy</td>
<td>62%</td>
</tr>
<tr>
<td>Agriculture</td>
<td>34%</td>
</tr>
<tr>
<td>Technical Barriers to Trade</td>
<td>79%</td>
</tr>
<tr>
<td>Taxation</td>
<td>53%</td>
</tr>
<tr>
<td>Financial Sector</td>
<td>22%</td>
</tr>
<tr>
<td>Public Procurement</td>
<td>80%</td>
</tr>
<tr>
<td>Transport, Transport Infrastructure, Postal and Courier Services</td>
<td>19%</td>
</tr>
<tr>
<td>Statistics and Information Exchange</td>
<td>56%</td>
</tr>
<tr>
<td>Public Finance Management</td>
<td>68%</td>
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<td>Environment and Civil Protection</td>
<td>46%</td>
</tr>
<tr>
<td>Consumer Rights Protection</td>
<td>42%</td>
</tr>
<tr>
<td>Financial Cooperation and Combating Fraud</td>
<td>24%</td>
</tr>
<tr>
<td>Intellectual Property</td>
<td>21%</td>
</tr>
</tbody>
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THE DYNAMICS OF THE NUMBER OF EVENTS AND THEIR IMPLEMENTATION BY YEARS

The indicator of the implementation of measures planned for 2020 is presented as of 30.01.2020.

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of Measures</th>
<th>% Implementation</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>34</td>
<td>94%</td>
</tr>
<tr>
<td>2015</td>
<td>405</td>
<td>94%</td>
</tr>
<tr>
<td>2016</td>
<td>733</td>
<td>79%</td>
</tr>
<tr>
<td>2017</td>
<td>848</td>
<td>60%</td>
</tr>
<tr>
<td>2018</td>
<td>1591</td>
<td>59%</td>
</tr>
<tr>
<td>2019</td>
<td>1556</td>
<td>37%</td>
</tr>
<tr>
<td>2020</td>
<td>1438</td>
<td>21%</td>
</tr>
</tbody>
</table>

The number of measures for the Association Agreement implementation and % of their fulfilment by years
SECTION I
Activities of bilateral bodies of the Association and high-level dialogue between Ukraine and the EU

In accordance with Title VII of the Association Agreement, the Parties regularly hold meetings of the bilateral bodies of the EU - Ukraine Association.

BILATERAL BODIES OF THE EU-UKRAINE ASSOCIATION

5th meeting of the EU – Ukraine Association Committee (05.11.2019, Brussels)

Main results:
• five priorities for integration between Ukraine and the EU have been identified:
  - sectoral integration (strengthening cooperation in the field of JFS, integration to the EU digital and energy markets, simplification of customs procedures in trade with the EU);
  - climate change mitigation and energy efficiency;
  - bringing the provisions of the Association Agreement in line with the actual growth of trade turnover between Ukraine and the EU (including through the revision of tariffs, duty-free quotas and the conclusion of an Agreement on Conformity Assessment and Acceptance of Industrial Products (ACAA Agreement));
  - “decentralization” (regional dimension) of European integration;
  - rehabilitation of Donbas infrastructure.
• Ukrainian Party made a request for mutual recognition of electronic trust services between Ukraine and the EU.
• The Ukrainian Party suggested the EU Party to start an informal negotiation process on the revision of the Association Agreement in order to further liberalize tariff and non-tariff measures in trade.

5th meeting of the Subcommittee on freedom, security and justice of the EU–Ukraine Association Committee (22.03.2019, Kyiv)

Main results:
• The Parties agreed to continue working on the text of the New agenda between Ukraine and the EU in the field of justice, freedom and security;
• They discussed the implementation of the strategy for reforming the justice sector in Ukraine, legal cooperation between Ukraine and the EU, data protection, as well as the prevention and fight against organized crime.

Sub-Committee on Economic and Other Sector Cooperation of the EU-Ukraine Association Committee

The Subcommittee works on a cluster basis:

• 5th meeting of Cluster 1 (macroeconomic cooperation, public finance management: budget policy, internal control and external audit, statistics, accounting and audit, counteracting fraud), 27.09.2019, Kyiv)
  - Main results: work was continued towards extending the EU internal market regime to Ukraine in the future, which will allow trade in financial services and provision of financial services by Ukrainian companies in the EU market without any restrictions.
• 3rd meeting of Cluster 2 (industrial and entrepreneurial policy, mining and metallurgy, tourism, space, legislation on companies and corporate governance, consumer protection, taxation), 14.03.2019, Brussels
  - Main results: discussed the possibility of enhanced cooperation between the Parties in the realization of the Action Plan on implementation of Strategy for small and medium-sized enterprises development in Ukraine till 2020, the status of the negotiations on the preparation of the agreement between Ukraine and the EU on the extension of the European satellite navigation system EGNOS to the territory of Ukraine, the status of implementation of the Agreement on cooperation in the field of data access and "Sentinel" satellites’ data use within "Copernicus" program.

• 5th meeting of Cluster 3 (cooperation in energy, including nuclear issues, environment, including climate change and civil protection, transport), 30-31.10.2019, Kyiv
  - Main results: the text of the guidelines for the implementation of the updated Annex XXVII to the Association Agreement in the energy sector was agreed with the EU Party, the prospects for Ukraine’s accession to the new EU initiative “European Green Deal” were discussed, as well as the start of updating Annex XXX and Annex XXXI to the Association Agreement in the field of the environment.

• 4th meeting of Cluster 4 (science and technology, information society, audiovisual policy, education, training and youth, culture, cooperation in sports and physical culture), 17.05.2019, Kyiv
  - Main results: The Parties discussed the progress of cooperation in the framework of the EU programs “Erasmus+”, "EU4Skills: Best skills for modern Ukraine", "Ukrainian Pact for Youth-2020", "Creative Europe" and "Horizon 2020", as well as the possibility of opening courses of the College of Europe and the Eastern Partnership European School in Ukraine for civil servants.

• 4th meeting of Cluster 5 (agriculture and rural development, fisheries and marine policy, Danube region, cross-border and regional cooperation), 16.05.2019, Kyiv
  - Main results:
    • progress in implementing Ukraine’s Strategy for Agricultural and Rural Development until 2020, the implementation of the National Regional Development Strategy 2020 and the use of the State Regional Development Fund were discussed, as well as the introduction of smart specialization in Ukraine;
    • the Ukrainian Party stressed the need for recognition in the EU of the equivalence of certification system for seeds produced in Ukraine;
    • prospects for Ukrainian potatoes entering the European market and increasing the quota for catching Kalkan in the Black sea basin were discussed.

• 4th meeting of Cluster 6 (cooperation in the field of employment, social policy and equal opportunities, health), 11.06.2019, Brussels
  - Main results:
    • The parties agreed on the need for the early adoption of the new Labor Code of Ukraine and Ukraine’s accession to the Protocol to Eliminate Illicit Trade in Tobacco Products;
    • The Ukrainian Party stressed the importance of updating the annexes to the Association Agreement in accordance with the current EU legal acts in the field of social policy and health.
4th meeting of the EU-Ukraine Association Committee in trade configuration (18-19.11.2019, Brussels), hereinafter ACTC

Main results:
- it was agreed to conduct the preliminary EU assessment mission in the first quarter of 2020, as envisaged in the Roadmap for signing the ACAA agreement;
- a plan was agreed to introduce new legislation on implementation of the conventions on the common transit procedure and the simplification of the formalities in trade in goods, including the functioning of authorized economic operators;
- an updated comprehensive Strategy for Sanitary and Phytosanitary Measures has been approved, which will update Annex V to the Association Agreement;
- agreement on monitoring legislation in the field of intellectual property was reached;
- further joint steps were agreed, aimed at granting by the Parties of an internal market regime in the sphere of financial services, telecommunications, courier and postal services, and maritime transport (update of some annexes to the Association Agreement, and submitting the tables);
- the issue of signing an Agreement on Mutual Recognition of Trust Services was initiated;
- consideration of the issue of commencing an informal negotiation process was initiated to update and evolve the Association Agreement, in particular in the part of deep and comprehensive free trade area between Ukraine and the EU.

On 25.03.2019 as part of the written procedure, decision No. 1/2019 of the ACTC was adopted “On creating a list of arbitrators envisaged in the article 323 (1) of the Association Agreement between Ukraine, on the one part, and the European Union, the European Atomic Energy Community and their member states, on the other party”.

3rd meeting of the ACTC Subcommittee on geographical indications (15.05.2019, Kyiv)

Main results:
- it was agreed to step up work on improving legislation in the field of legal protection of geographical indications (GI) in Ukraine in accordance with EU rules and regulations;
- it was decided to continue refining the list of new EU GI in accordance with the Association Agreement, taking into account the position of the Ukrainian Party on ensuring the synchronicity of taking under the protection of Ukraine’s GI;
- the Ukrainian Party committed to consider the review of the descriptions for GI sent by the EU Party in order to ensure the protection of Ukrainian GI in the EU;
- the need to promote the implementation of the EU project “Support to the development of geographical indications system in Ukraine” was noted.

3rd meeting of the ACTC Subcommittee on customs cooperation (11.07.2019, Kyiv)

Main results:
- work has started on preparing technical specifications for the introduction of a New computerized transit system (NCTS) in Ukraine within the framework of the Public Finance Management Support Program for Ukraine (EU4PFM);
- The EU Party was informed about the commencement of the procedure of returning unused funds within the framework of large scale infrastructure projects of programs for cross border cooperation of the European Neighborhood and Partnership Instrument 2007-2013;
- The EU Party presented their vision of the updated version of Annex XV "Approximation of customs legislation” to the Association Agreement;
- The Ukrainian Party indicated that the draft Law of Ukraine “On common transit regime” No. 9532 dated 06.06.2019, which is extremely important for customs cooperation between Ukraine and the EU, successfully passed the first reading in the Verkhovna Rada of Ukraine;
• an agreement was reached that the issue of approximation of Ukrainian legislation to the EU Customs Code in aspects that go beyond the customs sphere and require amendments in legislation (for example, in the banking sector) requires further and more detailed discussion by the Parties.

4th meeting of the ACTC Subcommittee on management of sanitary and phytosanitary measures (18.11.2019, Brussels)

Main results:
• the issues of implementation of systemic sectoral reforms in the field of sanitary and phytosanitary measures (SPM) in Ukraine were discussed;
• the Parties signed the decisions of the Subcommittee on the approval of a Comprehensive SPM Strategy, which updates Annex V “Comprehensive strategy for the implementation of the Chapter IV (sanitary and phytosanitary measures)” of the Association Agreement;
• an agreement was reached to complete the audit procedure 2015-7641 on the EU’s recognition of the equivalence of the system of official control and certification of grain seeds in Ukraine as soon as possible in order to obtain an EU permit for the export of grain seeds of Ukrainian origin;
• the possibility of consideration by the Ukrainian Party of the extension of the transition period in the context of imports of mechanically deboned poultry meat from the EU to Ukraine was dis-cussed.

5th meeting of the EU-Ukraine Human Rights Dialogue (21.03.2019, Kyiv)

Main results:
• the progress in implementing the National Human Rights Strategy and Action Plan until 2020, the current situation with human rights in the temporarily occupied territories of the Crimea and the city of Sevastopol and in some districts of Donetsk and Luhansk regions were discussed;
• the EU Party’s principle position on non-recognition of the illegal occupation of Crimea and the city of Sevastopol was emphasized;
• issues of ensuring fundamental freedoms, as well as non-discrimination and ensuring the rights of national minorities in Ukraine were discussed.

17 meeting of the EU-Ukraine Dialogue on Intellectual Property (26.06.2019, Kyiv)

Main results: the progress in Ukraine’s reform of the property rights protection system, the latest legislative initiatives on intellectual property protection in Ukraine and the EU, the progress of the Ukrainian Party in protecting copyright in the Internet and combating Internet piracy, the current state of implementation of the provisions of the Association Agreement on the protection of pharmaceutical patents, trademarks and data (regulatory data protection) were discussed.

4th meeting of the ACTC Subcommittee on trade and sustainable development (06.11.2019, Brussels)

Main results:
• the EU Party was informed about current situation in the fields of employment and renewable energy in Ukraine;
• the Parties agreed on further steps to adopt the decision of the Sub-Committee to create a list of experts on trade and sustainable development, which is provided for in the Association Agreement.
6th meeting of the EU-Ukraine Association Council (28.01.2020, Brussels)

Main results:
- readiness to further deepen Ukraine’s economic integration and regulatory adaptation with the EU in such sectors as the digital economy, trade facilitation, customs cooperation and justice and internal affairs;
- pointing out the importance of updating Annex XXVII to the Association Agreement in the energy sector, as well as the need for its proper implementation in accordance with the guidelines agreed with the EU Party;
- readiness to work on updating other Annexes to the Association Agreement, if necessary;
- recognition of Ukraine’s aspirations for further adaptation of its national legislation to the EU acquis in the digital economy and the EU’s readiness for further support of Ukraine’s digital transformation, in particular through the e-government and digital economy program;
- recognition of Ukraine’s aspirations to become a part of the European Green Agreement, the Parties also agreed to further cooperate in the field of decarbonization and environmental protection;
- recognition of the importance of the early conclusion of Common Aviation Area Agreement;
- in the context of starting negotiations on the Agreement on Conformity Assessment and Acceptance of industrial products (ACAA Agreement), the parties have confirmed mutual commitment to conduct and support the mission on preliminary assessment of the Ukrainian quality system and adaptation of national legislation to the EU standards;
- highlighting the importance of attracting the regions of Ukraine and the steps of Ukrainian Party aimed at opening European Integration Offices, whose task is to support the regions’ ties with the EU;
- highlighting the areas of mutual interest in the field of justice, freedom and security (integrated border management, national asylum systems and identity management based on biometric means, countering money laundering and terrorist financing, fighting organized crime and serious international crimes), Ukraine also presented to the EU its vision of the New EU — Ukraine Agenda in the field of justice, freedom and security;
- confirmation of the intention of both Parties to make joint efforts to support the training of Ukrainian civil servants in cooperation with the College of Europe in Natolin (Poland).
21st EU-Ukraine Summit (08.07.2019, Kyiv)

Main results:
- the European Union’s strong and firm support for Ukraine in connection with the effective implementation of reforms and measures in the relevant areas was emphasized;
- the significant progress made by Ukraine in implementing reforms in such areas as health care, decentralization, pensions, public administration and public procurement was recognized, which is essential for both meeting the needs of Ukrainian citizens and strengthening Ukraine’s resilience to external challenges;
- the importance of using the potential of the Association Agreement was highlighted and the importance of continuing to fulfill Ukraine’s obligations was emphasized;
- the success of the DCFTA was noted, which, since its introduction in January 2016, has contributed to an increase in bilateral trade flows by almost 50 %;
- the joint commitment to expand and deepen cooperation based on the principles of differentiation, inclusiveness and conditionality was emphasized;
- expectations for further strengthening of economic integration and regulatory approximation in the areas of digital economy, trade facilitation, customs cooperation and justice and internal affairs within the framework of the Association Agreement were confirmed.

Eastern Partnership Foreign Ministers meeting (13.05.2019, Brussels)

2019 was the 10th anniversary year for the EU’s Eastern Partnership (EaP) foreign policy initiative.

