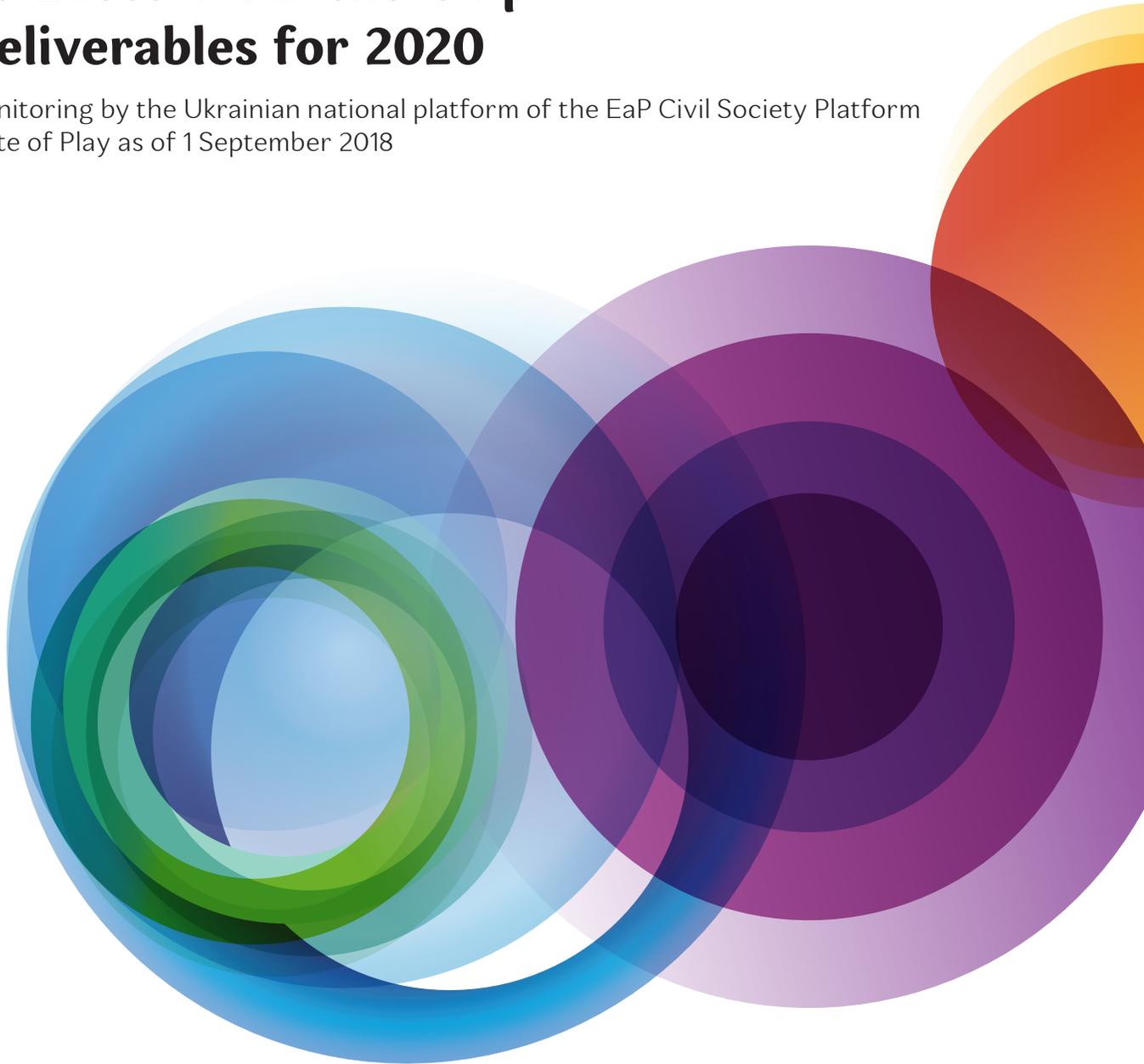




UKRAINIAN NATIONAL PLATFORM OF THE  
EASTERN PARTNERSHIP  
**Civil Society Forum**

# Ukraine's Implementation of 20 Eastern Partnership Deliverables for 2020

Monitoring by the Ukrainian national platform of the EaP Civil Society Platform  
State of Play as of 1 September 2018



INTERNATIONAL  
RENAISSANCE  
FOUNDATION



**Civic  
Synergy**



## **General overview**

*The European Union strongly supports building relations with Eastern Partnership countries based on the 20 proposed EaP deliverables for 2020 that were formally approved during the Eastern Partnership Summit in November 2017. The broad set of themes and the specific interim and final success indicators established for EaP countries make this document a road map for positive transformations in the eastern region under the European Neighborhood Policy. These 20 deliverables were also mentioned in the joint statement at the conclusion of the 20th EU-Ukraine Summit in July 2018, demonstrating the importance of these priorities on the bilateral agenda as well.*

*Monitoring by experts of the Ukrainian national platform of the EaP Civil Society Platform shows that Ukraine is in the active implementation phase with the majority of EaP deliverables. This is mainly due to the fact that the overwhelming majority of the targets set for 2020 are more-or-less in line with the objectives of the Association Agreement, which came into full force on September 1, 2017.*

