Euroscope

Digest 2/2023: Monitoring and Assessment of the EU-Ukraine AA implementation and EU *acquis* alignment progress, February - March

Executive Summary

The EU-Ukraine Association Agreement (AA) implementation has **intensified** across all state institutions since June 17, 2022, when the European Commission recommended that the European Council grants Ukraine candidate status for accession to the EU. Yet, there is a **lack of coherence**, common vision, and effective strategy: a <u>statement</u> made by the Prime Minister of Ukraine, Denys Shmyhal on March 6, 2023, suggested that with the appointment of NABU director Ukraine had fulfilled all **seven recommendations** of the EU. The next day, the Deputy Prime Minister for European Integration Olha Stefanishyna <u>wrote</u> that the first evaluation of the European Commission will be presented in May: by then, Kyiv should implement most of them. The challenges of Constitutional Court judges' appointment, the <u>consistency of the anti-oligarch law</u> (opinion is expected in June in the case of Ukraine), and the national minorities' law implementation **remain incomplete**.

The EU acquis synchronization in Ukraine will undergo an internal audit by all government authorities by the end of June 2023. The ministries and central executive bodies must submit reports to the Government with specific proposals for the approximation of the sectoral legislation with the EU acquis by the end of August 2023. The public statement of February 28, 2023, by the Cabinet of Ministers potentially limits Ukraine's civil society in legal terms to formally inquire and receive any current status of the EU acquis alignment in development or already completed by the government authorities before the audit and proposal terms are due.

The potential challenges to good governance and democratic standards will remain the priority focus of the Ukrainian civil society, which will be further monitoring Ukrainian Government's commitment to transparency, accountability, and inclusivity. The chart below reflects negative, neutral, or positive trends per area of the EU *acquis* Chapter and the number of new approximating Parliamentary or Government legislative documents assessed during March - February 2023.

Approximation trends by Area - Number of reviews in this digest

Negative	Neutral	Positive
Agriculture - 1	Social Policy - 6	Media - 1
Food Safety - 2	Fundamental Rights - 2	Energy - 3
Environment - 5	Health Protection - 2	Fisheries - 3
		Education - 1

Introduction

Ukraine became an EU candidate member state in June 2022 while fighting for its freedom and independence against russian terrorist state. Both the newly obtained status and current difficult circumstances pose challenges and impose additional commitments on Ukraine.

Ukraine must align its legislation with all EU *acquis* which stretches far beyond the EU-Ukraine Association Agreement (AA). The candidate status also requires Ukraine to follow the recent EU legislative developments to be up-to-date for obtaining EU membership. Furthermore, Ukraine needs to consider the security situation, the all-encompassing EU Green Deal and international climate commitments when rebuilding Ukraine back better.

Energy

Chapter 15 of the EU acquis

The need to address the new challenges caused by russia's war against Ukraine has sped up some reforms, such as synchronization with ENTSO-E, implementation of energy efficiency measures, and, among others, the development of hydrogen strategies. At the same time, there has been a rollback in other energy-related areas, such as price regulation of the gas market and price caps on electricity.

Ukraine must continue the implementation of the Third Energy Package, particularly adopting the <u>draft law</u> "On Amendments to Certain Laws of Ukraine Regarding the Prevention of Abuses in Wholesale Energy Markets" to implement the <u>EU REMIT Regulation</u>.

Ukrainian natural gas market is severely affected by monthly volume imbalances in the gas transportation system. It is caused by substantial differences between demand forecasting and actual consumption. The reason for this is an outdated forecasting system that uses consumption coefficients which do not take into account the modern development of household appliances. The system also makes significant errors due to the poor quality of data provided by the meteorological services. To address this issue, Ukraine needs to introduce more modern approaches to forecasting, in particular, to make the transition to an annual consumption balancing with equal monthly payments. It should also transfer the functions of collecting information about consumption to a single data hub and digitalize data processes to minimize the impact of the human factor. However, as of now there is no draft law to address this problem, even though the gas market participants have been calling attention to this issue for several years already.

In the post-war development, making the economy less energy intensive through the modernization of technologies and processes should be the top priority of the energy policy.