The EaP Ministers meeting marked the beginning of a dialogue between stakeholders on the future format of the initiative. As early as July 2019, the EU started the procedure of structural consultations on the future EaP.

Among the main proposals of the Ukrainian Party in the framework of structured consultations is the need to develop new strategic approaches to the associated countries (Ukraine, Georgia and Moldova) that implement Association Agreements with the EU, including on the basis of the principles of differentiation and “more for more”.

The priorities also included improving interconnectivity between Ukraine, the EU and other EaP countries in order to facilitate trade, further develop safe and stable transport links, and maintain inter-human contacts.

On 05.12.2019 on the sidelines of the OSCE Ministerial Meeting, a Joint Statement of the Foreign Ministers of Ukraine, Georgia and Moldova with proposals for further development of the EaP was submitted. It is suggested to single out the associated partners within the EaP, as well as deepen sectoral integration with the EU in priority areas.

The results of the structured dialogue on the future EaP should be reflected in the final EaP Summit Final Declaration to be held in Zagreb (Republic of Croatia) in June 2020.
SECTION II
The European Union Support to Ukraine

QUANTITATIVE INDICATORS OF PARTNERSHIP

In the reporting period, the total portfolio of funding attracted through loans and financial assistance from the EU amounted to EUR 1.5 billion. The total budget of the registered international assistance projects at the end of 2019 was EUR 385.7 million.

The budget of free aid tools for Ukraine provided in 2019 is EUR 132.6 million.

According to the results of the implementation of the sector budget support program in the field of public administration reform in the reporting period, EUR 12.125 million were transferred to the budget of Ukraine.

In the reporting period, 12 conditions were completed for receiving the 2nd tranche of the IV EU Macro-Financial Assistance Program, which will allow to attract EUR 500 million to reduce external financial pressure on Ukraine, improve its balance of payments and meet budget needs.

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1 Information from the Government Office based on the results of an analysis of information from open sources. This indicator includes: EUR 1 billion under the current macro financial program; EUR 385.7 million under 187 technical assistance projects; and EUR 135 million under two sector budget support programs.

2 The agreement on funding the program "Support to Comprehensive Reform of Public Administration in Ukraine" was signed on 19.12.2016. Based on the results of meeting the conditions for attracting financial assistance to the state budget, EUR 8 million were received in 2017 and EUR 15.5 million in 2018. The total amount of program funding is up to EUR 90 million.

3 Disbursement of funds are conditioned by the need to implement a package of structural reforms measures and satisfactory assessments of the implementation of the program with the IMF. The first tranche of EUR 500 million was received in December 2018.
### EU INTERNATIONAL ASSISTANCE PROGRAMS 2015-2019

<table>
<thead>
<tr>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>EU SURE EUR 55 + 40 million</td>
<td>EU Anti-Corruption Initiative in Ukraine EUR 15 million</td>
<td>Support for the East EUR 50 million</td>
<td>Energy Efficiency EUR 50 million</td>
<td>Technical Cooperation Facility EUR 44 million</td>
</tr>
<tr>
<td><strong>U-LEAD with Europe EUR 90 million</strong></td>
<td><strong>Public Administration Reform EUR 104 million</strong></td>
<td><strong>Technical Cooperation Facility EUR 37 million</strong></td>
<td><strong>Public Finance Management EUR 55.5 million</strong></td>
<td><strong>U-LEAD with Europe Phase II EUR 40 million</strong></td>
</tr>
<tr>
<td>Technical Cooperation Facility EUR 15 million</td>
<td>Support to Rule of Law Reform in Ukraine “Pravo-Justice” EUR 52.5 million</td>
<td>NIF – Local Current Lending EUR 13 million</td>
<td>EE4U-II EUR 54 million</td>
<td>Support to Civil Society and Culture EUR10 million</td>
</tr>
<tr>
<td>Technical Cooperation Facility EUR 28.5 million</td>
<td>Technical Cooperation Facility EUR 37 million</td>
<td>Technical Cooperation Facility EUR 37 million</td>
<td>EU Anti-Corruption Initiative in Ukraine Phase II EUR 22.9 million</td>
<td></td>
</tr>
<tr>
<td>EUR 200 million</td>
<td>EUR 200 million</td>
<td>EUR 100 million+</td>
<td>EUR 272.5 million</td>
<td>EUR 132.6 million</td>
</tr>
</tbody>
</table>

4. Because of the political situation in Ukraine, starting from 2014 program approach to Ukraine was temporarily suspended, EC applied the format of Special measures (until 2017) in provision of EU assistance, which, taking into account external factors allowed for quick response to the needs of Ukraine and for planning of the external assistance for Ukraine.
THE RESULTS OF THE IMPLEMENTATION OF THE JOINT OPERATIONAL PROGRAMS OF CROSS BORDER COOPERATION

"UKRAINE-POLAND-BELARUS"

EUR 53.9 MILLION

All competitions have been completed. According to the results of competitions for the four thematic goals of the program "Heritage", "Accessibility", "Security" and "Borders" the following were selected for funding:

• 65 projects worth of EUR 113.23 million (Ukrainian beneficiaries will participate in 33 projects and will receive funding of EUR 13.77 million);
• 10 major infrastructure projects (Ukrainian beneficiaries will participate in three projects with a total cost for Ukraine of EUR 16.03 million);
• 72 micro-projects for the amount of EUR 4.15 million (55 Ukrainian beneficiaries will participate in 41 projects and receive funding in the amount of EUR 1.23 million).

The projects will be implemented in six regions of Ukraine (Lviv, Volyn, Zakarpattya, Ivano-Frankivsk, Ternopil and Rivne regions), which are covered by the program.

As of 31.12.2019, the total cost of projects of Ukrainian beneficiary partners is EUR 31.03 million.

"BLACK SEA BASIN"

EUR 53.9 MILLION

All competitions have been completed for two thematic objectives: "Promote business and entrepreneurship within the Black Sea basin" and "Promote coordination of environmental protection and joint reduction of marine litter in the Black Sea basin".

According to the results of the 1st competition of regular projects, 24 projects were selected for funding for a total of EUR 18.6 million (of which Ukrainian applicants will participate in 13 projects with funding of EUR 1.7 million).

According to the results of the 2nd regular project competition, a list of 29 projects recommended for funding for the total amount of EUR 23 million was approved (of which Ukrainian applicants receive funding of EUR 2.3 million).

The projects will be implemented in Odessa, Mykolaiv, Kherson and Zaporizhia regions.

As of 31.12.2019, the total cost of projects of Ukrainian beneficiary partners is EUR 4 million.
“ROMANIA — UKRAINE 2014-2020”
EUR 66 MILLION

3 competitions were held:
- Competition for major infrastructure projects. EC approved 4 projects:
  - improving public safety by managing emergency situations EUR 6.7 million (for Ukraine - EUR 1.9 million);
  - Clean Danube River - EUR 3.87 million (for Ukraine - EUR 2.97 million);
  - Regional cooperation for the prevention and counteraction of cross-border crime — EUR 3.3 million (for Ukraine — EUR 155 thousand);
  - Cross-border health infrastructure — EUR 3.78 million (for Ukraine — EUR 1.78 million).

The selection of SOFT projects has been completed, and contracting is underway.

A competition for SOFT projects was held, and 39 projects are being contracted for a total of EUR 13.2 million (of which Ukraine will receive EUR 5.7 million).

As part of the competition for HARD-type projects, the Committee continues to evaluate them.

Zakarpattya, Ivano-Frankivsk, Odessa, Chernivtsi regions take part in the program as main participants, Vinnytsia, Ternopil and Khmelnytsk regions — as additional.

As of 31.12.2019, the total cost of projects of Ukrainian beneficiary partners is EUR 12.3 million.

“UKRAINE-HUNGARY-SLOVAKIA-ROMANIA 2014-2020”
EUR 81.3 MILLION

Two competitions were held, according to the results of which 33 projects were selected for funding with the participation of 41 partners from Ukraine, including 12 main partners, who should receive EUR 15.87 million.

Currently, the last 3rd competition is underway (the deadline is the end of February 2020) with a budget of EUR 17.3 million.

The program includes Zakarpattya, Ivano-Frankivsk regions as main, Chernivtsi region as additional.

As of 31.12.2019, the total cost of projects of Ukrainian beneficiary partners is EUR 15.87 million.
THE STRATEGIC DIMENSION OF THE PARTNERSHIP

In 2019, the European Neighborhood Instrument (ENI)\(^5\) remained the current EU policy (strategic) document for providing technical assistance to Ukraine, its purpose is to promote the deepening of political cooperation, fundamental democratic principles, activation of economic integration and strengthening of partnership between the EU and partner countries.

The aid priorities for Ukraine in 2018-2020 were formed and are being formed within the Single Support Framework, which defines three key goals for supporting Ukraine (strengthening public administration, strengthening the economy and strengthening the society) and four strategic sectors that relate to the general directions of reforms for which EU assistance is provided:

<table>
<thead>
<tr>
<th>SECTOR 1</th>
<th>SECTOR 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strengthening institutions and good governance, including in the area of the rule of law and security</td>
<td>Economic development and development of market opportunities, including private sector development and business climate improvement</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>SECTOR 3</th>
<th>SECTOR 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Improvement of interconnectivity, energy efficiency, environment protection and preventing climate change</td>
<td>Mobility and people-to-people contacts, including the introduction of more effective social policy</td>
</tr>
</tbody>
</table>

In all sectors, attention is paid to providing assistance to regions and population affected by the conflict in Eastern Ukraine. In addition, “cross-cutting issues” and issues related to the achievement of 17 Sustainable Development Goals and 86 national development targets adapted by Ukraine, taking into account the specifics of national development, will play a special role in the implementation of the tasks in all priority sectors:

- measures to strengthen confidence, peace building;
- ensuring gender equality and respect for human rights;
- activities in the field of environmental protection and climate change prevention, digital economy, society and youth.

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\(^5\) For the period 2014-2020, the ENI budget is EUR 15.4 billion for all 16 neighboring countries.
PARTNERSHIP PROSPECTS

In 2019, the European Parliament adopted a legislative resolution on the new EU Multiannual Financial Framework 2021-2027 (MFF), which defines the funding of the external dimension of the EU’s activities for 2021-2027.\(^6\)

The new MFF combines most of the EU’s external funding instruments into one global instrument named Neighborhood, Development and International Cooperation Instrument (NDICI).

According to the resolution, the 7-year budget of the new financial instrument will amount to EUR 93.2 billion, of which 45 % of the funds will be directed to support climate and environmental goals, and EUR 22 billion will fall on the European Neighborhood Policy (ENP) countries.

Thus, the European Neighborhood Instrument, which provides funding for the Southern and Eastern partnership, will become part of the NDICI.

SECTION III
Results of the Association Agreement Implementation in 2019

POLITICAL DIALOGUE, NATIONAL SECURITY AND DEFENSE

Implemented in 2019

The Code provides for the systematization of electoral legislation by combining it into a single legal act, with the aim of unified legislative regulation of the preparation and conducting of elections in Ukraine in accordance with the Constitution of Ukraine and the recommendations of international organizations. In addition, the adoption of the Electoral Code contributed to the implementation of the Association Agreement regarding the harmonization of electoral legislation by codifying it.

The Electoral Code (No. 396-IX dated 19.12.2019) has been in force since 01.01.2020, with the exception of several sub-paragraphs of the transitional provisions, one of which will enter into force from 01.07.2020.

Public administration reform

In November 2019, the Government approved a new version of the Standard requirements for individuals applying for public service positions of category “A”.

The Human Resource Management Information System (HRMIS) has been put into trial operation, which is now functioning in the National Agency of Ukraine for Civil Service, Ministry of Finance of Ukraine and Ministry of Digital Transformation of Ukraine.

Key tasks for 2020

- improving the system of state export control by introducing appropriate amendments to the Law of Ukraine “On state control of international transfers of military and dual-use goods”;
- development and adoption of draft laws on the principles of administrative and territorial structure of Ukraine, as well as on the procedure for the formation, liquidation of districts, establishment and change of their boundaries;
- implementation of the Strategy for Public Administration Reform in Ukraine until 2021;
- enshrining in the legislation of guarantees of freedom of peaceful assembly.

Implementation of the Association Agreement in the area of Political Dialogue, National Security and Defense contributes to the achievement of the Sustainable Development Goals 16 “Peace, Justice and Strong Institutions” and 17 “Partnerships for the Goals”.

In particular, the implementation of the Association Agreement in 2019 contributed to the implementation of the national target 16.7. “Increase the efficiency of government bodies and local self-government”.

Removal of immunity

On 03.09.2019 Law “On amendments to article 80 of the Constitution of Ukraine (on the parliamentary immunity of Ukrainian MPs)” No. 27-IX was adopted, abolishing the provisions under which people’s deputies of Ukraine are guaranteed parliamentary immunity.

The law came into force on 01.01.2020.

Freedom of peaceful assembly

On 23.10.2019, a working group was created with the aim of regulating issues related to exercising the right to freedom of peaceful assembly at the legislative level, which will be dealing with the law drafting.

Electoral Code of Ukraine

On 19.12.2019 the Verkhovna Rada supported the draft Electoral Code of Ukraine (registration No. 3112-1 dated 02.10.2015) with the proposals of the President of Ukraine.
The implementation of the Association Agreement in the area of Justice, Freedom, Security and Human Rights contributes to the achievement of the Sustainable Development Goals 5 “Gender Equality”, 10 “Reduced Inequalities” and 16 “Peace, Justice and Strong Institutions”.

In particular, the implementation of the Association Agreement in 2019 contributed to the implementation of the national targets 16.3. “Increase confidence in courts and ensure equal access to justice”, 16.6. “Reduce the scale of corruption” and 16.7 “Increase the efficiency of government bodies and local self-government”.

**Fighting corruption**

On 05.09.2019 the High Anti-Corruption Court (HACC) was launched. The President of Ukraine signed a Decree on the appointment of 38 judges, including judges of general jurisdiction, lawyers, and scientists. HACC consists of a court of first instance (27 judges) and an Appeals Chamber (11 judges).

The Verkhovna Rada of Ukraine supported a number of legislative initiatives of the President of Ukraine, namely, the following laws were adopted:

- “On amendments to certain legislative acts of Ukraine on improvement of certain provisions of the criminal procedure legislation” (No. 187-IX dated 04.10.2019), which confirms the right of the NABU and the NBI to lawful interception of communications (i.e. “wiretapping”);  
- “On amendments to certain legislative acts of Ukraine on ensuring the effectiveness of the institutional mechanism for corruption prevention” (No. 140-IX dated 02.10.2019), tasked to replace the management structure of the National Agency on Corruption Prevention (NACP), strengthen NACP’s capacity and guarantees of its independence;
- The Law “On amendments to the Law of Ukraine “On corruption prevention” regarding corruption whistle-blowers” (No. 198-IX dated 17.10.2019), which is elaborated to determine the legal status of whistle-blowers, establish the rights, guarantees and protection mechanisms for such persons and persons considered to be equivalent to them.

**Prosecutor’s Office Reform**

Within the framework of the Council of Europe project “Further Support for Criminal Justice Reform in Ukraine”, PWC Advisory LLC conducted an institutional analysis of the Public Prosecutor’s Office of Ukraine during the period from 20.01 to 16.03.2019.