*As part of the ongoing reform process, AA implementation, and the Ukraine 2020 Sustainable Development Strategy with its focus on most of the 20 EaP achievements, Ukraine has adopted a number of medium-term strategies and concepts for the period to 2020 and 2021. With the same programming horizon, the EaP deliverables have excellent prospects for being achieved. Moreover, a significant number of tasks related to these 20 deliverables was included in the Government's Medium-Term Priority Action Plan by 2020 and its Action Plan for 2018.*

*These 20 EaP deliverables for 2020 give Ukraine added value compared to the provisions of the Association Agreement between Ukraine and the EU, and their implementation documents. Some achievements complement and clarify the scope of cooperation and instruments envisaged in the AA, and contribute to deeper reforms in key areas for Ukrainian society.*

*Still, these 20 EaP deliverables have no binding force the way bilateral agreements between the EU and EaP countries do. Each of the six partners can choose among the deliverables and implementation levels, based on their EU integration ambitions and bilateral framework agreements. Ukraine should take maximum advantage of the financial support provided within the 20 EaP deliverables framework, as they facilitate the implementation of ongoing reforms and the AA between Ukraine and the EU.*

## General recommendations

1. Allow this document to be updated by the EU and EaP partner countries to reflect further EaP development after 2020, such as precise indicators for EaP+ implementation related to integration into EU sectoral and thematic areas such as customs, the digital market, the Energy Union, and the Schengen space. Discussion about the future of the Eastern Partnership could be officially launched during the Eastern Partnership's 10th anniversary events in May 2019.
2. Maintain a separate EU financial instrument for the European Neighborhood Policy. The European Neighborhood Instrument (ENI) has already proved itself and provided a political signal about the importance of neighboring countries, including EaP members. If merged with 11 external EU instruments into a single global mechanism, this instrument could have a negative impact on EaP policy development, such as a reduction in further funding for initiatives started during the implementation of these 20 deliverables.
3. Encourage each partner country, through the European External Action Service (EEAS), to prepare regular progress reports on the implementation of these 20 EaP deliverables and the EU side to provide a more detailed comparative analysis of what has been achieved.
4. Establish a system, within the Ukrainian government, for public reports on progress implementing the 20 EaP deliverables. The preparation of such reports should be coordinated by the Office for Coordinating European and Euroatlantic Integration, which communicates with all the ministries and services involved in European integration.
5. Introduce large-scale public awareness campaigns on the use of the existing support and cooperation tools proposed by the EU for EaP countries, including Ukraine based on monitoring reports. This should be in the focus of both the Ukrainian government and EU institutions. This issue should also be raised within the framework of the Communication Strategy of European Integration for 2018-2021.
6. Draw up strategies and concepts with operational action plans or road maps that reflect the current state of cooperation and EU support programs, to complement Ukraine's existing strategic medium-term documents for partial or full reforms that correspond to almost all 20 EaP deliverables.
7. Develop separate road maps with clear indicators of success and timelines for Ukraine, with public experts participating in the process, for digital market integration, meeting Schengen standards and customs area harmonization. This is how the EU-Ukraine Action Plan on Justice, Freedom and Security was updated and the Energy Union integration Road Map is already in the final stage of development.
8. Institute a regular platform for informal EU+3 ministerial meetings for Georgia, Moldova and Ukraine, not to challenge the Eastern Partnership, but to simply reflect common interests and challenges requiring joint action within the framework of the multilateral EaP format.
9. Expand institutional security cooperation between Ukraine and its partners. Given that the EU is reluctant to establish a separate intergovernmental platform at the moment, an expert Working Group within Platform 1 to deal with hybrid threats, propaganda and misinformation issues makes sense.

## CROSS-CUTTING DELIVERABLES

- |          |   |           |
|----------|---|-----------|
| <b>1</b> | <b>Structured engagement with civil society</b>                         | <b>++</b> |
| <b>2</b> | <b>Gender equality and non-discrimination</b>                           | <b>++</b> |
| <b>3</b> | <b>Strategic communications and plurality and independence of media</b> | <b>++</b> |

## ECONOMIC DEVELOPMENT AND MARKET OPPORTUNITIES

- |          |   |           |
|----------|---|-----------|
| <b>4</b> | <b>Regulatory environment and SME development</b>             | <b>++</b> |
| <b>5</b> | <b>Gaps in access to finance and financial infrastructure</b> | <b>++</b> |
| <b>6</b> | <b>New job opportunities at local and regional level</b>      | <b>++</b> |
| <b>7</b> | <b>Harmonization of digital markets</b>                       | <b>+</b>  |
| <b>8</b> | <b>Trade and DCFTA implementation</b>                         | <b>++</b> |

## STRENGTHENING INSTITUTIONS AND GOOD GOVERNANCE

- |           |   |           |
|-----------|---|-----------|
| <b>9</b>  | <b>Rule of law and anti-corruption mechanisms</b>     | <b>++</b> |
| <b>10</b> | <b>Implementation of key judicial reforms</b>         | <b>+</b>  |
| <b>11</b> | <b>Implementation of public administration reform</b> | <b>++</b> |
| <b>12</b> | <b>Security</b>                                       | <b>++</b> |

