



Memo  
**UKRAINE'S TRACK IN IMPLEMENTATION  
OF 20 EAP DELIVERABLES TILL 2020:  
What to Improve?**

In July 2018, at the Foreign Affairs Council, EEAS and Commission services provided an overview of the “20 Deliverables for 2020” implementation and results achieved by June 2018. The document demonstrates progress achieved in implementation of the Deliverables in all six EaP countries, taking into consideration internal monitoring process that took place in January-June 2018.

In order to contribute to the discussion on the overview, opened by EEAS in July, experts from the Ukrainian National Platform of the EaP CSF have produced this memo. It contains main observations from the UNP's own monitoring of the implementation of the Deliverables in Ukraine as of August 2018.

Although, it should be mentioned that the Memo does not highlight major achievements of Ukraine as they have been included in the EEAS document. Instead it draws attention to areas where additional effort may be needed both from the EU's and Ukrainian sides to deliver more effectively on the commitments.

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## CROSS-CUTTING DELIVERABLES

### 1 Better engagement with civil society organizations

A great number of leadership programs are initiated by the CSOs, business and educational institutions, yet very few of them are associated in the public perception with the EU assistance. At the same time, the EU should consider supporting of the institutional development of the Ukrainian CSOs in addition to the separate project activities.

### 2 Increase gender equality and non-discrimination focus

The need to improve legislation (in particular, ratification of the Istanbul Convention), integration of gender equality perspective in sectoral reforms and policies, enhancement of the national gender mechanism is still among priorities. Possible discriminatory education activities and continuous monitoring of anti-discrimination legislation need additional attention.

### 3 Strengthen strategic communications and support of plurality

The EU institutions' further activities should concentrate on improving legislation on the informational sphere regulation; stronger and wider sanctions against individuals and institutions involved in the spread of disinformation. Also, educational programs on media literacy and support to constructive journalism and local media production in the EaP countries are needed.

## ECONOMIC DEVELOPMENT AND MARKET OPPORTUNITIES

### 4 Improve investment and business environment and unlock small and medium-sized enterprises' (SMEs) growth potential

The adoption of the SMEs Development Strategy in Ukraine is delayed, which results in setting back achievement of the OECD Small Business Act indicators. It is essential to accelerate adopting of the respective legal acts for improving regulatory and operational framework along with stakeholders' advising, improving the system of state statistics, providing market research.

## **5 Address gaps in access to finances and financial infrastructure**

Set up and development of alternative sources of financing for the SMEs and stimulation of local currency lending are main challenges. In September 2017 German-Ukrainian Fund and ProCreditBank signed financial agreement of EUR 3.6 mln aimed to finance sub-projects of the SME in national currency. Efforts of the EBRD, the EIB and the KfW should be directed on enhancement the “SME Finance Facility – Phase II” project, including maximum transparency.

## **6 Create new job opportunities at the local and regional level**

There are 2069 agricultural cooperatives in Ukraine as of August 2018. The Concept on development of farms and agricultural cooperatives for 2018-2020 seeks to increase their amount only by 40-50. So, the EU should launch new initiatives to promote sustainable development of agricultural cooperatives by establishing Regional Training and Practical Centers for Development of Multifunctional Cooperatives.

## **7 Harmonize digital markets**

The lack of coordinated strategic approach for harmonization of digital markets between the EU and the EaP countries, as well as within the EaP region is challenging for Ukraine. Developing concerted strategies/roadmaps for all main directions (eTrade, eHealth, ICT Innovation, Trust & Security, eSkills, Telecom) is needed for rapid and complete digital development.

## **8 Support trade among partner countries and between them and the EU**

Tariff liberalization put forward non-tariff measures as a major obstacle in EU-Ukraine trade. To speed up elimination of these barriers, it is suggested to increase support to Ukraine in the spheres of technical barriers to trade and food safety, in particular assistance in legal harmonization, and accelerating conclusion of the ACAA.

# STRENGTHENING INSTITUTIONS AND GOOD GOVERNANCE

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## **Strengthen the rule of law and anti-corruption mechanisms**

The key challenges are the lack of automatically checking of declarations in the electronic declaration system and stalling the process of setting up the High Anti-Corruption Court of Ukraine. The EU is stimulating this process by introducing relevant conditions in the Decision dated 26 June 2018 to provide macro-financial assistance to Ukraine.