On 19.09.2019 the Verkhovna Rada of Ukraine adopted the Law of Ukraine No. 113-IX “On amendments to certain legislative acts of Ukraine on priority measures for the reform of the prosecution authorities”, the Public Prosecutor’s Office of Ukraine was reformed into the Prosecutor General’s Office (PGO).

In the third quarter of 2019, prosecutors of the former Public Prosecutor’s Office passed re-attestation. From 1083 prosecutors, 610 prosecutors (56%) successfully passed its stages.

On 02.01.2020 the Prosecutor General’s Office has started working.
The Rome Statute Ratification

The Ministry of Justice has developed draft laws of Ukraine “On ratification of the Rome Statute of the International Criminal Court” and “On amendments to certain legislative acts on cooperation with the International Criminal Court”.

On 09.01.2020 the draft laws were sent to the Ministry of Foreign Affairs for further submission to the President of Ukraine for further submission for consideration of the Verkhovna Rada of Ukraine.

Reform of the Judgements Execution

The key achievement of the reform is the creation of an independent profession of private enforcement officers, who can effectively enforce court decisions based on free competition and in the absence of the administrative influence.

As of the beginning of January 2020, there are already more than 200 private enforcement agents in Ukraine.

Reform of the Penitentiary System and Probation

One of the key areas of reform is the creation of a Unified Register of Convicted and Detained Individuals and creation of a reintegration system to ensure an appropriate environment that encourages people to live without committing crimes. The register is currently being piloted.

Law Enforcement Reform

Reform of law enforcement agencies continues in line with the Strategy for Development of the Ministry of Internal Affairs till 2020. The reform process is also in line with the goals set out in the Program of Activities of the Cabinet of Ministers of Ukraine and is carried out in close cooperation with the EU Advisory Mission in Ukraine.

Ukraine continues to take measures to create a joint aviation security and civil protection system of the Ministry of Internal Affairs — the third largest helicopter fleet in Europe (55 Airbus helicopters). Participation in the operation “Sea Breeze-2019”. Manned aircrafts patrolled 40 thousand km of the state border.

Integrated border management

In September 2019, the new Strategy for Integrated Border Management (IBM) until 2025 entered into force, the action plan for 2020-2022 was approved in November 2019 and entered into force in December 2019.

To coordinate the implementation of the IBM strategy, an interagency working group on IBM issues was established, chaired by the Vice Prime Minister for European and Euro-Atlantic Integration of Ukraine.

Automation of migration processes

Since the beginning of 2015 and as of 01.01.2020, Ukraine has issued 14,386,297 passports for traveling abroad with a contactless electronic carrier of biometric information and 4,155,890 biometric identification documents in the form of ID cards, which should replace existing internal passports.

Ukraine — EU visa-free regime

Providing a visa-free regime for Ukrainian citizens is an important incentive for reforms in Ukraine, carried out with the support of the EU, in the most difficult times for our country.

For more than two years, the visa-free regime between Ukraine and the EU ensures the mobility of individuals, establishment of business contacts necessary for the effective functioning of the Deep and Comprehensive Free Trade Zone with the EU, as well as cooperation in economic, political, scientific, cultural, humanitarian and other areas.

During this period, more than 3 million Ukrainians crossed the Ukraine-EU border without visas.

Taking into account the EU recommendations specified in the first and second reports under the visa suspension mechanism, the Ukrainian Party continues to work to meet the relevant criteria, such as improving the status of effective combating of illegal migration, organized crime, tobacco smuggling, cybercrime, and the like.

The third report on Ukraine’s continued compliance with the requirements of the EU–Ukraine Visa Liberalization Action Plan within the framework of the visa suspension mechanism was prepared and submitted to the EU Party on 30.08.2019.
Readmission

Ukraine is interested in signing agreements and executive protocols on the readmission, which would create legal grounds and determine the procedure for the readmission of persons between states.

In 2019, 12,864 illegal migrants (11,194 in 2018) were detected in Ukraine by State Migration Service officers, which is 14.9% more than in the same period last year, of which 1,588 persons or 12.4% (1,214 or 10.8% in 2018) of the total number entered Ukraine illegally (without identity documents or outside checkpoints).

12,955 decisions were made in relation to illegal migrants (2018 — 8,740, a decrease of 1.1%). In addition, 3,112 decisions were made to ban entry to Ukraine (2018 — 2,250, an increase of 38.3%).

Human rights protection

The national action plan for the implementation of the National Human Rights Strategy until 2020 remains in effect until 31.12.2020.

The Ministry of Justice has started preparing for the development of a new action plan for the implementation of the National Human Rights Strategy until 2025 in cooperation with the Cabinet of Ministers of Ukraine, local authorities, civil society and international experts.

New agenda

Ukrainian state authorities have developed a comprehensive policy document in the field of justice, freedom and security — New agenda in the field of justice, freedom and security. Since Title III of the Association Agreement “Justice, freedom and security” does not contain annexes, it is very important to identify areas for deepening cooperation in this sector.

At the 5th meeting of the EU-Ukraine Association Committee (05.11.2019, Brussels) Ukrainian Party invited the EU Party to expand cooperation in the field of justice and, in order to further deepen cooperation in the field of justice, freedom and security and implement Title III of the Association Agreement, to agree on a New agenda.

After agreeing of the New agenda for cooperation between Ukraine and the EU, the next step will be to develop and approve a detailed action plan (schedule) for the implementation of the New agenda at the level of the Order of the Cabinet of Ministers of Ukraine.

Key tasks for 2020

• implementation of the National Human Rights Strategy until 2020 and development of an updated action plan for the implementation of the National Strategy;
• formalization of processes related to the new EU-Ukraine Agenda in the field of justice, freedom and security.
Implementation of the Association Agreement in the area of Technical Barriers to Trade contributes to the achievement of sustainable development Goals 8 "Decent work and economic growth", 9 "Industry, innovation and infrastructure" and 12 "Responsible consumption and production".

In particular, the implementation of the Association Agreement in 2019 contributed to the implementation of the national target 8.1 "Ensure a steady GDP growth by modernizing production, developing innovation, increasing export potential and exporting products with high value added".

ACAA agreement

According to 2019 results Ukraine has adopted necessary basic legislation and reached an agreement in principle on the arrival of the preliminary assessment mission to start negotiations on signing an Agreement on Conformity Assessment and Acceptance of Industrial Products (ACAA Agreement) in three priority sectors (low-voltage electrical equipment, electromagnetic compatibility of equipment, machines).

During the 21st the EU-Ukraine Summit in July 2019, the progress made by Ukraine in legislation approximation in the field of technical regulation, standards and conformity assessment in accordance with the Association Agreement was noted.

At a meeting of the EU-Ukraine Association Committee in Trade Configuration in November 2019, the EU Party was informed on the adoption of the Law of Ukraine “On amendments to certain legislative acts of Ukraine on reducing pressure on business by market surveillance authorities”.

In January 2020, the EU-Ukraine Association Council welcomed the progress made by Ukraine towards harmonization of its legislation in the field of technical regulations, standards and conformity assessment, as stipulated in the Association Agreement/DCFTA. The parties also confirmed their mutual commitment to conduct and assist the mission on preliminary assessment of the status of the Ukrainian quality system and adaptation of national legislation to EU standards.

For the purpose of preliminary assessment of the readiness of Ukrainian quality infrastructure institutions to work according to the standards put into effect, an EU expert mission is expected to arrive in the first quarter of 2020. An assessment by the EU Party is a prerequisite for starting negotiations on the conclusion of the ACAA Agreement.

National standards

All 1512 harmonized European standards have been adopted as national standards, the compliance with these standards provides a presumption of conformity of products, related processes or production methods or other objects with the requirements of technical regulations in the priority sectors of the ACAA Agreement (598 - for low-voltage electrical devices (LVD), 136 — for electromagnetic compatibility (EMC), 778 — for machine safety (MD).

In 2019, the Verkhovna Rada adopted important laws that implement the norms of the EU horizontal legislation. The law of Ukraine “On amendments to certain legislative acts of Ukraine in connection with the adoption of the law of Ukraine “On standardization” dated 20.09.2019 No. 124-IX, the norms of which established the voluntary application of national standards. Law of Ukraine “On amendments to certain legislative acts of Ukraine on implementation of European Union legislation in the field of technical regulation” dated 06.06.2019 No. 2740-VIII, which provides for the adaptation of national legislation in terms of technical regulations and conformity assessment with EU legislation.

Key tasks for 2020:

- receiving an official assessment of the EU expert mission on the readiness of Ukrainian quality infrastructure institutions to work with the enforced standards;
- start negotiations with the EU to conclude an Agreement.
SANITARY AND PHYTOSANITARY MEASURES

Implementation in 2019

According to the Comprehensive strategy for the SPM legislation implementation by the end of 2021, Ukraine should adapt more than 250 EU acts to national legislation in such areas as SPM state control, food and feed safety, animal health and well-being, and plant health.

In order to fulfill Ukraine’s obligations under the Association Agreement, 51% of EU acts in the sphere of SPM have been approximated as of the beginning of 2020. In 2019, the following was adopted in this area:

- Order of the Ministry of Agrarian Policy No. 330 dated 19.06.2019 “On approval of requirements for honey”;
- Order of the Ministry of Agrarian Policy No. 384 dated 12.07.2019 “On approval of Methodological requirements for seed production to preserve varietal and sowing qualities of seed potatoes”.

The adoption of the following laws is a priority for 2020:

- “On veterinary medicine”;
- “On requirements to items and materials in contact with food products”;
- “On plants protection”;
- “On amendments to certain legislative acts of Ukraine on food products and other objects of sanitary measures”.

It is also important to work out the draft departmental orders: “On special hygiene requirements”; “On rules for the protection of animals during slaughter”; “On approval of Special hygiene requirements for the production and circulation of products of animal origin”; “On approval of requirements for monitoring zoonoses and antimicrobial resistance”; “On approval of requirements for the protection of animals during transportation”.

Implementation of European SPM standards

In order to ensure the continuity of the process of fulfilling Ukraine’s obligations under the Association Agreement, the Cabinet of Ministers of Ukraine in July 2019 approved a draft Decision of the Sanitary and Phytosanitary Management Subcommittee of the Association Committee in Trade Configuration on a comprehensive implementation strategy.

This strategy is reflected in Annex V to the Association Agreement after the relevant approval by the SPM Management Subcommittee of the EU-Ukraine Association Committee in Trade Configuration in November 2019.
Meat imports

Due to the entry into force on 24.11.2019 of the Order of the Ministry of Agrarian Policy No. 553 dated 16.11.2018, the EU Party is concerned about the likelihood of a ban on imports of mechanically deboned meat (MDM) from the EU to Ukraine.

Ukraine is waiting for the European Commission to complete the procedure for approving international certificates for the import into the customs territory of Ukraine of shredded (chopped) meat and/or MDM poultry meat from the EU and from Ukraine to the EU.

Consultations between the Parties are ongoing, in the framework of which a video conference was held on 08.01.2020.

Grain crops exports

The issue of recognition by the EU of the equivalence of the system of grain seeds official control and certification in Ukraine remains unresolved, which is a prerequisite for obtaining an EU permit for the export of grain seeds of Ukrainian origin (Council Directive 66/402 / EEC of 14.06.1966 on marketing of cereal seeds).

Key tasks for 2020

Approval of the following orders by the Ministry of Health, in particular:
- “On approval of requirements for nutrition and health claims made on foods” (implementation of Regulation (EC) No. 1924/2006);
- “On approval of rules for adding vitamins, minerals and certain other substances to food products” (implementation of Regulation (EC) No. 1924/2006);
- “On approval of requirements for food additives” (implementation of Commission Regulation (EU) No. 231/2012);
- “On approval of the procedure for state registration of new food products, food additives, flavorings, enzymes, natural mineral waters, maintaining the register and providing information from it” (implementation of Commission Regulation (EU) No. 231/2012);
- “On approval of requirements for flavorings” (implementation of Regulation (EC) No. 1334/2008);
- “On approval of requirements for enzymes” (implementation of Regulation (EC) No. 1334/2008);
- “On amendments to the state hygiene rules and regulations “Regulation setting maximum levels for certain contaminants in foodstuffs” (implementation of Commission Regulation (EU) no 1881/2006).
Implementation of the Association Agreement in the area of Customs Matters contributes to the achievement of Sustainable Development Goals 8 "Decent work and economic growth", 16 "Peace, justice and strong institutions" and 17 "Partnerships for the goals".

In particular, the implementation of the Association Agreement in 2019 contributed to the implementation of the national targets 8.6. "Create institutional and financial capacities for the self-realization of the potential of the economically active population and the development of the creative economy", 16.7 "Increase the efficiency of government bodies and local self-government" and 17.1. "Mobilize internal resources, including through international support for developing countries to increase national capacity to collect taxes and other revenues."

The NCTS system

In order to implement the Association Agreement, the laws on Ukraine’s accession to the Convention on Common Transit Procedure and the implementation of the NCTS system, the implementation of the authorized economic operator program and the protection of intellectual property rights in the customs clearance of goods were adopted.

The law "On common transit procedure and the introduction of a national electronic transit system" dated 12.09.2019 No. 78-IX introduces European transit rules, which will allow businesses to use a single customs declaration and a single guarantee for moving goods from their warehouse to the counterparty’s warehouse.

As a result, there will be a significant acceleration and reduction in the cost of movement of goods, from which all participants in the supply chain — exporters, carriers and importers - will benefit. Ukrainian customs will receive preliminary information about goods from customs offices of other countries before they cross Ukrainian border, which will allow analyzing transactions for their risk before the goods arrive in Ukraine. In addition, this will allow you to reasonably determine the forms of customs control, thus not detaining goods at the border by customs inspections and other control procedures.

The law of Ukraine “On amendments to the Customs Code of Ukraine on protection of intellectual property rights during the movement of goods across the customs border of Ukraine” dated 17.10.2019 No. 202-IX provides for the approximation of Ukrainian customs legislation related to intellectual property rights protection with the EU standards and practices, increased level of prevention and fighting the movement across the customs border of Ukraine of counterfeit and pirated goods, accelerating the customs clearance of authentic goods.

Authorized economic operator (AEO)

The law of Ukraine “On amendments to the Customs Code of Ukraine on certain issues of functioning of authorized economic operators” dated 02.10.2019 No.141-IX introduced the program of authorized economic operator (AEO), which corresponds to generally recognized European and international standards. The law provides for significant simplification of customs formalities for enterprises with a high degree of trust, and creates grounds for mutual recognition of the AEO status by authorized bodies of other states in the future. Ukrainian enterprises will have the opportunity to participate in the formation of secure supply chains of goods, which will help to increase their competitiveness in external markets.
Together with the EU EU4PFM program and in coordination with the European Commission experts, a Roadmap for the deployment of the AEO program in Ukraine was prepared, which was presented during a meeting of the EU-Ukraine Association Committee in Trade Configuration on 18-19.11.2019, and sent to the European Commission (DG TAXUD) as a matter of routine procedure.

NCTS software was transferred to Ukraine free of charge, which will facilitate the movement of goods between the member states of the Convention on Common Transit Procedure and Ukraine on a practical level. The system will significantly speed up customs formalities and ensure an appropriate level of quality of customs control. Work is currently underway to develop an appropriate IT component in the laws of Ukraine regarding the electronic transit system and functioning of AOE.