## CONNECTIVITY, ENERGY EFFICIENCY, ENVIRONMENT

- |           |   |           |
|-----------|---|-----------|
| <b>13</b> | <b>Extension of the TEN-T core networks</b>   | <b>++</b> |
| <b>14</b> | <b>Energy supply</b>  | <b>+</b>  |
| <b>15</b> | <b>Enhance energy efficiency and the use of renewable energy; reduce Greenhouse Gas emissions</b> | <b>++</b> |
| <b>16</b> | <b>Environment and adaptation to climate change</b>   | <b>++</b> |

## MOBILITY AND PEOPLE-TO-PEOPLE CONTACTS

- |           |   |           |
|-----------|---|-----------|
| <b>17</b> | <b>Visa liberalization and mobility partnerships</b>    | <b>++</b> |
| <b>18</b> | <b>Youth, education, skill development, and culture</b> | <b>++</b> |
| <b>19</b> | <b>Eastern Partnership European School</b>              | <b>++</b> |
| <b>20</b> | <b>Research and innovation</b>                          | <b>++</b> |

**+++** - completed; **++** - on track; **+** - moderate progress

## CROSS-CUTTING DELIVERABLES

### 1 Structured engagement with civil society

There has been a positive growth trend for the number of NGOs in Ukraine, with over 80,000 organizations at the start of 2017, compared with 70,000 at the start of 2016. Every year, the Government works with NGOs to develop an Action Plan to implement the 2016-2020 National Strategy for the Development of Civil Society Development. Experts estimate that, as of December 2017, the 2017 Action Plan had been executed to barely 45% and the 2018 road map was only approved in May 2018.

A number of competitions have been announced as part of the Eastern Partnership initiative. The Eastern Partnership Civil Society Facility was introduced to EaP countries in 2016, but has not been very active in Ukraine. Association Agreement monitoring projects are being supported under the EU4Energy Initiative. A variety of leadership projects have been launched for young people, including EU4Youth and Erasmus+ scholarships.

Ukraine's national platform of the EaP Civil Society Forum has been set up and is working actively, with funding from the EU under the Public Synergy project to support its institutional development and operation.

**Special attention:** There is a need for more EU support in focusing on projects to shore up organizational capacity among stakeholders and provide opportunities for professional development.

More work is needed where Ukraine's domestic legislation limits the rights and overall opportunities for citizens to participate properly in the policy-making process in specific areas, including at the local level.

### 2 Gender equality and non-discrimination

For the first time, the gender issues have been included as a Government priority in the 2018 Action Plan. The National Action Plan (NAP) to implement the recommendations of the CEDAW Committee was approved for the first time as well. The State Program to ensure equal rights and opportunities for women and men through 2021 was also adopted. The NAP on implementing the UN Security Council Resolution 1325 on Women, Peace and Security through 2020 was updated. The Law "On Preventing and Combating Domestic Violence" came into force.

The national gender mechanism has been strengthened. The authorities of the profile Deputy PM have been established. The post of Government Ombudsman for Gender Policy was established, together with support staff. Gender equality and non-discrimination issues have been written into the Communication Strategy for European Integration for 2018-2021.

The Small Business Support Group project under the Women in Business program has led to some success stories. Still, gender imbalances in the presence of women in business remain significant: women own only 22% of businesses and manage only 6% of large companies. Young women continue to need to be involved in competitions EU4Youth (50-75% of all target groups), especially those from rural areas.

**Special attention:** Legislation continues to need improvement, including ratification of the Istanbul Convention, as do integrating a comprehensive gender approach towards sectoral reforms and strengthening the national gender mechanism, especially at the local level. More efforts need to be put into public awareness campaigns regarding gender discrimination and anti-discrimination legislation needs continuous monitoring. Of equal importance are increasing the presence of women in elected bodies and reducing the pay gap between women and men.

### 3 Strategic communications and plurality and independence of me-

Over the past year, all projects supported by the EU in Ukraine have been unified as a single brand under the "Moving Forward Together" campaign, with clear rules about how they should be presented visually. MFT highlights the main EU programs, focusing on the DCFTA, the renewal of infrastructure in eastern Ukraine, and decentralization.

Unified branding makes communicating the EU's involvement in the positive changes in Ukraine more effective, especially about reforms. Other communication and public awareness projects, such as Building Europe in Ukraine and EU Study Days, also work to raise the EU profile and inform the public about the real benefits of the Association Agreement for targeted social groups. Other sectoral projects supported by the EU, such as public administration and decentralization, have their own strong communication components.

Strong communication also fosters synergy within projects supported by other donor organizations, such as USAID, the International Renaissance Foundation, UNDP, and so on. With the support of Ukraine's partners and in cooperation with profile NGOs, Ukraine's Communication Strategy for European Integration for 2018-2021 was drawn up.

The results have been positive: according to surveys by Act LLC, positive attitudes towards the EU were up 6% to 49% in 2018, compared to 43% in 2017, while negative attitudes were down to 14% in 2018, compared to 16% in 2017.