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## **Support the implementation of key judicial reforms**

The main obstacle in implementing key judicial reforms is political dependence of the judicial governance bodies. In order to overcome this obstacle, a reboot of the judicial governance bodies (the High Council of Justice and the High Qualification Commission of Judges) is needed, with substantial increase (50% or more) of the number of the civil society experts in them.

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## **Support the implementation of public administration reform (PAR)**

Despite overall positive PAR assessment in Ukraine, the steering and co-ordination process still poses some concerns, especially when it comes to overlapping competences in policy planning and monitoring of reform performance. To overcome this, the EU may facilitate stronger expert and civil society involvement in the PARs and revisiting of the Action plan, the process already initiated by the Government.

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## **Stronger security cooperation**

There is no comprehensive national system of countering the illicit arms trafficking and sustainable cooperation in this sphere within the EaP countries. Adoption of the Operational Action Plan for intelligence and operational data exchange and the List of risk indicators might facilitate the process. Special attention should also be paid to protection of critical infrastructure of regional importance.

# CONNECTIVITY, ENERGY EFFICIENCY, ENVIRONMENT AND CLIMATE CHANGE

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## Extend the TEN-T core networks, transport

The preparation and implementation of the highest priority projects for the extended core TEN-T network remains the biggest challenge. Ukraine has low disbursement ratio of received funding and poor absorptive capacity of IFI loans. Ukraine needs to focus on better project preparation (feasibility studies, detailed engineering work) and implementation.

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## Increase energy supply security

The EU and Ukraine should agree on a single position ahead of next negotiations on future of gas transit after 2019 to ensure protection of respective Member States and Associated Partners, affected by the Russian political pressure through acknowledgement of the EU energy legislation (Directive 2009/72/EC, Regulation 715/2009/EC) applicability on the entire Energy Community area.

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## Enhance energy efficiency and use of renewable energy; reduce greenhouse gas emissions

While Sustainable Energy Action Plans are unique in putting pollution cutting goals to development agenda on the local level, their quality varies viably and requires improvement. Affordable financial resources are critical for large scale building stock modernization, although there are delays due to administrative barriers and lack of supportive policy tools.

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## Support environment and adaptation to climate change

Main concern about the implementation of this Delivery is lack of systematic measures in halting illegal logging and consequently illegal timber export. This problem is rooted in artificial prohibition of ecological inspections in forests, including those belonging to Nature Reserves, which State Regulatory Service imposes. Such situation illustrates well that the deregulation continues to be implemented at the expense of environmental losses.

# MOBILITY AND PEOPLE-TO-PEOPLE CONTACTS

## **17** Progress on Visa Liberalization Dialogues and Mobility Partnerships

The visa liberalization process increased citizens' mobility and implementation of outdated reforms. However, there is a need to ensure the sustainability of changes through civil society monitoring of the quality of the implemented reforms, not only at the central but also at the regional level. It is necessary to formulate a stable request for reforms, needed for visa liberalization, but extended in the Association Agreement.

## **18** Strengthen investment in youth, entrepreneurship and employability

Weak institutional capacity of the Ukrainian CSOs and higher educational institutions do not allow to fully use possibilities provided by the EC (Creative Europe Programme, youth employment projects). There is a need to adopt a policy on encouragement of youth and young professionals, who benefit from the EU-funded programs, to work in Ukraine upon return.

## **19** Establish the Eastern Partnership European School

Even if the EPE School has been established, there is a need to enable contribution to the ongoing educational process at the School. As stated in the document, the Erasmus+ office in Ukraine should be granted with a mandate to effectively monitor relevant programmes. The civil society sector in Ukraine should have a platform for proposing their efficient input and to support scholars with expertise and internships.

## **20** Integrate Eastern Partnership and the EU research and innovation systems and programmes

The main problem is a low level of practical implementation of the recommendations of the Peer Review of the Ukrainian R&I System, which inhibits the process of integration of the Ukrainian system of research and innovation into the EU. It is proposed to hold a joint discussion of this issue with European and Ukrainian stakeholders, taking into account the expected changes that will be made in the new EU program HORIZON EUROPE.