Tax and customs system reform

The State Fiscal Service of Ukraine (SFS) was divided into two independent bodies and the conceptual directions of reform and action plans for their implementation were approved. The State Tax Service (STS) and the State Customs Service have already been transferred the appropriate powers from the SFS, and both services are fully operational. A new territorial structure (16 regional and 2 specialized bodies) was approved for the State Customs Service, the staff is being selected and appointed.

Key tasks for 2020

- complete the work on the practical implementation of the adopted Laws with the expert support of the EU4PFM program;
- start testing the national NCTS component;
- launch the AEO program in Ukraine and start negotiations with the EU Party regarding mutual recognition of AEO;
- with the assistance of the EU customs legislation experts, prepare a draft law on amendments to the Customs Code of Ukraine in order to implement in the national legislation of sections I and II of Council Regulation (EC) No. 1186/2009 setting up a Community system of reliefs from customs duty, and section 3 of Directive No. 2007/74 / EC on the exemption from value added tax and excise duty of goods imported by persons travelling from third countries;
- develop a draft law on amendments to the Customs Code of Ukraine in the part of bringing the procedure for determining the country of origin of goods in accordance with the EU Customs Code regarding the implementation by the Regulation (EU) 952/2013.
The implementation of the Association Agreement in the field of Entrepreneurship contributes to the achievement of Sustainable Development Goals 1 “No poverty”, 2 “Zero hunger, agriculture development”, 5 “Gender equality”, 8 “Decent work and economic growth”, 9 “Industry, innovation and infrastructure”, 10 “Reduced inequalities” and 11 “Sustainable cities and communities”.

In particular, the implementation of the Association Agreement in 2019 contributed to the implementation of the national target 8.6 “Create institutional and financial capacities for the self-realization of the potential of the economically active population and the development of the creative economy”.

Implementation of EU legislation provisions and principles in the field of entrepreneurship is an extremely important task for Ukraine today. Full and high-quality implementation of these standards will be crucial for both Ukrainian business and the public sector. According to the Association Agreement, entrepreneurship includes aspects of competition, state aid, corporate governance, and the establishment and operation of companies.

Establishment and operation of companies

In order to create common approaches to the mechanism of division, separation, merger or acquisition of companies in accordance with the Directive (EU) 2017/1132, a draft Law “On joint stock companies” has been developed, which should improve the level of corporate governance of companies and will help protect the rights of investors and expand opportunities for raising capital.

In order to implement the provisions of Directive 2006/43/EC and implement the adopted Law “On audit of financial statements and audit activities”, the Procedure for quality control of audit services was approved.

As part of further improvement of the entrepreneurship policy, work continues to update the annexes to the Association Agreement on legislation on the establishment and operation of companies and corporate governance.

An important challenge remains the development and implementation of mechanisms for regulating the disclosure of information by branches of foreign companies that must implement Directive (EU) 2017/1132.

State assistance

Provision of state assistance to economic entities is taking an increasingly important position in the development of entrepreneurship in Ukraine. The Antimonopoly Committee, as the body responsible for the implementation of this direction, continued to improve the system of monitoring and control of state assistance to enterprises and to develop assessment criteria for state assistance in various sectors of the economy during 2019.

Key tasks for 2020

- continue work on updating mutual commitments under the Association Agreement, in particular updating the Annex XXXIV and Annex XXXV to Chapter 13 “Company law, corporate governance, accounting and auditing”. 

Entrepreneurship

Implemented in 2019

Establishment and operation of companies

State assistance
Implementation of the Association Agreement in the area of Public Procurement contributes to the achievement of Sustainable Development Goals 1 “No poverty”, 8 “Decent work and economic growth”, 9 “Industry, innovation and infrastructure”, 10 “Reduced inequality”, 11 “Sustainable cities and communities”, 12 “Responsible consumption and production” and 16 “Peace, justice and strong institutions”.

In particular, the implementation of the Association Agreement in 2019 contributed to the implementation of national targets 12.7 “Promote sustainable public procurement practices in accordance with national strategies and priorities”, 16.6. “Reduce the scale of corruption” and 16.7 “Increase the efficiency of government bodies and local self-government”.

Harmonization of Ukrainian legislation in the field of state (public) procurement in order to implement European principles for ensuring mutual access to public procurement markets based on the principle of national treatment at the national, regional and local levels for state contracts and concession agreements in traditional sectors of the economy, as well as in the municipal sector.

The gradual approximation of Ukrainian legislation to EU law and policy in the field of public procurement is carried out in accordance with the stages defined in Annex XXI to the Association Agreement.

Changes in state (public) procurement

At the end of 2018, the Cabinet of Ministers adopted Resolution No. 1216 dated 27.12.2018 “On the specifics of creation and operation of centralized procurement organizations”, which established a mechanism for determining centralized procurement organizations and the conditions for their activities.

In 2019, the Law of Ukraine “On amendments to the Law of Ukraine “On public procurement” and some other legislative acts of Ukraine on the improvement of public procurement” dated 19.09.2019 No. 114-IX was adopted, which was developed to implement the key concepts and basic elements of Directive 2014/24/EU and Directive 2014/25 / EU into Ukrainian legislation.

The law of Ukraine “On concession” dated 03.10.2019 No. 155-IX allows attracting private capital to manage state property without privatization (concession) and contributes to the modernization of infrastructure and improving the quality of socially significant services.

“ProZorro” System

Technical implementation of goods and services procurement mechanism under framework agreements has been ensured. This mechanism, as well as procurement procedures, takes place in the ProZorro electronic system and allows customers to purchase goods and services by entering into a framework agreement for up to 4 years.

The ProZorro website publishes online courses, feature articles, methodological materials, examples of technical specifications, and also serves as a forum for public procurement.

SE ProZorro operates a call center to support public procurement entities.
The information exchange system is functioning and the analysis module is available in the common e-procurement system “ProZorro”.

Technical standards were introduced to integrate the electronic public procurement system with international systems by using the open contracting data standard (OCDS) and the possibility to transfer all data in the system via the API.

**Indicative schedule of institutional reforms**

All measures of the Public Procurement Section were implemented in accordance with the third stage of the Action Plan, which resulted in the adoption of The law of Ukraine “On amendments to the Law of Ukraine “On public procurement” and some other legislative acts of Ukraine on improving public procurement” No. 114-IX by the Verkhovna Rada of Ukraine on 19.09.2019.

At the 6th meeting of the EU-Ukraine Association Committee in Trade Configuration (18-19.11. 2019, Brussels) the completion by Ukrainian Party of Phase I of public procurement legislation implementation was noted and further official recognition of Phase I completion was agreed with the EU Party, as well as readiness for further cooperation to complete Phases II and III was confirmed.

**Key tasks for 2020**

- obtaining an official assessment of Ukraine’s implementation of the first, second, and third stages of public procurement reform, as defined in Annex XXI-A to Chapter 8 of Title IV of the Association Agreement (Indicative time schedule for institutional reform, legislative approximation and market access) in order to open the EU public procurement market to Ukrainian companies in the relevant sectors;
- development of a draft Law of Ukraine on concession agreements procedures in accordance with the principles and provisions of Directive 2014/24 / EU, introduction of the innovation partnership procedure (article 31 of Directive 2014/24 / EU), determining the rules for creative design contests (article 80 of Directive 2014/24 / EU);
- development and adoption of by-laws and regulations necessary for the functioning of the public procurement sphere in accordance with the new version of the Law of Ukraine “On public procurement”, which comes into force on 19.04.2020
- implement European standards for electronic invoicing (e-invoicing) in order to facilitate the entry of business entities into international public procurement markets and facilitate the digitalization of cross-border trade in goods and services;
- find a technical solution to ensure the interconnection between the Ukrainian procurement system “ProZorro” and the EU information system in the field of TED procurement.

In particular, the implementation of the Association Agreement for 2019 contributed to the implementation of the national target 9.5. “Create financial and institutional systems (innovative infrastructure) that will ensure the development of scientific research and scientific and technical (experimental) development.”

Obligations in the field of intellectual property provide for simplification of the procedure of creating and commercial use of innovative products and products of creative activity on the territory of Ukraine and the EU member states, as well as achieving an appropriate and effective level of intellectual property rights protection.

To this end, in 2019, a number of important tasks have been implemented to develop the system of legal protection of intellectual property.

### Topographies of the semiconductor products

The Law of Ukraine “On amendments to certain legislative acts of Ukraine on improving the protection of rights to the topographies of semiconductor products” dated 19.09.2019 No. 111-IX, which provides a new definition of terms, clarifies the conditions of legal protection and conditions for the protection of the topographies of a semiconductor product, as well as clarifies the list of rights and obligations arising from the state registration of the topographies of a semiconductor product etc.

### Geographical indications

In order to harmonize the requirements of the current Ukrainian legislation on the protection of rights to geographical indications with EU law, the Law of Ukraine “On amendments to certain legislative acts of Ukraine on improving the legal protection of geographical indications” dated 20.09.2019 No. 123-IX was adopted. The new definitions of the terms “geographical indication”, “the name of the place of origin of goods”, the conditions of granting legal protection to geographical indication and grounds for denial of such protection are provided, and the circle of persons entitled for the state registration of the geographical indication, revision of the requirements to the application for registration, the definition of the technical requirements with which the product shall comply for which the indication is applied and an updated list of the rights and obligations arising from the state registration of geographical indications etc. were specified.
Copyright

Currently, the draft law of Ukraine “On copyright and related rights” is being developed in order to present the new version of the law of Ukraine “On copyright and related rights” dated 23.12.1993 No. 3792-XII.

The contents of Annex XXII-C and Annex XXII-D are being agreed with the EU Party: work is underway to supplement them with geographical indications for agricultural and food products and geographical indications for wines, flavored wines and spirits protected in accordance with the level of protection established by Subsection 3 “Geographical indications” of Part 2 of Chapter 9 of the Title IV of the Association Agreement.

The work is underway on accreditation of collective management organizations in accordance with the Law of Ukraine “On effective management of proprietary rights of right holders in the field of copyright and (or) related rights”.

The procedure for the application of measures to promote the protection of intellectual property rights is being worked out with the definition of the algorithm of actions of customs officials when applying measures to protect intellectual property rights, interaction with copyright holders, declarants, and the introduction of standardized forms of messages.

Key tasks for 2020

- updating Annex XXII-C and Annex XXII-D to the Association Agreement;
- adoption of draft laws under consideration in the Verkhovna Rada of Ukraine:
  - “On amendments to certain legislative acts of Ukraine concerning strengthening of protection of rights to trademarks and industrial designs and the fight against patent trolling” (reg. No. 2258 dated 11.10.2019) on harmonization of the requirements of current Ukrainian legislation in terms of protection of rights to trademarks and industrial designs with EU law;
  - “On amendments to certain legislative acts of Ukraine concerning the creation of a national intellectual property authority” (register. No. 2255 of 10.10.2019), aimed at creating an effective state system of legal protection of intellectual property, including the creation of a national intellectual property body with separate powers to implement state policy in the field of intellectual property.

- “On amendments to certain legislative acts of Ukraine concerning the creation of a national intellectual property authority” (register. No. 2255 of 10.10.2019), aimed at creating an effective state system of legal protection of intellectual property, including the creation of a national intellectual property body with separate powers to implement state policy in the field of intellectual property.
**ENERGY EFFICIENCY AND HOUSING AND UTILITY INFRASTRUCTURE**

**Energy efficiency**


In the framework of the Treaty establishing the Energy Community, ratified by the Law of Ukraine “On ratification of the Protocol on accession of Ukraine to the Treaty establishing the Energy Community” No. 2787-VI of 15.12.2010, the drafting of the National Action Plan for Energy Efficiency until 2030 was initiated.

Currently, the draft Law of Ukraine “On energy efficiency” is being developed.

**Energy labelling**

Under the Protocol on accession to the Treaty establishing the Energy Community, Ukraine is implementing a system of energy labeling for energy-related goods and sets requirements for eco-design in accordance with the updated EU legislation.

In 2019, the Technical regulations for energy labeling of water heaters, accumulator box and sets of water heaters and solar equipment were adopted” (Order of the Ministry of Regional Development No. 100 dated 19.04.19, registered in the Ministry of Justice at No. 647/33618 dated 21.06.19).

**Positive results of approximation of Ukrainian legislation on energy labeling to EU legislation are:**

- promoting trade exchange between Ukraine and the EU and strengthening the competitive position of Ukrainian enterprises;
- improving product quality requirements and standards, and the level of consumer rights protection;
- ensuring compliance with Ukraine’s international obligations.
Eco-design

Ukraine is implementing an important European tool - eco-design, which defines the requirements for energy efficiency and ecological characteristics of various energy-related products. In 2019, a number of technical regulations were approved in the field of energy efficiency requirements (eco-design):

- Resolution of the Cabinet of Ministers “On approval of technical regulations on requirements for eco-design for household drum-type dryers” No. 534 dated 19.06.2019;
- Resolution of the Cabinet of Ministers “On approval of technical regulations on requirements for eco-design of vacuum cleaners” No. 155 dated 27.02.19;
- Resolution of the Cabinet of Ministers “On approval of technical regulations on requirements for eco-design for computers and computer servers” No. 737 dated 14.08.2019;
- Resolution of the Cabinet of Ministers “On approval of technical regulations on requirements for eco-design for water heaters and accumulator boxes” No. 740 dated 14.08.2019;
- Resolution of the Cabinet of Ministers “On approval of technical regulations on requirements for eco-design for household ovens, cooking surfaces and kitchen hoods” No. 742 dated 14.08.2019;
- Resolution of the Cabinet of Ministers “On approval of technical regulations on requirements for eco-design of electric engines” No. 157 dated 27.02.2019;
- Resolution of the Cabinet of Ministers “On approval of technical regulations on requirements for the eco-design of autonomous heat-free circulation pumps and heat-free circulation pumps integrated into devices” No. 153 dated 27.02.2019;
- Resolution of the Cabinet of Ministers “On approval of technical regulations on requirements for eco-design of fans with an engine with a nominal electric power from 125 W to 500 kW” No. 151 dated 27.02.2019;
- Resolution of the Cabinet of Ministers “On approval of technical regulations on requirements for eco-design of autonomous heat-free circulation pumps and heat-free circulation pumps integrated into devices” No. 153 dated 27.02.2019;
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- Resolution of the Cabinet of Ministers “On approval of technical regulations on requirements for eco-design of autonomous heat-free circulation pumps and heat-free circulation pumps integrated into devices” No. 153 dated 27.02.2019;

Key tasks for 2020

- implementation of the National Energy Efficiency Action Plan until 2020;
- adoption of the Law of Ukraine “On energy efficiency”;
- adoption of the Law of Ukraine “On amendments to the Law of Ukraine on energy efficiency of buildings”.

The implementation of the Association Agreement in the field of Energy contributes to the achievement of the Sustainable Development Goals 7 “Affordable and clean energy” and 13 “Climate action”.