The Parliament of Ukraine has adopted the following laws:

The <u>Law of Ukraine</u> "On the Joint-stock Company "National Atomic Energy Generating Company "Energoatom" passed by the Ukrainian Parliament on February 6, 2023, has yet to be signed by the President. It opens the way to the corporatization of this critical state enterprise and helps establish good corporate governance in line with the AA through the creation of an independent supervisory board and the elimination of external influence on the company's activities.

The Law of Ukraine "On Amendments to Certain Legislative Acts of Ukraine Regarding the Certification of Gas Storage Operators and Continuation of Measures to Prevent the Bankruptcy of the State Joint-Stock Company "Chornomornaftogaz" provides grounds for the certification of the gas storage operator. It should create additional opportunities for cooperation between Ukraine and the EU, and ensure the gas market's safe functioning, including forming gas reserves for the next heating seasons. The certification will also clarify the structure of gas storage owners and prevent any possible influence of the russian factor on their operations. The functioning of the "Chornomornaftogaz" is necessary, taking into account its connection to hydrocarbon extraction projects in the Black and Azov Seas and Crimea.

The <u>Law of Ukraine</u> "On the Development of Electric Charging Infrastructure and Electric Vehicles" provides that by 2027, in cities with a population of more than 250,000 people, the number of electric buses in the fleet should be at least 25%, and at least 50% by 2030. It also obliges all public authorities and enterprises to create all necessary capacities and recharging stations for electric vehicles by December 31, 2024. The number of recharging stations for electric vehicles will be stimulated through cheaper connections to power grids — until January 1, 2025. The recharging stations will pay for connecting to power grids only in the amount of costs for constructing the linear part of the connection to the grid, separate commercial electricity accounting is also provided for them.

The draft laws under consideration by the Parliament of Ukraine

The <u>Draft Law</u> "On Amendments to Certain Laws of Ukraine Regarding the Improvement of the Conditions for Supporting the Generation of Electricity from Alternative Energy Sources by Consumers' Generating Installations" proposes to introduce a new support model (net billing) to replace the "green" tariff for consumers. Net billing will stimulate balancing production and own consumption of electricity and minimize additional financial costs for the state and/or other consumers.

The <u>Draft Law</u> "On Amendments to Certain Laws of Ukraine Regarding the Introduction of the Register of Issuance, Use, and Termination of Guarantees of Origin of Electricity Produced from Renewable Energy Sources" aims at creating an effective mechanism for the issuance, use, and termination of guarantees of origin of electricity produced from renewables. The National Regulator will issue guarantees of the origin of electric energy from renewables.

The <u>Draft Law</u> "On Amendments to Certain Laws of Ukraine on Prevention of Abuse in Wholesale Energy Markets" aims to promote the transparency of wholesale electricity and natural gas markets in Ukraine. Ukraine was obliged to implement an adapted version of the Regulation on Wholesale Energy Market Integrity and Transparency (<u>REMIT</u>) as a signatory country of the Treaty on the Establishment of the Energy Community. Currently, the status of a candidate country imposes commitments to implement the full version, which requires additional discussions and finalization of the said draft law for its further voting in the Parliament of Ukraine.

The <u>Draft Resolution</u> "On the Development of Hydrogen Energy to Ensure the Economic And Energy Security of Ukraine" provides a legal basis for developing hydrogen energy in Ukraine and regulates the production and use of hydrogen for national needs and EU exports.

The National Regulator has adopted the following resolution:

The Resolution "On Amending Resolution No. 332 of the NERC dated February 25, 2022" establishes the electricity market rules applying in case of an emergency. However, the electricity suppliers at unregulated prices have criticized the Resolution for causing significant financial losses for them. There are also concerns about the return of advance payments in case a state of emergency is introduced. The Energy Community Secretariat recommended reviewing its certain provisions to ensure compliance with the Emergency and Restoration Network Code (ER NC). The creation of one balancing group under the Transmission System Operator along with establishing regulated prices for imbalances could solve this problem.