**Special attention:** More focus needs to be placed on countering disinformation and anti-EU messages, which have already begun and will inevitably increase during the upcoming election campaigns in media influenced by Russia. Local independent media could use more support to develop high-quality content, as could the public broadcasting system.

## ECONOMIC DEVELOPMENT AND MARKET OPPORTUNITIES

### 4 Regulatory environment and SME development

Over 2016-2017, 8,272 jobs were retained, 4,022 new ones generated, and 840 SMEs given support. Ukraine adopted a SME Development Strategy through 2020 and approved its action plan. The PRODialog Platform for Effective Regulation was set up to foster interaction between the private and public sectors through online consultations, participation in public events, and research. The EaP region has a Public-Private Dialog network with experts from all EaP member countries.

Ukraine's Better Regulation Delivery Office is the most productive agency working on SME issues. Now that the SME Development Strategy has been adopted, plans are to set up a regional network of business support centers. EaP business forums continue to offer the main instrument for regional economic diplomacy.

**Special attention:** The dilatory adoption of the SME Development Strategy made it unlikely that the benchmarks in the Small Business Act for Europe will be achieved in a timely manner. Secondary legislation to implement the Strategy needs to be drafted in order to improve the regulatory environment for SMEs via joint consultations among government agencies, business and EU financial institutions, proper market research, and an improved government statistics system.

### 5 Gaps in access to finance and financial infrastructure

Ukraine's comprehensive program for financial sector development through 2020 was updated in 2017. The program includes capital market reform and a list of EU legislation that must be implemented under the AA. Financial sector reform has been taking place without the Ukraine's involvement in planned pilot programs.

The Law "On amendments to certain laws of Ukraine to establish and operate a credit register at the National Bank of Ukraine (NBU) and improve credit risk management at banks" was adopted in 2018. Since April 1, 2018, all banks are required to provide information for the NBU credit register, whose intermediaries can be found on the NBU website.

The 2017 SME Development Strategy through 2020 and its implementation plan include setting up and developing alternative sources for SME funding. At this time, the Ministry of Economic Development and Trade (MEDT) and the German-Ukrainian Fund (GUF) are focusing on establishing partial loan guarantees.

Phase II of the SME Financing Facility was designed for 2016-2030 with a budget of €15.4 million to stimulate lending to SMEs in hryvnia. In September 2017, GUF signed a UAH 110mn agreement with ProCreditBank to finance SME sub-projects in hryvnia.

**Special attention:** The main challenges are alternative sources of funding for SMEs and providing incentives for loans in hryvnia. Some steps have been taken in this direction at the institutional level, but they are insufficient at the practical level and SMEs need to be more aware of these opportunities. The SME Financing Facility-Phase II could use EBRD, EIB and KfW support in strengthening it through maximum transparency.

### 6 New job opportunities at local and regional level

The Mayors for Economic Growth initiative gained more than 100 participants after agreements were signed with 20 Ukrainian municipalities in 2018. Workshops were held to train people in how to draw up local economic development plans and 6 projects were selected from among 164 regional applications for further support.

The process of decentralization is moving along, but not effectively coordinated with the strategy for public administration reform, to which it is clearly connected. The concept for reforming local government and territorial administration in Ukraine was approved in 2014 and scheduled for implementation over 2014-2017. Regional development projects are being implemented with funding from the State Regional Development Fund, which was set up under the 2015 Law "On the Principles of State Regional Policy." Local stakeholders are being involved through Regional Commissions to evaluate and select competing investment programs and projects that the Fund is prepared to fund. Odesa, Kharkiv and Zaporizhzhia Oblasts were selected as pilot participants in the Smart Specialization Platform, which the EC's Joint Research Center is helping to develop.

A Comprehensive Strategy for Agricultural and Rural Development for 2015-2020 has been drafted. The 2017 Concept for Farmers and Agricultural Cooperatives for 2018-2020 provides some incentives for farmers' groups.

**Special attention:** Ukraine has 2,069 agricultural cooperatives today, and the Concept plans to increase their number by only 40-50. A new EU initiative to support this process would help very much by providing regional training and practice centers to develop multifunctional co-ops.

### 7 Harmonization of digital markets

Ukraine has started the process of harmonizing pricing and reducing roaming charges among partner countries. The Law "On electronic trust services," which is based on the European rules of eIDAS-regulation, comes into force in November 2018. After the Law "On the basic principles of cybersecurity" came into force, a CERT-UA team was set up to provide cyber emergency responses.

The EU has conducted a study of the situation in all EaP countries of the establishment of harmonized e-commerce, electronic logistics and e-health systems, with propositions for setting up national road maps for the harmonization of the relevant regional systems.

MEDT has set up a Coordinating Council for the development of the digital economy and society.

Digital innovation ecosystems in EaP countries have been studied and a map of its participants' roles drawn up.

The eHealth digital service infrastructure has been put into operation.

**Special attention:** The lack of a coherent strategic approach to formulating policies for harmonizing digital markets with the EU and the EaP region is Ukraine's biggest challenge at the moment. In cooperation with partners from the EU and EaP countries, the responsible agencies should develop and approve agreed national strategies and road maps in all major relevant areas.