In particular, the implementation of the Association Agreement in 2019 contributed to the implementation of the national targets 7.1. “Expand the infrastructure and modernize networks for reliable and sustainable energy supply through the introduction of innovative technologies”, 7.2. “Ensure diversification of the supply of primary energy resources”; 7.3. “Increase the share of renewable energy in the national energy balance, in particular through the introduction of additional capacities at facilities that produce energy from renewable sources” and 7.4. “Increase energy efficiency of the economy”.

Update of Annex XXVII

Annex XXVII of the Association Agreement is updated by the Decision No.1/2019 of the EU-Ukraine Association Council dated 08.07.2019. For the purpose of its proper implementation, guidelines have been developed that define the mechanism of interaction between the Ukrainian Party and the EU Party during consultations on Ukrainian legislation provisions compatibility with the EU law provisions.

Electricity market reform

In order to maintain the price of electricity for the population, a mechanism for imposing special duties has been introduced (Cabinet of Ministers Resolution No. 483 dated 05.06.2019), which will provide compensation for the difference between market and regulated electricity prices for the population.

In order to create a mechanism at the legislative level for organizing and conducting electronic auctions for the sale of electric energy under bilateral agreements, the Cabinet of Ministers adopted Resolution No. 499 dated 05.06.2019 “On approving the Procedure for conducting electronic auctions for the sale of electricity under bilateral contracts and the procedure for selecting the organizers of electronic auctions for the sale of electricity under bilateral contracts”.

“Green energy”

On 22.05.2019, the Law of Ukraine “On amendments to certain laws of Ukraine on ensuring competitive conditions for electricity production from alternative energy sources” No. 2712-VIII dated 25.04.2019 came into force. The law envisages the introduction of a competitive model for stimulating renewable energy development through auctions for support distribution (“green” auctions).

On 27.12.2019, the Cabinet of Ministers adopted a Resolution “On introduction of competitive conditions for electricity production from alternative energy sources”, which includes the Procedure for conducting auctions for support quota distribution and the Procedure for selecting e-platform operators to ensure conducting of auctions for support quota distribution.

Integration with ENTSO-E

The strategic objective in the context of the European integration vector in the power industry is to fully synchronize the Ukrainian power system with the European network ENTSO-E and to separate it from parallel work with the energy systems of the Russian Federation and Belarus in accordance with article 338, Annex XXVII to the Association Agreement.

To this end, the provisions of the Agreement signed on 28.06.2017 on the conditions of future integration of power systems of Ukraine and Moldova with the energy system of continental Europe are being gradually implemented.

Gas market reform

The Ukrainian gas market has completely switched to daily balancing. One of the key reforms in the energy sector took place — from now on, Ukraine has fully synchronized with Europe the mode of gas market operation. The commitments undertaken in 2014 by the Government of Ukraine under the Association Agreement have been fulfilled in this part.
The reform (unbundling) of NJSC “Naftogaz of Ukraine” has been completed. Independent gas transmission system operator - Gas Transmission System Operator of Ukraine - was separated from the NJSC “Naftogaz of Ukraine” and transferred to JSC “Main Gas Pipelines of Ukraine”, which is subordinate to the Ministry of Finance.

GTS operator of Ukraine has signed technical agreements with operators of the gas transmission systems in Poland, Hungary, Romania, Moldova, Slovakia and the Russian Federation, and from 01.01.2020 started transportation of the natural gas for consumers in Ukraine and the EU.

With the aim of implementation of Regulation (EC) No. 312/2014 dated 26.03.2014 establishing a Network Code on Gas Balancing of Transmission Networks, a Resolution of NEURC No. 1437 dated 27.12.2017 “On approval of amendments to some resolutions of NEURC on the introduction of daily balancing in the natural gas market and procedures for the development, submission and approval of the Plan for gas transmission system development for the next 10 years” was adopted, which introduced daily balancing in the natural gas market of Ukraine from 01.03.2019.

For the sustainable and effective functioning of the natural gas market in the conditions of daily balancing, as well as the implementation of the provisions of the Commission Regulation (EU) No. 312/2014, the Regulator introduced allocation agreement mechanisms and creation of a balancing group (NEURC Resolution No. 558 dated 12.04.2019).

On 10.12.2019 the draft NEURC Resolution “On approval of amendments to certain NEURC regulations” was approved, which envisage the amendment of the Gas Transmission System Code, the Standard contract for natural gas transportation and the Methodology for determining and calculating tariffs for natural gas transportation services for entry and exit points based on long-term incentive regulation, which will ensure the implementation of Regulation (EU) No. 2017/459 dated 16.03.2017 and Commission Decision No. 490 dated 24.08.2012.

In order to implement Regulation of the European Commission (EU) No. 2017/460 dated 16.03.2017, NEURC Resolution No. 2107 dated 11.10.2019 approved the amendments to the Methodology.

The amendments introduced a mechanism for calculating tariffs for natural gas transportation services for entry points and exit points to / from the gas transmission system(s) based on the methodology of distance weighted power. In addition, the proposed approach to calculating tariffs for natural gas transportation services allows you to combine points into homogeneous groups of points or clusters of points. These changes make it possible to apply uniform approach to determining tariffs for natural gas transportation services.

Nuclear power and radio protection


The law aims to regulate the issues of radiation protection in specific areas of nuclear energy use, where the greatest potential negative impact of ionizing radiation on population health is possible, and will ensure improved radiation protection of workers in the mining and processing of uranium ores and the population of the adjacent territory to the uranium sites.

The Cabinet of Ministers adopted Resolution No. 759 dated 28.08.2019 “On amendments to the procedure for issuing permits for international transportation of radioactive materials”, which aims to determine the procedure for coordinating the transportation of radioactive waste and spent nuclear fuel between Ukraine and the EU member states.

Radiation protection

On 27.11.2019 the Government adopted an Action Plan to reduce the level of exposure to radon and its decay products, to minimize long-term risks from radon spread in residential and non-residential buildings, in the workplaces for 2020-2024, which will increase the level of radiation protection of Ukrainians to international and European standards, and bring Ukrainian legislation closer to EU requirements, in particular Annex XXVII of the Association Agreement.

Key tasks for 2020
• natural gas and electricity markets reform in accordance with Annex XXVII to the Association Agreement;
• ensuring integration with the European energy network ENTSO-E in accordance with the Agreement on the conditions for future integration of the power systems of Ukraine and Moldova with the power system of Continental Europe;
• ensuring integration with the ENTSO-G gas transmission system.
Implementation of the Association Agreement in the area of Taxation contributes to the achievement of Sustainable Development Goals 1 “No poverty”, 8 “Decent work and economic growth”, 10 “Reduced inequalities”, 12 “Responsible consumption and production”, 16 “Peace, justice and strong institutions” and 17 “Partnership for the goals”.

In particular, the implementation of the Association Agreement in 2019 contributed to the implementation of the national targets 16.6. “Reduce scale of corruption” and 16.7 “Increase the efficiency of government bodies and local self-government” and 17.1. “Strengthen the mobilization of internal resources, including through international support for developing countries to increase national capacity to collect taxes and other revenues.”

Institutional reform

The reform of the tax and customs systems continues: the State Fiscal Service of Ukraine (SFS) was divided into two separate bodies: the State Tax Service (STS) and the State Customs Service. The Resolution of the Cabinet of Ministers No. 227 dated 06.03.2019 “On approval of the Regulations on the State Tax Service of Ukraine and the State Customs Service of Ukraine” was adopted.

Action Plans for the implementation of reform of the authorities implementing state tax and customs policy were approved (Order of the Cabinet of Ministers No. 542-p dated 05.07.2019).

The Law of Ukraine “On amendments to the Customs Code of Ukraine and some other legislative acts of Ukraine in connection with the administrative reform” was adopted, which amends a number of legislative acts in order to improve the governance structure in the field of state customs and tax policy in connection with the formation of the State Customs Service and the State Tax Service (reg. No. 2318 dated 28.10.2019).

Combating tax evasion

Work is underway to join the international efforts to combat tax evasion.

In order to implement international tax control standards and implement the norms provided for in the BEPS (Base Erosion and Profit Shifting) plan, laws of Ukraine have been adopted: “On amendments to the Tax Code of Ukraine on the improvement of tax administration, elimination of technical and logical inconsistencies in tax legislation” (reg. No. 1210 dated 30.08.2019) and “On amendments to certain legislative acts of Ukraine on improvement of tax administration, elimination of technical and logical inconsistencies in tax legislation” (reg. No. 1209-1 dated 19.09.2019).

Key tasks for 2020

• introducing amendments to the Customs Code of Ukraine on fully taking into account of quantitative restrictions on the import of excisable goods, namely alcoholic beverages; tobacco products; on the import of a certain amount of fuel without paying VAT and excise tax in accordance with EU requirements, in particular Directive 2007/74/EC on the exemption from value added tax and excise duty of goods imported by persons travelling from third countries;
• legislative consolidation of the EU requirements regarding excise tax rates for still wine (ordinary) and sparkling wine; other fermented beverages; ethyl alcohol; beer; alcohol that has been completely denatured;
• receiving from the EU Party an assessment of the current state of implementation of the EU Council Directive No. 2006/112/EC dated 28.11.2006 on the common system of value added tax in the national legislation of Ukraine;
• development of a draft law to implement the provisions of article 8.2 of Council Directive 2011/64 / EC dated 21 June 2011 on the structure and rates of excise duty applied to manufactured tobacco;
• approval by the EU-Ukraine Association Council of the following draft decisions:
  - on the implementation of Council Directive 2011/64/EC dated 21.06.2011 on the structure and rates of excise duty applied to manufactured tobacco in Ukraine;
  - on the implementation of the Thirteenth EC Council Directive No. 86/560/EEC dated 17.11.1986 on the harmonization of the laws of the Member States relating to turnover taxes - Arrangements for the refund of value added tax to taxable persons not established in Community territory;
Implementation of the Association Agreement in the field of Statistics and Information Exchange contributes to the achievement of the Sustainable Development Goal 17 "Partnerships for the goal".

In particular, the implementation of the Association Agreement in 2019 contributed to the implementation of the global target 17.18. "By 2020, enhance capacity building support to developing countries, including for LDCs and SIDS, to increase significantly the availability of high-quality, timely and reliable data disaggregated by income, gender, age, race, ethnicity, migratory status, disability, geographic location and other characteristics relevant in national contexts".

In order to achieve significant changes in statistical information production due to changes in the socio-economic situation in the world and the use of new approaches, there is a need to update regulatory and methodological framework for statistical production.

On 27.02.2019 the Government approved the Program for the State Statistics Development until 2023, which is aimed at reforming state statistics to meet the modern needs of society in objective and impartial statistical information.

Draft law on statistics reform

Work is underway on a draft law aimed to further harmonize state statistics with the EU statistical system, creating conditions for operation of the agencies in the national state statistics system in line with the generally accepted principles of world and European statistical practice, in particular the principle of professional independence.

In accordance with this principle, statistics should be developed and disseminated by national statistical agencies independently of other authorities, especially in terms of determining the methodology, methods and sources of data collection, timing, content and forms of information dissemination etc. Compliance with this principle increases confidence in state statistical agencies and enhances their ability to provide users with reliable information about the economic, social, demographic and environmental situation in Ukraine and its regions.

Key tasks for 2020

- development of a draft law "On amendments to certain laws of Ukraine regulating state statistical activities in terms of applying a coordinated statistical work program that contains information about all official statistics".

In particular, the implementation of the Association Agreement in 2019 contributed to the national targets 11.5 “Reduce the adverse impact of pollutants, including on the urban environment in particular, through innovative technologies”, 12.4 “Reduce the amount of waste generation, and increase recycling and reuse through innovative technologies and production”, 13.1 “Limit greenhouse gas emissions in the economy” and 15.1 “Ensure the conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems”.

The main result of 2019 was the adoption of legislative acts on the management of ozone-depleting substances, fluorinated greenhouse gases, as well as on monitoring, reporting and verification of greenhouse gas emissions, aimed at fulfilling the obligations under the Association Agreement, the requirements of the UN Framework Convention on Climate Change and the Paris Agreement.

National Environmental Policy Strategy until 2030

National Environmental Policy Strategy until 2030 was approved, which defines the main strategic goals of the state’s environmental policy, stages of implementation of the state environmental policy and expected results. The strategy takes into account the objectives of the Association Agreement and the 17 UN Sustainable Development Goals, based on the established practice of EU member states and international environmental organizations.

The action plan until 2025 for this Strategy is being finalized.

In order to implement the requirements of Directives 2003/4/EC and 2003/35/EC, the draft law “On amendments to certain legislative acts of Ukraine on access to environmental information” has been developed.

The structure of the National Marine Environmental Policy Strategy until 2032 has been developed. The third assessment of the Black sea condition (national monitoring and joint Ukrainian-Georgian studies) was carried out in accordance with the requirements of the EU Marine Strategy Framework Directive 2008/56/EC.

In order to implement certain provisions of the Water Framework Directive 2000/60/EC and Directive 2008/56/EC, the Cabinet of Ministers adopted Resolution No. 758 dated 19.09.2018 “On approval of the Procedure for state water monitoring”, which came into force on 01.01.2019. Diagnostic monitoring of river basins has started, and three laboratories have been upgraded, including with EU support, to analyze collected samples according to the EU methodology.
An interactive tool “Clean water” has been launched, which is managed by the State Water Resource Agency. The portal allows you to select a specific river basin and evaluate the water quality. Surface water monitoring data are published for 16 main indicators from 445 water collection points on rivers of all major river basins in Ukraine.


The European Emerald Network

In order to implement certain provisions of Directive 2009/147/EC, a draft Law of Ukraine “On the territories of the Emerald network” has been developed. Based on the analysis of the list of bird species and their conservation status, the Red Book of Ukraine and the List of hunting bird species, an Annex to this draft law has been prepared.

In Ukraine, 271 sites have been identified and included in the European Emerald Network for the conservation of habitats of rare and endangered species of flora and fauna, including birds, in areas subject to protection under the Berne Convention.

During 2019, the area of national parks was increased (more than 80,000 hectares).

Industrial pollution

The Government approved the Concept of state policy implementation in the field of industrial pollution, which involves the use of an integrated approach to preventing and controlling emissions into the air, water and soil, as well as the use of the best available technologies and management methods by business entities and achieving the maximum permissible levels of pollution set in accordance with them. This approach is being implemented in order to further implement the provisions of Directive 2010/75/EC.

It is planned to adopt an action plan for the implementation of the Concept, as well as a draft law on integrated prevention, reduction and control of industrial pollution.

Ambient air quality

In order to implement the provisions of Directive 2008/50 / EC and Directive 2004/107 / EC, the Procedure for state monitoring in the field of atmospheric air protection was approved (Cabinet of Ministers Resolution “Some issues of state monitoring in the field of atmospheric air protection” No. 827 dated 14.08.2019), which introduced a new air monitoring system and basic elements of air quality management in accordance with these directives.

This way, the current system of atmospheric air monitoring is being reformed, since the existing system does not allow to receive complete operational information on the concentration of pollutants in the air and take timely measures to protect the population and the environment from the negative impact.
Climate change


In order to ensure compliance with Ukraine’s international obligations under the Paris Agreement, work has started on preparing Ukraine’s 2nd Nationally Determined Contribution to the Paris Agreement. In the process of developing NDC 2, the level of greenhouse gas emissions in 2030 will be determined in all sectors of Ukrainian economy and the national goal for adaptation to climate change according to national opportunities and circumstances.