The Government of Ukraine has adopted the following legal acts:

The <u>Draft Resolution</u> "On Approving the Procedures for Decommissioning, Conservation and Deconservation of Oil and Gas Pipelines, and Their Processing Products" aims to create the necessary mechanisms to deal with the infrastructure that is not in use. This resolution might be necessary for optimizing the use of main pipelines because of the reduction in hydrocarbon transportation due to the full-scale russian war against Ukraine. However, it needs further attention from the public to minimize the potential for abuse and theft of the relevant property.

The <u>Resolution</u> of the Cabinet of Ministers No. 1 of January 3, 2023 guarantees the electricity supply to consumers who import electricity. In particular, the planned cut-offs should not be applied to them, provided that the volume of such imports is not less than in September 2022. The implementation of this resolution will depend on the physical condition of the electricity transmission and distribution networks.

The <u>Draft joint work program</u> between the Government of Ukraine and the International Energy Agency (IEA) for 2023-2024 will create the basis for involvement, with the support of IEA, of high-quality expertise, the best global practices, and widespread introduction of the latest technologies for reconstructing Ukraine's energy system. IEA will also assist the Ministry of Energy of Ukraine in developing the Energy Strategy until 2050, and the Government of Ukraine in assessing the existing basis of investments in the energy system and developing recommendations for their improvement.

Environment (Climate Change)

Chapter 27 of the EU acquis

The war has shifted Ukraine's priorities and put the environmental policy and climate objectives on the back burner. Nevertheless, military activities continue causing environmental damage by injecting harmful metals into land, water, and air. Ukraine needs to keep its focus on preserving the environment to obtain EU membership, ensure global food security and provide a clean environment for every Ukrainian.

Ukraine's previously <u>announced</u> climate objective is to become climate neutral by 2060, in contrast to the EU's plan of having net-zero emissions by 2050. Therefore, Ukraine needs to update the objectives set in its Energy Strategy set until 2035. Additionally, the forthcoming Energy Strategy till 2050 needs not only to align with the EU Green Deal policy framework but also to have a

well-developed action plan aimed at its implementation, considering the challenges posed by the war. Furthermore, civil society should be actively involved in this process.

Ukraine needs to be ahead of the curve and consider new European legislative trends in order to be up-to-date for obtaining EU membership, which also envisages applying the best practices and green technologies in the post-war rebuilding of Ukraine.

The draft law adopted by the Parliament of Ukraine:

The Law of Ukraine "On Improving Legislation in the Field of Subsoil Use," which introduces simplified permitted procedures and creates a unified state information system on subsoil use. Businesses will submit documents online to obtain permits and report on work through e-cabinet. The Code of Ukraine on Subsoil will regulate all the procedures regarding subsoil use. The Law also secures the right to assess reserves according to international standards. Furthermore, it bans the use of Ukrainian subsoil for citizens and residents of the aggressor country, persons under sanctions, and companies in which russians have a significant share. Last but not least, it combats illegal mining and solves the problem of "dormant licenses."

<u>The draft laws recommended to be taken as a basis for the second reading at the Parliament of Ukraine:</u>

The <u>Draft Law</u> "On Limiting the Production and Circulation of Single-use Plastic Products on the Territory of Ukraine" aims at the implementation of the <u>EU Single-use Plastic Directive</u>. This includes limiting the production, import and introduction into circulation and distribution of certain types of single-use plastic products and oxo-degradable plastic products on the territory of Ukraine. It also contains the requirements for labeling certain types of plastics and determining the types of products for which such labeling is mandatory. Furthermore, it introduces state market supervision and control of single-use plastic products.

According to the <u>Opinion on European integration</u> prepared by Ukraine's Parliament Committee on European Integration (hereafter "Opinion on European integration"), the definition of "biodegradable plastic products" and requirements for labeling single-use plastic products needs to be better aligned with the provisions of the Directive. It also requires the proper implementation of several other Directive provisions, such as the provisions of Article 6 stipulating requirements for single-use plastic products, which have caps and lids made of plastic, listed in Part C of the Annex to the Directive; the provisions of Article 8 regarding the extended liability of the manufacturer; the provisions of Article 9 regarding separate collection; provisions of Article 10 on taking measures to increase consumer awareness of single-use plastic products listed in Part G of the Annex to the Directive. Therefore, the draft law needs to be revised to fully comply with the provisions of the <u>EU Single-use Plastic Directive</u>.