In 2017, exports of goods to the EU jumped 30%, which is more than twice the rate of Ukraine's export growth to other countries. According to Ukrstat, the value of these exports was US \$17.5 billion, which is the highest since 2012. This growth was mainly due to real exports measured in constant prices. The EU share of Ukraine's exports of goods was 42%. Meanwhile, imports of goods from the EU grew 21% in 2017, which was slower than overall import growth.

Alongside growing trade with the EU, trade with EaP countries also increased. In 2017, the exports of goods to the five other countries in the Partnership jumped 29%, while imports jumped 30%.

In December 2017, Ukraine's Export Strategy was approved and defines the key components of the national trade policy. It also reinforces Ukraine's commitments under the EU Association Agreement. Ukraine's Top 20 markets as identified in the Strategy include the EU and three EaP countries: Belarus, Georgia and Moldova. In 2016, the Export Promotion Office began operations to help Ukrainian business enter foreign markets.

**Special attention:** Ukrainian legislation and business practices continue to be brought in line with EU product safety standards, which is one key to lowering trade costs. For the further growth of trade, stronger EU support is needed for food and product safety, especially technical assistance.

The Unified State Register of Declarations from state and local government officials is fully operational, with three waves of declarations registered, covering more than 1 million civil servants. National Agency on Corruption Prevention (NACP) has so far checked some 600 declarations or 0.06%.

The National Anti-Corruption Bureau of Ukraine (NABU), which is responsible for investigating cases of corruption at the highest level, and the Specialized Anti-Corruption Prosecutor's Office have been set up and are also fully operational. The State Bureau of Investigation (SBI) and the Supreme Anti-Corruption Court (SACC) are in the process of being set up.

Ukraine's Asset Recovery and Management Agency (ARMA), which is responsible finding, tracing and managing assets derived from corruption and other crimes, is fully operational. As of June 2018, more than UAH 188mn, or over €6mn, has been recovered from seized property.

Ukraine's Register of Beneficial Owners has been synchronized with the country's global open register but there is currently no system for verifying data in the register or a specialized body responsible for financial investigations.

**Special attention:** In anti-corruption efforts, the key challenge for Ukraine is the lack of a system of automated verification of e-declarations automatic verification in a unified register of individuals authorized to carry out public functions. The setting up of the Supreme Anti-Corruption Court needs to be speeded up.

Even fully launched, the NACP is not showing serious results, because of partisanship and a lack of good professionals, so it should probably be restarted.

As of September 1, 2018, Ukraine had made significant progress in passing necessary legislation. The VR Coalition Agreement for the 7th convocation, the Government Action Plan, and the Strategy for Judicial Reform were all adopted. In 2016, amendments were made to constitutional provisions regarding justice, 1401-VIII, to depoliticize the career of a judge, and increase the independence and accountability of judges. A package of other bills was passed to establish a new Supreme Court, 1402-VIII, and the Anti-Corruption Court, 2447-VIII, as new institutions, to re-certify all judges in Ukraine, and to increase transparency and transparency in the judiciary.

However, the procedures established in these laws did not bring the desired results. In the 2017 Rule of Law Index, Ukraine went up just one position, gaining only 0.01 points over 2016. Less than 1% of Ukrainians polled in 2018 consider judiciary reform fully successful, mainly because the composition of the judiciary bodies that were entrusted with implementing reform. So, there continue to be many dishonest, beholden judges, and trust in the courts remains at a critically low level—8%, according to the International Republican Institute (IRI).

**Special attention:** The rule that states that the majority of judges should be elected by other judges in Ukraine's judiciary councils only leads to the preservation of the perennial problems facing the court system: corruption and political links. To overcome these problems, a substantial change is needed in the composition of judiciary oversight and administration bodies, to include 50% or more of members of civil society, which Ukrainians tend to trust.

The Government approved its Strategy for Public Administration Reform (SPAR) for 2016-2020 and a Strategy for Public Finance Management System Reform for 2017-2020 (SPFMSR). The new 2016 Law “On the civil service” provided the institutional and legal foundations for a professional civil service, and introduced competitions for appointments to key positions.

In 2018, SIGMA evaluated public administration in Ukraine for compliance with the Principles of Public Administration based on the benchmarks applied to EU candidate countries and noted significant progress in reforming some areas of public administration. The Cabinet of Ministers began updating SPAR.

Significant positive changes have taken place with access to public information. In the Global Open Data Index, Ukraine jumped from 54th place in 2015 to 31st in 2017. The Government adopted a Concept for Developing the Electronic Services System and a Concept for Developing a Digital Economy and Society in Ukraine for 2018-2020.

The Prozorro public procurement system has been working since 2015. The disclosure of public data as part of public procurement reform has visibly reduced the level of corruption.

**Special attention:** While reviewing SPAR, the Cabinet should focus on calculating the financial resources necessary to implement this reform. A new pay scale system for civil servants still needs to be developed, the reform of ministry structures needs to be completed, and the civil service promotion system needs to be improved. To ensure that citizens’ rights in their interaction with the state authorities are consistently guaranteed, a basic law on administrative procedures needs to be developed and adopted. A medium-term fiscal strategy is also needed to manage the budget process.