Civil protection

In order to implement the provisions of Directive 2012/18/EC, a draft Law of Ukraine “On amendments to certain legislative acts of Ukraine on high-risk objects” has been developed, the provisions of which are aimed at harmonizing Ukrainian legislation with EU legislation.

Genetically modified organisms

The draft law “On the state bio-safety system for the creation, testing, transportation and use of genetically modified organisms” has been developed.

Key tasks for 2020

- updating Annex XXX and Annex XXXI to the Association Agreement;
- regulation of relations in the field of waste management, industrial pollution, handling of genetically modified organisms, and access to environmental information through the adoption of appropriate legislation;
- development and approval of a comprehensive National plan for energy and climate change for 2021-2030, a Strategy for climate change adaptation;
- finalizing the 2nd Nationally Determined Contribution of Ukraine to the Paris Agreement;
- adoption of by-laws and regulations in the field of handling controlled substances and goods containing them.
Implementation of the Association Agreement in the field of Transport, Transport Infrastructure, Postal and Courier Services contributes to the achievement of Sustainable Development Goals 9 “Industry, innovation and infrastructure”, 11 “Sustainable cities and communities” and 13 “Climate action”.

In particular, the implementation of the Association Agreement in 2019 contributed to the implementation of the national target 9.1 “Develop quality, reliable, sustainable and accessible infrastructure based on the use of innovation technologies, including ecologically clean means of transport”.

Road transport

As part of the Ukrainian legislation approximation with the EU legislation in the field of road transport, a draft Law of Ukraine “On amendments to certain legislative acts of Ukraine on the regulation of the road transport services market in Ukraine to bring them in line with the European Union legislation” has been developed.

Railway transport

With the aim of Ukrainian legislation approximation with the EU legislation in the field of railway transport based on the results of joint work of the Ministry of Infrastructure, the Verkhovna Rada Committee on Transport and Infrastructure, with the participation of business and JSC “Ukrzaliznytsya”, a draft law “On railway transport of Ukraine” (reg. No. 1196-1 dated 06.09.2019) has been developed and submitted.

The development of draft regulations on licensing conditions, determining fees for access to railway infrastructure, recommendations for the development of safety management systems by railway companies, and rules for equal access to railway infrastructure is continuing.

On an ongoing basis the cooperation with the European Union Agency for Railways (ERA) on the issues of interoperability of railway lines (1520 track gauge system) is carried out. In particular, a contact group has been formed to work on adding the 1520 track gauge system indicators to the EU interoperability technical specifications.

Work is underway on the revision of the functions of state and economic management of railway transport.

Marine transport

Measures are being implemented to ratify International Labour Organization’s Maritime Labour Convention, 2006.


Inland water transport

The MPs submitted draft Law of Ukraine “On inland water transport” (reg. No. 1182-1-д dated 17.01.2020) envisaging the implementation of a number of EU directives in the field of inland water transport, which is currently being considered by the Verkhovna Rada.

Transport safety

The draft Law of Ukraine “On amendments to certain legislative acts of Ukraine on safety of wheeled vehicles operation in accordance with the requirements of the Association Agreement between Ukraine, on the one hand, and the European Union, the European Atomic Energy Community and their member states, on the other hand” has been developed.
To guarantee an appropriate level of safety during transportation of dangerous goods by road, rail and river transport a group of deputies developed and submitted for consideration of the Verkhovna Rada of Ukraine the draft law of Ukraine “On amendments to certain laws of Ukraine to bring them in compliance with the European Union acquis in the field of transportation of dangerous goods” (reg. No. 1193-1 dated 20.09.2019).

Postal services

As part of bringing the current legislation in the field of postal services of Ukraine in line with the provisions of EU law, which will contribute to the development of postal services in Ukraine, introduce common rules for the development of the Community’s internal postal services market and improve the quality of service, a draft Law of Ukraine “On amendments to the law of Ukraine “On postal services” has been developed.

Transport policy

Together with the experts of the EU technical assistance project “Support to Implementation of the EU-Ukraine Association Agreement in Transport Sector and of the National Transport Strategy in Ukraine”, a draft action plan for the implementation of the National Transport Strategy of Ukraine until 2030 has been developed.

The draft law of Ukraine “On accession to the Agreement on development of multimodal transport TRACECA” (reg. No. 0010 dated 21.11.2019) and the draft Law of Ukraine “On multimodal transport” (reg. No. 2685 dated 27.12.2019) were developed and submitted to the Verkhovna Rada of Ukraine - their adoption will promote the use of more environmentally friendly modes of transport.

Within the framework of the Eastern Partnership, work is underway to create a pilot multi-modal digital transport corridor between the Baltic and Black seas in order to develop a basic digital service platform for all stakeholders in the supply chain. This decision is a multilateral preparatory action for creating a cluster of national segments of the multimodal digital transport corridor. The proposal was supported by Belarus, Ukraine, Azerbaijan, Georgia and Armenia.

Key tasks for 2020

The main tasks are:

- acceleration of Ukrainian legislation approximation in the field of automobile transport, postal and courier services, in particular, submission for consideration by the Verkhovna Rada of Ukraine of IX convocation of the draft laws on:
  - access to the road transport market (implementation of Regulation (EU) 1071/2009);
  - ensuring the provision of public passenger transport services by road (implementation of Regulation (EU) 1370/2007);
  - safety of wheeled vehicles operation (implementation of Directive 97/67/EC and Regulation (EU) 2018/644);
  - harmonization of Ukrainian legislation in the field of postal and courier services with EU law (implementation of Directive 97/67/EC and Regulation (EU) 2018/644);

- follow up in the Verkhovna Rada of Ukraine of draft laws in the field of inland water transport, rail transport, transportation of dangerous goods and multimodal transport;

- completion of the revision and updating of Addendum XVII-4 and Addendum XVII-5 to the Association Agreement, as well as preparation of relevant draft bilateral decisions;

- signing by Ukraine and the EU of an Agreement on Common Aviation Area;

- working with the EU Party on the inclusion of inland waterways in TEN-T.

Digital transport corridors

Within the framework of the Eastern Partnership, work is underway to create a pilot multi-modal digital transport corridor between the Baltic and Black seas in order to develop a basic digital service platform for all stakeholders in the supply chain. This decision is a multilateral preparatory action for creating a cluster of national segments of the multimodal digital transport corridor. The proposal was supported by Belarus, Ukraine, Azerbaijan, Georgia and Armenia.
SCIENCE, TECHNOLOGY AND INNOVATIONS, SPACE

Implemented in 2019

50%

Implementation of the Association Agreement in the field of Science, Technology and Innovation, Space contributes to the achievement of Sustainable Development Goals 4 “Quality education”, 8 “Decent work and economic growth” and 9 “Industry, innovation and infrastructure”.

In particular, the implementation of the Association Agreement in 2019 contributed to the implementation of the national target 9.5 “Create financial and institutional systems (innovative infrastructure) that will ensure the development of scientific research and scientific and technical (experimental) development”.

Digital integration

In 2019, the implementation of successive steps to integrate Ukraine into the EU digital single market continued.

Ukraine received an Assessment of the “Road map” (Stage I is completed) in May 2019, in which the European Commission welcomed the desire of Ukraine to harmonize legislation in the digital sphere and supported further deepening and expansion of cooperation in the digital sphere, as well as offered additional forms of cooperation for integration into the EU digital single market. The European Commission proposes not only to update, but also to expand the list of EU legislation in Appendix XVII-3.

In order to assess national legislation and institutional capacity, the European Commission’s assessment mission (Phase II) started its work in August 2019. After completion of the assessment, the EU - Ukraine joint work plan (Phase III) will be adopted.

At a meeting of the EU-Ukraine Association Committee in the Trade Configuration in November 2019, the Ukrainian Party made an official request for mutual recognition of electronic trust services in order to conclude a corresponding agreement between Ukraine and the EU.

The EU-Ukraine Association Council welcomed the desire of Ukraine to further adapt its national legislation with the EU acquis in the field of digital economy, stressing the importance of full implementation of obligations under the Association Agreement. The meeting noted the ongoing assessment of Ukraine’s framework policy and its institutional and regulatory capabilities, as well as the readiness to further support the digital transformation of Ukraine, in particular through the e-governance and digital economy program.

Ukraine also seeks to join the Digital Economy and Society Index (DESI), which summarizes the digital indicators of EU member states and tracks their development in the field of digital competitiveness. As part of this initiative, the Ministry of Digital Transformation conducted for the first time a sociological study of citizens’ digital skills.

Cooperation in the space industry

In order to promote mutually beneficial cooperation in the field of civil space research and the use of outer space, an Agreement (in the form of an exchange of letters) was signed in January 2019 between the Government of Ukraine and the European Space Agency on the extension of the Agreement between the Government of Ukraine and the European Space Agency on Cooperation in the Peaceful Uses of Outer Space, dated 25.01.2008.
In March 2019, the State Space Agency signed Copernicus Space Component Technical Operating Agreement with the European Space Agency (ESA).

Research and innovation

The work of Ukrainian representatives in the committees of the EU research and innovation program “Horizon 2020” has started. In total, they participated in twenty meetings of ten program committees.

The procedure for launching a new competition for Ukrainian scientists has been completed - at the expense of the assistance that the EU has allocated to Ukraine under the Horizon 2020 program (now it is EUR 7 million). The first competition is scheduled to start in early 2020. As a result, scientists will be able to get funds for research and infrastructure.

On 10.10.2019 MES sent an official letter regarding the start of informal negotiations on technical and financial aspects regarding the possibility of Ukraine’s association with Horizon Europe.

The Strategy for innovative activities development until 2030 was adopted (Resolution of the Cabinet of Ministers No. 526-p dated 10.07.2019), which will create favorable conditions for innovations development, increasing the number of implemented innovations, increasing economic return on them, and attracting investment in innovative activities.

An electronic system for registering technologies with remote access has been introduced by improving the procedure of registering technologies and their components (the Cabinet of Ministers Resolution No. 145 dated 27.02.2019).

International innovation cooperation is reactivated within the framework of the EUREKA International European Innovative Scientific and Technical Program - for the first time, an information and communication event “EUREKA Info Day” was held for Ukrainian scientists and representatives of small and medium-sized businesses in the form of a webinar involving a speaker from the EU.

For the first time in Ukraine, an information event was held with the participation of experts from the European Innovation Council, which supports innovators, entrepreneurs, small companies and scientists with bright ideas and ambitions.

Key tasks for 2020:
• adoption of the EU-Ukraine joint action plan to integrate Ukraine into the EU’s Digital Single Market;
• update of Appendix XVII-3 “Rules applicable to telecommunications services” to the Association Agreement;
• implementation in national legislation of the European Electronic Communications Code (Directive (EU) 2018/1972);
• Ukraine’s accession to the Digital Economy and Society Index (DESI).
FINANCIAL SERVICES

Implemented in 2019

19%

Implementation of the Association Agreement in the area of Financial Services contributes to the achievement of Sustainable Development Goals 8 “Decent work and economic growth”, 10 “Reduced inequalities”, 16 “Peace, justice and strong institutions” and 17 “Partnerships for the Goals”.

In particular, the implementation of the Association Agreement in 2019 contributed to the implementation of the national targets 8.6. “Create institutional and financial capacities for the self-realization of the potential of the economically active population and the development of the creative economy”, 16.4 “Strengthen the system for preventing and counteracting the legalization of illegal incomes, the financing of terrorism and the proliferation of weapons of mass destruction” and 17.1. “Mobilize additional financial resources by promoting foreign and domestic investment.”

Improving the financial services market

Adoption of the Law of Ukraine “On preventing and countering the legalization (laundering) of proceeds of crime, financing of terrorism and financing of the proliferation of weapons of mass destruction” dated 06.12.2019 No. 361-IX implemented the provisions of the Fourth Directive (EU) 2015/849, which made it possible to improve current national system of financial monitoring.


A number of important legislative and regulatory initiatives have been developed and adopted to improve banking regulation and supervision, as well as the procedure for taking banks out of the market in accordance with the provisions of Directive 2013/36/EC:

- draft law of Ukraine “On amendments to legislative acts of Ukraine on certain issues of the banking system functioning”, which should improve the procedure of bank liquidation and satisfaction of creditors’ claims;
- the NBU Resolution regulated the provision on plans to resume the activities of Ukrainian banks and banking groups.

The NBU Resolutions improved the requirements for assets allocation by risk profile and their risk reduction factors in the process of capital ratio calculation, and the Net Stable Funding Ratio was introduced. Thus, the implementation of Regulation (EU) 575/2013 creates a transparent mechanism for forming the minimum required stable funding level, which is sufficient to ensure funding of Bank’s activities for the current year.
In order to implement the provisions of the Directive 2001/24/EC and Directive 2013/36/EC, a draft Law of Ukraine “On amendments to certain legislative acts of Ukraine on the credit unions’ operation” (reg. No. 1110 dated 29.08.2019) was developed, which should form common approaches to the rules of the credit unions’ operation and will ensure transparency and stability of the mutual lending market.

For improvement of the investment climate in Ukraine the draft Law “On amendments to certain legislative acts of Ukraine on simplification of investment attraction and introduction of new financial instruments” (reg. No. 2284 dated 17.10.2019) was developed. It should regulate the list of financial instruments, the functioning of commodity markets and ways to prevent manipulation on them in accordance with the provisions of MiFID and MiFIR.

As part of the implementation of Directive 91/674/EEC, approaches to reporting preparation and submission by participants of financial services markets were defined.

Financial services market regulators have updated the list of EU regulations that should be implemented in order to regulate this sphere. The updates to the list are being finalized.

Key tasks for 2020
The main challenge for financial sector regulators is to finalize the draft laws that were withdrawn in 2019 from the Verkhovna Rada of Ukraine of IX convocation:

• regulation of payment services procedures (implementation of Directive (EU) 2015/2366);
• insurance institute (implementation of Directive (EC) 2016/97);
• institute of credit rating agencies (implementation of Regulation (EU) 1060/2009);
• insurance against civil liability of motor vehicles’ owners (implementation of Directive 2009/103/EC);
• protection of investors from abuse in the capital markets (implementation of Directive 2004/39/EC);
• update of Appendix XVII - 2 of Annex XVII to the Association Agreement.
### PUBLIC FINANCE MANAGEMENT

| Implemented in 2019 | 0% |

Implementation of the Association Agreement in the area of Public Finance Management contributes to the achievement of Sustainable Development Goals 1 “No poverty”, 8 “Decent work and economic growth”, 10 “Reduced inequalities”, 12 “Responsible consumption and production”, 13 “Climate action” and 17 “Partnerships for the Goals”.

In particular, the implementation of the Association Agreement in 2019 contributed to the implementation of the national target 17.2. “Consistently reduce debt burden on the economy.”

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### Budgeting

The budget process in 2019 took place in a new legislative field - according to the Budget Code of Ukraine in terms of medium-term budget planning.

The main results of work in this area are the adoption of the Law of Ukraine “On verification and monitoring of government transfers” dated 03.12.2019 No. 324-IX, which regulates the main principles and rules for verification of budget expenditures.

### Public Debt

Resolution of the Cabinet of Ministers No. 473 dated 05.06.2019 introduced the Midterm Public Debt Management Strategy for 2019-2022, which creates a field for increasing the level of transparency of public debt management policy.