The <u>Draft Law</u> "On Amendments to Certain Laws of Ukraine on Human Protection from Ionizing Radiation" was developed to implement <u>EU Directive 2013/59/Euratom</u>. The draft law clarifies the powers of the Cabinet of Ministers of Ukraine, central and local executive bodies, and the National Commission for Radiation Protection of the Population. It also introduces three exposure situations

(planned, existing and emergency) and establishes the limit doses in situations of planned exposure for personnel and the population, etc.

According to the <u>Opinion on European Integration</u>, the draft law requires aligning the limit of the effective dose of professional exposure with <u>EU Directive 2013/59/Euratom</u>. Also, it needs to fully take into consideration the practices related to the deliberate exposure of people as a result of non-medical imaging exposure (Article 22); detection of the orphan sources, as well as their recovery, management, control, disposal, etc. (Articles 92, 94, 95), creating systems for detecting presence of radioactive contamination in metal products (Article 93); development and implementation of a strategy for managing existing exposure situations (Articles 101, 102).

The Draft Law needs to be revised to fully comply with <u>EU Directive 2013/59/Euratom</u> provisions. Also, its further consideration at the Parliament of Ukraine should be postponed until receiving the relevant opinion of the European Commission on its compliance with EU *acquis*.

The <u>Draft Law</u> "On Ensuring the Constitutional Rights of Citizens to Environment that is Safe for Life and Health" aims to introduce integrated approaches to controlling industrial pollution based on the best available technologies and management methods in accordance with the <u>EU Directive on Industrial Emissions</u> (2010/75/EU).

According to the <u>Opinion on European Integration</u>, the Draft Law partly complies with Article 25 "Access to Justice", because the Article 27 of the Draft Law does not have any provisions guaranteeing access to justice specifically for the "interested public". Additionally, the Draft Law needs to meet the requirements of Article 33 "Limited Life Time Derogation" of the Directive. Article 33 allows derogation rather as an exception for combination plants, and it does not apply to other activities listed in Annex I to the Directive.

The draft law mostly complies with the Directive's provisions; however, it is necessary to take into consideration the above-mentioned recommendations. Furthermore, in April 2022, the European Commission published proposals for the <u>revision of the Directive On Industrial Emissions</u>. Therefore, it is important not only to implement the EU legislation in force but also to consider new legislative developments so that Ukraine can be up-to-date with new trends and requirements for EU membership.

The <u>Draft Law</u> "On Amendments to the Law of Ukraine "On Environmental Impact Assessment" will simplify the environmental impact assessment (EIA) procedures, in particular, the format of providing comments and proposals by the civil society, according to its <u>Explanatory Note</u>. However, more than 40 NGOs are concerned about restricting their rights to engage in EIA and <u>addressed</u> the Government, the Ministry of Environmental Protection and Natural Resources, and Members of Parliament asking to amend the proposed changes. The main concerns are about the shortening period for the EIA public discussions from 20 to 12 working days, changing the ways of informing the public about EIA and providing access to EIA reports, as well as introducing the novelty of conducting public hearings only if ten persons have registered for the participation.

Additionally, the Parliament of Ukraine has developed two draft laws regulating groundwater extraction. It intends to introduce <u>licensing</u> for drilling and use of wells for groundwater extraction and <u>administrative liability</u> for illegal groundwater extraction. The draft law lacks any requirements for issuing the license or legal grounds for refusing the license. It also does not stipulate any conditions to the licensee. The absence of explicit provisions might cause corruption risks.

Information Society And Media

Chapter 10 of the EU acquis

Public officials and media managers in Ukraine had to cope with new challenges after the full-scale attack of russia. Most of the challenges were solved successfully, according to assessments of the European Commission. In its Opinion on Ukraine's application for membership, it summed up that "Ukraine has found an overall good balance between the preservation of media freedom and measures against pervasive russian hybrid and massive disinformation attacks, being multiplied by some local media outlets."