The 2018 Law “On the national security” established integration into the European security region as a goal for Ukraine.

The war against organized crime was strengthened through the 2016 agreements on cooperation with EuroJust and on operational and strategic cooperation with Europol, which led to the appointment of a communications officer to Europol, EUAM operations in Ukraine, the development of SOCTA methodology, and cooperation with Moneyval and OLAF.

In 2017, Ukraine joined the Protocol amending the European Agreement concerning International Carriage of Dangerous Goods and the Instructions on Risk Analysis by Road and State Border Service, which include risk indicators.

The annual implementation plans for Ukraine’s 2016 Cybersecurity Strategy and the 2017 Law “On the basic principles of cybersecurity” were approved. The National Cybersecurity Coordination Center under the National Security Council was set up in 2016, while the Cyberpolice Department under the National Police was set up in 2015. SSU and CERT-UA cybersecurity units are fully operational at the State Communications Service. Ukraine plans to join the formation of EU battle groups in 2018 and 2019.

With the assistance of the EUAM, national academies of the SSU, SBGSU and Ministry of Internal Affairs are adapting provisions in the Common Security and Defense Policy (CSDP) and Common Foreign and Security Policy (CFSP) for inclusion in their curricula.

Since 2016, a disaster risk assessment working group has been set up under the EU “Program for Prevention, Preparedness and Response to Man-Made Disasters and Natural Disasters for Eastern Partnership Countries” (DRA PPRD EAST-2) to work with the State Emergency Service.

**Special attention:** A nationwide system for combating illegal arms trafficking and cooperating regularly with other EaP countries is very much needed. The process of approving an operational action plan to disseminate intelligence on illegal arms trafficking needs to be speeded up. Ukraine also needs to set up a clear system for protecting critical infrastructure and that means getting the relevant bill passed. The country still has not joined the EU Civil Protection Mechanism.

In November 2017, Ukraine and the EU signed an agreement to extend indicative maps of the TEN-T European transport network to Ukraine through the Mediterranean and the Rhine-Danube corridors. Ukraine has already joined two international projects under TEN-T: the Gdansk-Odesa GO-HIGHWAY and the Via Carpatia through the Carpathians.

Ukraine and Moldova signed an agreement to liberalize air services.

Ukraine has adopted a number of key documents related to road safety: the State Program and Strategy to Improve the Level of Road Safety in Ukraine through 2020, which aims to reduce roadway injuries and deaths by 30%, and the Action Plan to implement the Strategy. The Road Fund for infrastructure and road safety projects launched operations. Amendments to road safety regulations have been approved.

In 2018, the World Bank prepared an Investment Infrastructure Development Plan for Ukraine and other EaP countries, identifying Rapid Results projects and long-term projects, and noting the main obstacles to their implementation.

**Special attention:** For Ukraine, the main challenges are drawing up and carrying out the priority projects of the TEN-T network extension. Ukraine has a low utilization rate with funding and loans from IFIs, so it needs to focus on better preparation of projects, including feasibility studies and detailed engineering, and better implementation. In addition, efforts are needed to attract private capital and get the Road Fund working properly.

In 2018, the EU4Energy national action plan was agreed to continue energy reforms and build partnerships with EaP member countries that do not belong to the Energy Community. In July 2018, Ukraine and the EU began talks with the Russian Federation on the conditions for continuing gas transit after 2019.

In April 2018, Gaz-System, a Polish company and Ukrtransgaz began studying the economic feasibility of a connecting pipeline to get it approved as a project of common interest at the next meeting of Energy Community countries.

In 2018, the TANAP gas pipeline project in Turkey was launched and the Caspian Declaration on the principles for sharing the Caspian Sea was signed, together signaling certain progress in implementing the Southern Gas Corridor to the EU.

**Special attention:** Ukraine and the EU need to have a common position in negotiations with the Russian Federation, based on the requirement to apply EU legislation throughout the Energy Community. The EU needs to prepare for more political and economic sanctions against Russia for violations, including the refusal to import fuels, and to sign a treaty with NATO on the joint protection of critical infrastructure, including in EaP countries.

## 15 Enhance energy efficiency and the use of renewable energy; reduce Greenhouse Gas emissions

As of September 2018, Covenant of Mayors sees total of 226 signed municipalities from Ukraine, of which 45 are suspended. With 88 SECAPs developed, only 67 are approved by the EC. Of this number, 72 set obligations until 2020 and 10 – until 2030. Notably, none of the SECAPs has been reviewed by the local council in 2018 (with 17 in 2016 and 21 in 2017). Thus, the commitment is performed for little more than 50% with a negative outlook. Analysis of SECAPs suggest numerous flaws and only moderate quality.

Institutionalized state and foreign donors financed scheme for energy efficiency measures in Ukraine is set to substitute critically underfinanced “warm loans” program. Much behind schedule and supervised on all stages of development by to-be donors, Energy Efficiency Fund received commitment of financing of EUR 50 million in March 2018. The Fund’s cause and promised aid mobilized stakeholders to allocate equal amount from State budget and speed up development of by-laws.