### Financial Audit

The internal audit methodology has been improved, internal audit standards have been introduced in accordance with international standards, and a professional development program for internal auditors has been implemented, which included a number of training events.

### Key tasks for 2020

- improving the system of state internal financial control by implementing pilot projects to introduce internal control in selected ministries.
Implementation of the Association Agreement in the field of Humanitarian Policy contributes to the achievement of Sustainable Development Goals 4 “Quality education”, 5 “Gender equality”, 8 “Decent work and economic growth”, 11 “Sustainable cities and communities” and 17 “Partnerships for the Goals”.

In particular, the implementation of the Association Agreement in 2019 contributed to the implementation of the national targets 4.5. “Increase the prevalence of knowledge and skills required for decent jobs and entrepreneurship among the population”, 8.6 “Create institutional and financial capacities for the self-realization of the potential of the economically active population and the development of the creative economy” and 11.3 “Ensure protection and safeguarding of the cultural and natural heritage, with involvement of the private sector”.

Creative Europe Program

Successful implementation of the provisions of the Association Agreement on Ukraine’s participation in the Creative Europe Program contributes to positive changes in the cultural and creative industries sector and its internationalization.

In 2019, 10 projects with the participation of Ukrainian organizations were approved for funding. In particular, 17 applications from Ukraine were submitted for the contest “International Cooperation Projects”, six were supported. One of the projects (European Design Upgrade: Transnational Capacity Building project) was initiated by the Ukrainian Charity Fund “K. Fund”, which became the first leader partner of the project from Ukraine.

Ukraine is among the top three countries in terms of the number of applications submitted for the Creative Europe Program competitions and the top ten in terms of the number of supported applications. The total amount of funding for projects with the participation of Ukrainian partners under the program is more than EUR 2 million. Ukraine expects to participate in the new Creative Europe Program after 2020, including the MEDIA direction and the European Capitals of Culture initiative.

Ukraine is deepening its cooperation with the EU in order to ensure greater involvement of its representatives in the European cultural space, their active participation in European projects, initiatives and professional networks and mobility support programs. The i-Portunus project is being successfully implemented, which was selected and funded by the Creative Europe Program to test the mobility scheme for artists and other participants in the cultural process.

According to the results of three stages of the project implementation, Ukraine became the only country that is not a member of the EU, and is included in the list of the 10 most active countries in terms of the number of applications submitted and supported. 16 artists from Ukraine received mobility grants worth more than EUR 20 thousand. 11 artists from other countries received more than EUR 17 thousand for mobility grants to Ukraine.
Ukrainian Books Institute

The newly created Ukrainian Books Institute, a single decision making center for transforming the Ukrainian book publishing sphere into a European-style creative industry, is fully functioning.

In 2019, the UBI administered 3 programs: 1) popularization of reading and Ukrainian literature in the world; 2) replenishment of public libraries funds (almost 1 million copies of book products were purchased); 3) creation and support of the Ukrainian digital library.

The development of creative industries

The effectiveness of creating legal framework for the development of creative industries in Ukraine has been strengthened, in particular, a Creative Industries Council has been created under the Ministry of Culture, Youth and Sports of Ukraine (MCYS). The task of the Council is to ensure communication and interaction between public authorities and other stakeholders in the field of creative industries, as well as to provide proposals to MCYS on the formation and implementation of state policy in this area, including on mechanisms for providing state support for the development of creative industries.

Foreign experience of classification and promotion of creative industries was also reviewed during the seminar “Studying the EU legislation, national legislation and best practices for the development and support of cultural and creative industries”, organized within the framework of the EU TAIEX technical assistance tool.

Audiovisual media services

In accordance with its obligations under the Association Agreement, Ukraine is taking steps to gradually bring its legislation closer to Directive 2007/65 / EC (as amended by Directive 2010/13 / EC) on audiovisual media services. New draft law on media (reg. No. 2693 dated 27.12.2019) contains updated rules that approximate European standards and correspond to current changes in the audiovisual services market.

Ukraine ensures the development and implementation of an inclusive cultural policy within the framework of the overall decentralization reform in order to strengthen social cohesion, ensure public access to cultural resources and quality services at the level of territorial communities, and improve the system of management and financing in the field of culture. The implementation of the relevant government action plan is planned until 2022.

Cultural heritage protection

The government is taking effective legislative measures to strengthen accountability for violations and is improving the legal protection of cultural heritage. Creation of cultural heritage and cultural values electronic information resource will ensure conditions for equal access and accessibility of cultural heritage for citizens and will contribute to the realization of cultural rights.

As part of the EU Association Lab project, a prototype of an electronic information resource for cultural heritage was developed in 2019. In addition, the electronic public part of the State register of immovable monuments of Ukraine, published on the website http://publicregistry.heritage.in.ua, was developed and presented.
In order to improve customs procedures and national legislation aimed at countering the illegal movement of cultural property and illegal archaeological excavations, Ukraine is interested in close cooperation with the EU in the context of implementing the provisions of Regulation (EU) 2019/880 dated 17.04.2019 on the introduction and the import of cultural goods.

In the context of cooperation within the framework of relevant international organizations, in particular UNESCO and the Council of Europe, Ukraine is completing domestic legal procedures for accession to the Second Protocol to the Hague Convention for the protection of cultural property in the event of armed conflict of 1954 and accession to the Enlarged Partial Agreement on Cultural Routes.

Raising public awareness on European integration

The Action Plan for 2019 for the implementation of the European Integration Communications Strategy for 2018-2021, which was approved by the Order of the Cabinet of Ministers No. 83-p dated 30.01.2019, has been fully implemented.

The public is informed on the Eurointegration issues through the European Integration Portal euua.org and the weekly “European Integration Digest” (information product of the Office of the Deputy Prime Minister for European and Euro-Atlantic Integration and the Government Office).

On a quarterly basis, the Deputy Prime Minister for European and Euro-Atlantic Integration of Ukraine meets with representatives of the Ukrainian Party of the EU-Ukraine Civil Society Platform to discuss key issues of implementing the Association Agreement and priorities for cooperation with the EU.

Key tasks for 2020

- finalizing and adopting the draft Law of Ukraine “On Ukraine’s accession to the Second Protocol to the Hague Convention for the protection of cultural property in the event of armed conflict of 1954”;
- approval and adoption of the draft Law of Ukraine “On amendments to the Criminal Code of Ukraine on strengthening responsibility for crimes in the field of protection of cultural heritage and article 44 of the Law of Ukraine “On protection of cultural heritage”;
- approval and adoption of the draft Law of Ukraine “On Ukraine’s accession to the Enlarged Partial Agreement on Cultural Routes (EPAS)”.
Implementation of the Association Agreement in the field of Agriculture contributes to the achievement of Sustainable Development Goals 1 “No poverty”, 2 “Zero hunger, agricultural development”, 6 “Clean water and sanitation”, 8 “Decent work and economic growth”, 10 “Reduced inequalities”, 13 “Climate action” and 15 “Life on land”.

In particular, the implementation of the Association Agreement in 2019 contributed to the implementation of the national targets 2.2. “Double agricultural productivity, primarily through innovative technologies” and 2.3. “Ensure the development of sustainable food production systems that help maintain ecosystems and gradually improve the quality of land and soil, primarily through innovative technologies”.

Ukraine’s agricultural sector

Ukraine’s agricultural sector provides for 12 % of GDP and about 40 % of currency earnings from exports.

In Ukraine, there are more than 33 thousand farms (more than 70 % of the total number of economically active agricultural enterprises).

To support the development of farms in Ukraine in 2019 expenditures in the amount of UAH 1 billion were directly budgeted (in 2018 – 5,010 farmers and agricultural service cooperatives). The state budget for 2020 provides UAH 4.4 billion for support programs, including for the farms.

In order to provide education and meet the needs of small and medium-sized agricultural producers and rural communities in obtaining necessary advisory services, an effective model of agricultural advisory service is also being developed.

Quotas for export of Ukrainian agricultural commodities to the EU

In 2019, Ukrainian exporters used the opportunities of 32 of the 40 tariff quotas, 11 of which were used in full and 2 were used by more than 95 % (in 2018, opportunities were used within 32 tariff quotas, in 2017 - within 29 tariff quotas, and in 2016 - within 26 tariff quotas).

In 2020, the EU increased quotas for the import of Ukrainian livestock products: poultry meat - from 19.2 thousand tons to 20 thousand tons, eggs - from 2.7 thousand tons to 3 thousand tons.

In January – March 2020, Ukraine will be able to use quotas for duty-free exports to the EU of 5 thousand tons of poultry meat and 750 tons of eggs. In the II quarter of 2020 (April – June), Ukrainian exporters will receive quotas for 5 thousand tons of poultry meat and 1.2 thousand tons of eggs.
Review of the “agricultural part” of the Association Agreement

An agreement was reached to start consultations to review the agricultural part of the Association Agreement.

Agreement in the form of an exchange of letters between the European Union and Ukraine amending the trade preferences for poultry meat and poultry meat preparations provided for by the Association Agreement was ratified.

Agricultural sector reform

Now the first “Wine and Taste Road of the Danube Bessarabia” in Ukraine is being built in accordance with EU regulations. This gastronomic route is innovative for Ukrainian tourist product, but with great potential for rural development and at the expense of the support of producers with geographical indication, this indication guarantees the consumer unique quality indicators of the product, which allows the manufacturer to sell it more expensively, also through the support of traditional products, preservation and strengthening of biodiversity and cultural heritage of local communities.

In order to facilitate the growth of volumes of agricultural commodities with high added value, the state budget for 2019 provided for expenditures of UAH 800 million, which contributed to the expansion of rural population employment and ensuring sustainable economic growth of rural communities through the development of agricultural entrepreneurship.

The order of the Ministry of Agrarian Policy No. 330 dated 19.06.2019 “On approval of requirements for honey” was adopted, which harmonizes the rules of honey trade and consumer protection with the EU legislation.

The Law of Ukraine “On amendments to certain legislative acts of Ukraine on improving the legal protection of geographical indications” dated 20.09.2019 No.123-IX, which defines the requirements and the circle of persons who have the right to state registration of a geographical indication (GI), the conditions for granting legal protection of the GI, the grounds for refusing to grant such protection, as well as the list of rights and obligations arising from the state registration of the GI.

A draft Law of Ukraine “On the peculiarities of legal protection of geographical indications, protection of rights to guaranteed traditional features and application of quality schemes for agricultural commodities and food products” has been developed, which is being finalized for submission to the Verkhovna Rada of Ukraine. The draft law is aimed at ensuring compliance with the rules for the protection of GI and designations of origin of agricultural commodities and food products.

Key tasks for 2020

- development and adoption of the law on state control of genetically modified products in agriculture and food industry;
- adoption of the Law of Ukraine “On the features of legal protection of geographical indications, protection of rights to guaranteed traditional features and application of quality schemes for agricultural commodities and food products”.

In General, for 2020, the action plan for the implementation of the Association Agreement defines a wide range of tasks in the field of agriculture in the following areas:

- standards for trade with plants (hops, seeds, grapes, seedling cultivation: vegetable crops, fruit plants, planting material for ornamental plants, hemp) - 138 measures;
- quality policy (winemaking) - 26 measures;
- standards of trade with animals (milk, pig carcasses) - 14 measures;
- the standards of trade — 24 measures.
Implementation of the Association Agreement in the field of Consumer Protection contributes to the achievement of Sustainable Development Goals 1 “No poverty” and 8 “Decent work and economic growth”.

According to the Association Agreement (article 415 of Chapter 20 “Consumer Protection” of Title V “Economic and Sector Cooperation”), Ukraine has undertaken to ensure a high level of consumer protection and to achieve compatibility of the Ukrainian consumer protection system with similar systems of the EU member states.

RAPEX system

Work is continuing to gain access to the European system of warning about unsafe for the consumers’ products (Community Rapid Information System, RAPEX), which is provided for in the Action Plan for implementing the Concept of Consumer Protection State Policy until 2020.

The RAPEX system is designed to minimize the negative consequences associated with the presence of products on the EU market that can cause damage to users. In each of the system member states, contact offices have been established that receive information from authorized national authorities or directly from consumers about the presence of dangerous products on the market.

The Bureau sends all information to the European Commission, which in turn quickly sends it to contact offices in all other RAPEX member states. Ukraine’s access to this system will facilitate the rapid implementation of measures aimed at preventing damage to a consumer by dangerous products that are already placed in the market.


Also the following tasks remain unfulfilled:

1. establishing requirements for descriptive materials of tourist service packages, determining the rights and obligations of the parties, as well as the conditions for providing or replacing a package of tourist services under EU law, and introducing liability mechanisms for non-fulfillment or improper fulfillment of obligations under a tourist service agreement (implementation of Council Directive 90/314/EEC) also remain unfulfilled;
2. strengthening of guarantees and mechanisms for consumer protection in the case of distance provision of financial services in the context of the adoption of a draft law on amendments to certain legislative acts concerning the improvement of financial services’ consumer rights protection (implementation of the requirements of Directive 2002/65/EC).

Key tasks for 2020

1. commissioning of the state market surveillance information system;
2. Ukraine’s access to the RAPEX system;
3. development and adoption of the following draft laws with the aim of:
   - setting a ban on unfair commercial practices;
   - determining the minimum level of consumer protection guarantees;
   - establishment of requirements and guarantees for the protection of the rights of consumers when concluding distance contracts;
   - definition of guarantees and mechanisms for consumer protection in the case of merchandising, sale and re-sale of contracts for the allocation of time for the use of real estate, long-term products related to vacation, as well as contracts for exchange;
   - regulation of mechanisms for judicial protection of collective interests of consumers in accordance with EU law;
   - establishing cooperation with the EU and member states on consumer protection issues.
Implementation of the Association Agreement in the area of Social Policy and Labor Relations contributes to the achievement of Sustainable Development Goals 1 “No poverty”, 2 “Zero hunger, agricultural development”, 4 “Quality education”, 5 “Gender equality”, 8 “Decent work and economic growth” and 10 “Reduced inequalities”.

In particular, the implementation of the Association Agreement for 2019 contributed to the implementation of national targets 1.2 “Increase the coverage of poor people with targeted social assistance programs”, 8.8. “Protect labour rights and promote safe and secure working conditions for all workers, including migrant workers, especially women migrants, and persons without secure employment” and 10.3 “Ensure access to social services”.

The Association Agreement contains the obligations stipulated in articles 419-425 of Chapter 21 “Cooperation in the field of employment, social policy and equal opportunities” of Title V “Economic and sectoral cooperation”.

At the moment 13 EU directives have been implemented in national legislation in the field of social policy and in the sphere of non-food products safety, and occupational safety and health.

Social protection

In order to bring the requirements for pressure equipment in line with EU standards, namely for the implementation of Directive 2014/68/EC, the relevant technical regulations were approved by Cabinet of Ministers Resolution No. 27 dated 16.01.2019.

Since the beginning of 2019, the provision of subsidies to the population to pay for housing and municipal services in cash has been introduced (Resolution of the Cabinet of Ministers No. 62 dated 06.02.2019).

The Verkhovna Rada of Ukraine adopted the Law of Ukraine “On social services” dated 17.01.2019 No. 2671-VIII, which aims to improve the existing legislation, in particular in the part of administration of social services, improving the status of social workers and other specialists providing social services, protecting the rights of people receiving social services, enhancing the powers of local executive bodies and local self-government bodies on the organization of social services provision at the place of residence of persons receiving such services.

Labor protection

In May 2019, the “General agreement on the regulation of the basic principles and norms for the implementation of socio-economic policy and labor relations in Ukraine for 2019-2021” was signed.

7 From 01.01.2020, functions in the tourism sector are transferred from the Ministry of Economy to the MCYS (Cabinet of Ministers Resolution No. 885 dated 16.10.2019), which also creates a certain delay in the implementation of the tasks of the Action Plan on implementation of the Association Agreement.
The procedure for supervising and monitoring compliance with labour legislation has been renewed (Resolution of the Cabinet of Ministers No. 823 dated 21.08.2019).

On 21.09.2019, the Cabinet of Ministers of Ukraine adopted Resolution No. 771 “On approval of the technical regulation on personal protective equipment”, which implements the EU Regulation 2016/425.

The Ministry of Social Policy has developed a draft Law of Ukraine “On collective agreements and contracts”, agreed with interested bodies and social partners and sent to the Cabinet of Ministers of Ukraine for consideration.

According to the decision of the relevant Government Committee, the draft law was finalized with social partners and in May 2019, it was re-considered and submitted to the Cabinet of Ministers of Ukraine. However, due to the change of Government, the draft law was returned to the Ministry of Social Policy.

Currently, the parties to the social dialogue continue to cooperate on the implementation of the Action Plan to improve the effectiveness of the trilateral social dialogue in Ukraine within the framework of the International labour organization’s project “Inclusive labour market for job creation in Ukraine”.

While studying this issue in the framework of the project’s expert working group, the need to improve existing mechanisms and procedures for conducting social dialogue at all its levels was identified.

The Project experts plan to hold a national “round table” with the participation of representatives of the social dialogue, international and national experts in order to discuss the existing practice of dialogue and provide recommendations for the modernization of its forms and methods, including in current conditions of decentralization.

In order to initiate a broad public discussion of the issue, the preliminary information prepared by the Project experts within the working group on possible directions for modernizing the dialogue in Ukraine in order to meet the current challenges of socio-economic policy is being developed.

Based on the results of the carried out work, representatives of the parties to the social dialogue at the national level, in cooperation with international experts, will develop comprehensive proposals for amending the legislation.

**Key tasks for 2020**

- introduction of incentive mechanisms for employers to employ persons with disabilities (Council Directive 2000/78 / EC establishing a general framework for equal treatment in employment and occupation) by drafting and adopting the relevant draft law;
- implementation of the State Social Program for Combating Human Trafficking for 2016-2020;
- improving the mechanism for collective redundancies (Council Directive 98/59 / EC on the approximation of the laws of the Member States relating to collective redundancies);
- continuing work on updating the list of EU legislative acts provided for in Appendix XL of the Association Agreement;
- adoption of the law of Ukraine “On labor”, which will allow the incorporation of EU legal acts into national legislation:
  - Council Directive 97/81 / EC concerning liquidation of discrimination and improvement of the quality of working conditions for part-time work and fostering the development of voluntary part time employment;
  - Council Directive 91/533/EEC on an employer’s obligation to inform employees of the conditions applicable to the contract or employment relationship;
PUBLI C HEALTH

The implementation of the Association Agreement in the area of Public Health contributes to the achievement of Sustainable Development Goals 3 “Good health and well-being”, 4 “Quality education”, 6 “Clean water and sanitation”, 14 “Life below water” and 15 “Life on Land”.

In particular, the implementation of the Association Agreement in 2019 contributed to the implementation of national targets 3.8 “Reduce the prevalence of smoking among the population through innovative media to inform about negative effects of smoking” and 3.9 “Reform health care financing”.

The National Blood System

The strategy for the development of the National Blood System and the Action Plan for its implementation until 2022 (Decree of the Cabinet of Ministers No. 120-p dated 20.02.2019) has been adopted. The main goal of this Strategy is to ensure equal and timely access of patients to quality and safe components of donor blood in sufficient quantities by creating a three-level blood system: at the national, regional and hospital levels.

At the national level, it is planned to create a transfusiology center for the first time, which will perform the function of blood system management and coordination and monitoring of its functioning. At the regional level, blood centers will centrally make stock, test, process, store and distribute donated blood and its components. The transfusion departments shall be transformed into the hospital blood banks in the structure of health care institutions (hospital level).

Funding will potentially be provided from several sources: from the state and local budgets, funds from international partners, as well as through public-private partnership mechanisms, the implementation of the proposed plan for the modernization and support of the new national blood system is estimated at approximately UAH 6.5 billion until 2022.

Implementation of the Strategy also requires the development of legal acts that regulate the organization of blood donation, procurement, processing, testing, distribution, transportation and proper use of donor blood on the basis of the new principles. In order to implement the provisions of the four EU directives in the field of blood safety and quality, the Ministry of Health is preparing a draft law on amendments to the Law of Ukraine “On donation of blood and its components”.

Transplantation

On 01.01.2019 the Law of Ukraine “On the transplantation of anatomical human materials” came into effect, which takes into account the main requirements of Directive 2004/23/EC. The government approved a Plan of Preparation of the by-laws necessary for the implementation of the above-mentioned law, which provides for the approval of quality and safety standards for anatomical materials, as well as the approval of the procedure for transporting anatomical materials and exporting them outside the customs territory of the country.
On 27.12.2019, the President of Ukraine signed the Law of Ukraine “On amendments to certain legislative acts of Ukraine regulating the transplantation of anatomical human materials”, which automates the processes through the gradual introduction of a Unified State Information System for Transplantation of Organs and Tissue (USIST) - the donor registry, which will help to timely find a potential donor, whose physical indicators allow saving a patient who needs a transplantation.

A set of preparatory procedures for launching the system is being completed, after which doctors will be able to use USIST in a trial mode (approximately from April 2020). The system launch date for mandatory use is set from January 2021.

Combating infectious diseases

With regard to combating infectious diseases, the Ministry of Health has approved a list of infectious diseases to be monitored, which fully implements Decision 2000/96/EC.

Also Commission Decision No. 2002/25/EC was implemented, which establishes the definition of cases of infectious diseases for reporting to the Community network.

Combating tobacco smoking


Key tasks for 2020

- continuing work on updating the list of EU legislative acts provided for in Appendix XLI of the Association Agreement;
- adoption of the draft Law of Ukraine “On amendments to the Law of Ukraine “On blood donation and its components”, which will ensure effective state supervision and control over the activities of institutions and establishments in the blood system, create a mechanism for tracking the movement of blood and its components, and so on.
EDUCATION, TRAINING AND YOUTH

Implemented in 2019

“New Ukrainian School”

In 2019, the implementation of the “New Ukrainian School” reform was continued, which is based on the best European practices and offers a transition to competence-based training. The budget for 2020 includes a record UAH1.4 billion, which will be used to update the educational environment in schools and professional development of teachers.

The Law of Ukraine “On complete general secondary education” No. 0901-IX dated 29.08.2019 was adopted.

The service of the Educational Ombudsman has been launched — an official assigned by the Cabinet of Ministers of Ukraine to perform tasks for the protection of the rights in the field of education.

Raising professional standards

In 2019, a pilot certification of teachers was held. In 2020, certification will continue on a larger scale and will consist of several stages: expert assessment of professional competencies of certification participants by studying their practical experience, self-assessment by the certification participants of their own pedagogical skills, assessment of professional knowledge and skills of certification participants through independent testing.

According to the results of participation in the Program for International Student Assessment (PISA), Ukraine ranked 50th among all participating countries. Students’ math scores were a concern. Therefore, starting from the 2020/2021 academic year, it is planned to attract the attention of the entire society to mathematics.

In 2019, 69 standards of professional (vocational) education developed on the basis of a competence-based approach were approved. A total of 179 such standards have been approved. There are 45 training and practice centers with new equipment and machines, where students can learn practical skills, and adults can undergo advanced training or retraining. In the budget of 2020 5 times more funds are envisaged for the creation of such centers - UAH 259 million.
In 2019, within the framework of the 5th round of the Turin process, an analysis of the system of professional (vocational) education was carried out according to the criteria of external efficiency, in particular in connection with the problems of demography, economy, labor market, and internal efficiency, which is determined by the quality of management, financing, logistics, scientific and methodological, and staff support.

**Minority languages**

A number of measures provided for in the roadmap for the implementation of article 7 of the Law of Ukraine “On education” have been implemented in accordance with the recommendations of the Venice Commission:

- the duration of the transition period is extended until 2023 for the implementation of article 7 of the law “On education” for students who study in minority languages that are official languages of the EU (paragraph 3 of section IX “Final and transitional provisions” of the Law of Ukraine “On the basics of functioning of the Ukrainian language as a state language” dated 25.04.2019);
- a sufficient proportion of education in minority languages at the primary and secondary levels continues to be provided;
- private schools are exempt from new language requirements, according to article 13 of the Framework Convention.

**Cooperation within ERASMUS+ and TAIEX**

Negotiations were launched to expand the possibilities of the EU ERASMUS+ international cooperation program for professional (vocational) education institutions. During 2019-2020, a separate funding window has been allocated for Ukraine for a total of EUR 5 million (including EUR 2 million for projects “Developing Higher Education Potential”).

According to the results of the European Commission’s competitive selection, 8 projects with a total budget of more than EUR 7.2 million started activities in 2019. They will be implemented during 2019-2022 by 51 higher education institutions, public organizations and MOES.

In May 2019, the MOES submitted an application for international technical assistance TAIEX for implementation of the target of ensuring access to lifelong education. An expert mission is planned for the I quarter of 2020 to finalize the draft law of Ukraine “An adult education”.

**Key tasks for 2020**

- approval of criteria for assigning research status to higher education institutions through the adoption of relevant draft laws;
- development and adoption of a draft law to ensure access to lifelong learning.
FINANCIAL COOPERATION AND COMBATING FRAUD

Implemented in 2019

By the Resolution of the Cabinet of Ministers No. 1110 dated 25.10.2017 an Interdepartmental Coordination Council was created on combating violations that affect the financial interests of Ukraine and the EU, its staff schedule and location are approved, and also MIA is authorized to carry out functions of the NCPs on organizing the cooperation with OLAF and the European court of auditors (ECA) on the implementation of Title VI of the Association Agreement and its annexes.

On 04.02.2020 under the chairing of the Deputy Prime Minister for European and Euro-Atlantic Integration of Ukraine D. І. Kuleba the first constituent meeting of the Interdepartmental Coordination Council on countering violations that affect the financial interests of Ukraine and the EU was held.


Cooperation with OLAF

Issues of cooperation with the European anti-fraud office (OLAF) in terms of protecting the financial interests of Ukraine and the EU in connection with the use of EU funds are the subject of a constant dialogue between the Parties during meetings of the EU — Ukraine bilateral bodies.

The national contact point (NCP) has started communication with the EU Party on the conclusion of a separate agreement (Memorandum) on cooperation between the Ministry of Internal Affairs and OLAF, which would determine the legal basis and procedure for operational interaction.

In 2019, the dialogue between the Parties on this issue slowed down due to the establishment of the European Public Prosecutor’s Office (EPPO), the corresponding OLAF reform process, and the related authorities-sharing process.

**During 2019, the NCP:**

- initiated communication with the EU Party to update Annex XLIV to the Association Agreement and determine the scope and timing of implementation of the current EU legislation in this area;
- preparation of the constituent meeting of the Interdepartmental Coordination Council on countering violations that affect the financial interests of Ukraine and the EU was carried out.

The Government Office has ensured Ukrainian translation of the texts of EU legislation, implementation of which is provided for in the framework of Title V of the Association Agreement, and the current EU Directive, which, starting from July 2019, replaced the previous EU acts in this area.

**Key tasks for 2020**

- development and adoption of legislation to implement provisions of the EU legislation in the field of protection of the financial interests of the Parties to the Association Agreement;
- coordination of procedures for interaction between institutions involved in interagency coordination systems for countering violations that affect the financial interests of Ukraine and the EU and establishing procedures for interaction between OLAF and the relevant public authorities.

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DEEP AND COMPREHENSIVE FREE TRADE AREA


In particular, the implementation of the Association Agreement for 2019 contributed to the implementation of the national target 8.1. “Ensure a steady GDP growth by modernizing production, developing innovation, increasing export potential and exporting products with high value added.”

The EU-Ukraine trade volumes

The European Union is the largest trading partner of Ukraine with a share of trade in goods and services of 41.3 % of the total foreign trade of Ukraine.

Trade between Ukraine and the EU has been growing steadily since the opening of the free trade zone. According to the results of 2019, the volume of foreign trade in goods between Ukraine and the EU in comparison with 2018 increased by 5.5 %, exports increased by 3.0 %, and imports - by 7.7 %.

Ukraine enters the EU market with new products, among which an increasing share is taken by products with a high degree of processing.

The use of tariff quotas

The possibilities of duty-free export within tariff quotas are also actively used. In 2019, Ukrainian exporters used the opportunities of 32 of the 40 tariff quotas, 11 of which were used in full and 2 were used by more than 95 % (in 2018, opportunities were used within 32 tariff quotas, in 2017 - within 29 tariff quotas, and in 2016 - within 26 tariff quotas).

11 tariff quotas for corn, wheat, barley, honey, sugar, grape and apple juices, processed tomatoes, processed starch, butter, poultry meat and starch were fully used.

Tariff quotas were used for malt and starch processed products (99.9 %), processed grain products (99.5%), eggs and albumins (84.5%), malt and gluten (90.3%), barley, barley flour and granules (80.4%), garlic (78.6%), bran, waste and residues (72.3%), eggs and albumins, additional (63.0%).
Increase of tariff quotas

In 2019, amendments were made to Annexes I-A to the Association Agreement in terms of changing the obligations of the European Union regarding increase of volume of tariff quotas for poultry meat, which will make it possible to ensure the preservation of the interests of Ukrainian poultry producers (Law of Ukraine “On ratification of the Agreement in the form of an exchange of letters between the European Union and Ukraine amending the trade preferences for poultry meat and poultry meat preparations provided for by the Association Agreement between the European Union and the European Atomic Energy Community and their Member States, of the one part, and Ukraine, of the other part,” dated 05.12.2019 No. 345-IX).

On 17.01.2020 the EU Official Journal published information about the entry into force of the Agreement in the form of an exchange of letters between the European Union and Ukraine amending the trade preferences for poultry meat and poultry meat preparations provided for by the Association Agreement provided for in the Association Agreement, which comes into force on 01.02.2020, as provided for in the said Agreement in the form of an exchange of letters.

EUR.1 certificates

The number of Ukrainian companies exporting goods to EU member states is growing. Thus, if in 2014 10,002 companies exported to the EU, in 2019 their number increased significantly to 14,545 companies.

In 2019, more than 107 thousand EUR.1 certificates were issued. More than 330 thousand EUR.1 certificates have been issued by the customs authorities since the start of the DCFTA application.

The number of European-oriented exporters that have received the status of an authorized exporter and can export to the EU without registration of EUR.1 certificate is increasing. Today, there are 251 such enterprises.