**Special attention:** Both commitments would benefit from more synergetic efforts in creation of specific framework in energy efficiency sphere and stronger political will for faster changes. For SECAPs it is dedicated energy management systems introduced on the local levels, wider promotion campaign and methodological assistance from the government, for EEF it is completed system of energy certification and ensured transparency of money allocation.

## 16 Environment and adaptation to climate change

Water management system reform continues, including the preparation of Water agency reform and draft water strategy project. The regulatory and methodological basis for river basin management plans preparation and basin councils establishment have been developed and approved, and draft management plans have been drawn up for four river basins (Tisza, Pivdenny Bug, Prut and Upper Dnipro). The Government approved the 2016 Concept for state climate change policy through 2030, and its 2017 implementation plan. In 2018, a Low Carbon Development Strategy for Ukraine through 2050 has been drafted and approved.

The action plan includes adopting of a Climate Change Adaptation Strategy in 2020 and some adaptation measures of individual economic sectors in 2019. The 2017 Law “On environmental impact assessment” and the 2018 Law “On strategic environmental assessment” have been passed and implementation has begun. The Procedure for Maintaining the Single EIA Registry and Procedure for Public Hearings in the Process of EIA, and so on, have been adopted. An open registry of projects undergoing EIA has been set up and is regularly updated.

**Special attention:** The lack of systematic measures aimed at halting illegal logging is a major concern. This problem is related to an artificial prohibition of environmental inspections in forests, including those belonging to Nature Reserves. These bans are set by the State Regulatory Service, demonstrating that deregulation continues to be implemented at the expense of the environment.

## MOBILITY AND PEOPLE-TO-PEOPLE CONTACTS

### 17 Visa liberalization and mobility partnerships

On June 11, 2018, Ukraine celebrated the first anniversary of the visa-free regime with the EU and Schengen countries. Some 5 million biometric passports were issued to Ukrainians during the year and nearly a million Ukrainian citizens benefited from visa-free travel. The flow of travelers was up almost 14% over the previous year. The majority of Ukrainians adheres to EU migration laws.

In its first report on the visa-free mechanism suspension, the European Commission reaffirmed that Ukraine met the necessary criteria, but noted the need to increase the fight against corruption and prevent unregulated migration.

Ukraine has a new Strategy for State Migration Policy through 2025, reflecting all migration needs and trends. The EU-Ukraine Action Plan on Justice, Freedom and Security was updated and presented during the July 2018 Ukraine-EU Summit. Cooperation with Frontex in integrated border management continues, together with some technical assistance projects and operational cooperation.

**Special attention:** Ukraine must continue to meet visa liberalization criteria and to establish a strategic perspective, such as a Road Map or Action Plan, to move the country closer to Schengen standards by recognizing Schengen visas and possibly recognizing visas from EaP+ countries, implementing Integrated Border Management, strengthening lateral cooperation between internal affairs agencies in Ukraine and the EU, and integrating data processing and exchange systems. Ukraine should also continue informing its citizens about the correct use of the visa-free regime with the EU.

### 18 Youth, education, skill development, and culture

As of September 2018, Ukraine leads in the number of capacity-building applications and funded projects at post-secondary educational institutions. Over 2015-2018, 201 Ukrainian candidates were supported for Step-by-Step Mobility, 187 of them with Masters’ degrees. More recently, the number of applications and programs has been declining.

In Horizon 2020, Ukraine has higher results than other themes. Ukrainian organizations participate in 47 Marie Skłodowska-Curie Actions (MSCA) projects, which is about 50% of the Horizon 2020 projects in Ukraine, and 42% of funding. In one of the projects, the Ukrainian organization is a coordinator.

The Ukrainian Government has no general programs or strategies for youth employment, the only initiative from the Ministry of Youth and Sport being Pact for Youth in Ukraine 2020. At this time, a National Action Plan called Youth of Ukraine 2020 is being developed that has made support for youth employment one of its priorities.

**Special attention:** Policies for providing and monitoring the quality of higher education in Ukraine need to be thoroughly revised. The 2014 National Agency for Quality Assurance in Higher Education in Ukraine never really started working properly and new procedures require it to be completely redesigned. This means an indefinite delay in the agency’s proper start.

In general, better coordination is needed between national policies and priority EU support programs, including in the arts.

## 19 Eastern Partnership European School

On September 3, 2018, the official opening ceremony for EaP's European School was held in Tbilisi, with European Commissioner for European Neighborhood Policy and the Negotiation of Enlargement Johannes Hahn and Georgian Prime Minister Mamuka Bakhtadze presiding. In the current academic year, 30 young people from EaP countries, including Ukraine, came to study at this school.

**Special attention:** Multicultural summer and winter schools for schoolchildren at the EaP's European school, which would help to build an informal network of pupils from regions of interest.

In addition to youth of school and student age, this educational institution could focus on special courses for civil servants and representatives of local governments, which would help them to become more familiar with public administration and best practice in decentralization in the region. Some specialized courses based on specific themes could also be offered to other target groups, for example, such as civil society.

## 20 Research and innovation

In the new EU4Innovation initiative, the EU plans to achieve synergy of results with several projects and programs, and the implementation process is moving along. Ukraine, Armenia, Georgia and Moldova have become full associate members of the Horizon 2020 program.

Altogether, the number of Horizon 2020 projects with Ukrainian organizations participating has increased: the latest data show that 97 Ukrainian such organizations received funding worth €17.88mn for 98 projects.

In July 2018, the Joint Ukraine–Euratom Committee met for the first time.

The EaP+ project has supported two partnerships between two Ukrainian clusters and two European ones.

The road map for Ukraine's integration into the European Research Area has been drawn up and approved by order of the Ministry of Science and Education.

**Special attention:** Real progress in the implementation of recommendations from a 2016 audit of Ukraine's research and innovation system conducted as a part of the Horizon 2020 peer-review instrument needs to be evaluated.

A joint forum with the representatives of EU agencies could analyze and discuss real progress in the integration of the Ukrainian system of research and innovation with the EU, especially in terms of its readiness for the new Horizon Europe program.

## ABBREVIATIONS

AA – EU-Ukraine Association Agreement

ARMA - (Asset Recovery and Management Agency) National Agency of Ukraine for finding, tracing and management of assets derived from corruption and other crimes

CEDAW - Convention on the Elimination of all Forms of Discrimination Against Women

CERT – Computer Emergency Response Team

CFSP – Common Foreign and Security Policy

CSDP – Common Security and Defense Policy

CSO – civil society organization

DRA PPRD EAST-2 - Program for Prevention, Preparedness and Response to Man-Made Disasters and Natural Disasters for Eastern Partnership Countries

DCFTA – Deep and Comprehensive Free Trade Area

EaP - Eastern Partnership

EaP CSF – Eastern Partnership Civil Society Forum

EBRD - European Bank for Reconstruction and Development

EEAS - European External Action Service

EEF - Energy Efficiency Fund

EIB - European Investment Bank

ENI - European Neighborhood Instrument

EUAM - European Union Advisory Mission Ukraine

IFIs – international financial institutions

MEDT - Ministry of Economic Development and Trade

MSCA - Marie Skłodowska-Curie actions

NABU – National Anticorruption Bureau of Ukraine

NACP – National Agency on Corruption Prevention

NBU - National Bank of Ukraine

NGO – non-governmental organization

OLAF - European Anti-Fraud Office

PAR – Public Administration Reform

SACC - Supreme Anti-Corruption Court

SBGSU - State Border Guard Service of Ukraine

SEA – Strategic Environmental Assessment

SECAP - Sustainable Energy and Climate Action Plan

SPAR- Strategy for Public Administration Reform for 2016- 2020

SMEs – small and medium-sized enterprises

SOCTA - Serious and Organised Crime Threat Assessment

SPFMSR - Strategy for Public Finance Management System Reform for 2017-2020

SSU - Security Service of Ukraine

TEN-T – Trans-European Transport Network

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INTERNATIONAL  
RENAISSANCE  
FOUNDATION

## The International Renaissance Foundation

The International Renaissance Foundation is one of the largest charitable foundations in Ukraine. Since 1990 it has been helping to develop an open society based on democratic values in Ukraine. During its activity, the Foundation has supported about 20 thousand projects, to which more than 60 thousand activists and organizations of Ukraine have joined. The funding amounted to over \$ 200 million.

[www.irf.ua](http://www.irf.ua)  
[www.fb.com/irf.ukraine](https://www.facebook.com/irf.ukraine)



Civic  
Synergy

## Civic Synergy Project

The Civic Synergy Project is aimed at strengthening public participation in the implementation of European integration reforms in Ukraine, through capacity-building and boosting of activities of the Ukrainian Side of the EU-Ukraine Civil Society Platform (US CSP) and the Ukrainian National Platform of the Eastern Partnership Civil Society Forum (EaP CSF UNP). The project is funded by the European Union and the International Renaissance Foundation and implemented by IRF's European Program Initiative.

[www.civic-synergy.org.ua](http://www.civic-synergy.org.ua)  
<https://www.facebook.com/CivicSynergy>

## Ukrainian National Platform of the Eastern Partnership Civil Society Forum



The Ukrainian National Platform of the Eastern Partnership Civil Society Forum (UNP) is a network of over 200 Ukrainian civil society organizations (CSOs) that aims at advocating Ukrainian interests within the framework of the Eastern Partnership initiative. The Platform, established in 2011, is a part of the Eastern Partnership Civil Society Forum.

<http://eap-csf.org.ua>  
<https://www.facebook.com/groups/EaPukr/>

## The Foreign Policy Council “Ukrainian Prism”



The Foreign Policy Council “Ukrainian Prism” is a network-based non-governmental think tank specializing in foreign policy and international security research. The goal of “Ukrainian Prism” is to enhance expert community participation in a decision-making process in the spheres of foreign policy, international relations, public diplomacy.

<http://prismua.org>  
<https://www.facebook.com/PrismUA/>

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