While Ukraine fell in the Reporters Without Borders' <u>press freedom index</u> in 2022, according to the <u>country's fact-file</u>, this is mostly due to the practical problems of operating under wartime conditions. At the same time, the European Commission highly evaluated Ukraine's performance in the field of "Digital transformation and media" (3 points out of 5). This field includes such components as e-commerce and the provision of electronic and audio-visual services.

Harmonization of legislation

The harmonization of audiovisual legislation with the EU *acquis* was one of the European Commission's <u>7 recommendations on the candidate status</u> for EU membership that Ukraine received in June 2022. The final version of the <u>Law on Media</u> was adopted at the end of December 2022. The law introduced the regulation for online media, simplified the identification of the real owners of the media, introduced the joint regulation between the media regulator and the media representatives, and detailed and increased the powers of the official media regulator.

The EU's recommendation for media had to be met by adopting the above-mentioned law on media. However, the law is criticized by some representatives of the media community and experts, including the <u>European Federation of Journalists</u> and the <u>Committee to Protect Journalists</u>. They claim that expanding the powers of the national <u>media regulator</u> will threaten media freedom unless the full independence of the media regulator is guaranteed. According to Ukrainian legislation, the members of the media regulator are elected by the President of Ukraine (50%) and Ukraine's Parliament (50%). This undermines the institution's independence from the current public authorities. According to the <u>comments of media law experts</u>, in order to change the appointment procedure, the Parliament must amend Ukraine's constitution, which is impossible during the martial law regime.

At the same time, the adoption of the law was <u>supported by Reporters Without Borders</u> (with a suggestion to strengthen the independence of the media regulator) and by a number of influential Ukrainian NGOs. EU officials <u>welcomed progress</u> made in aligning Ukraine's media legislation with the EU acquis on audio-visual media services, but postponed providing an assessment of the law.

Still, the European Commission noted that Ukraine needs to "ensure full independence of the regulator".

The adoption of the law on advertising will be the next step for harmonization of legislation with European one in the field of audiovisual services. For instance, current Ukrainian legislation lacks regulation of advertising in the form of product placement.

Problems and trends

Since the beginning of the full-scale attack on Ukraine, the broadcasting of all major TV channels was organized in the format of a joint information telethon. At first, the telethon was perceived as an inspiring story of the unification of TV channels of different owners to counter massive disinformation and prevent public panic. But today, this format <u>leads rather to a decrease</u> in financial independence of the channels and a significant increase in possibilities for authorities to influence the media.

The closure of official databases and limitation of reporting of the state bodies during martial law seems to be another questionable decision of the Ukrainian government. The European Commission highly evaluated implementation of tools to make public administration more transparent in Ukraine. But most of them are not functioning today. This topic needs more public discussion in Ukraine since not all these restrictions are actually necessary for public security.

Ukraine has shown considerable resilience in countering cybercrimes in wartime conditions. According to Reporters Without Borders, 42 cybercrimes against the media were conducted in Ukraine during the 12 months since the full-scale russian attack on Ukraine, including cyberattacks, threats, and attacks on social network profiles. The European Commission noted that Ukraine's cybersecurity strategy meets European standards.

Ukraine has made significant progress in countering russian disinformation and propaganda, with the help of journalists and the public sector. For instance, at least six media initiatives in Ukraine are engaged in the systematic monitoring of russian propaganda and disinformation. At the same time, Ukraine did not have any legal regulation of social networks until recently.

It is expected that social media and other formats of alternative media will be the main channels for the spread of russian disinformation and propaganda in the near future. This poses threats to the entire world's security, not just in Ukraine. russian Telegram and Chinese TikTok seem to be the most suitable platforms for propaganda and government intervention

Agriculture And Rural Development Food Safety, Veterinary And Phytosanitary Policy Fisheries

EU acquis Chapter 11, 12, 13 (Cluster 5)

In the analysis published by the European Commission on February 1, 2023, the level of preparation of Ukraine in the area of Agriculture and Rural Development is evaluated as "early stage (of preparation)" and corresponds with independent findings.

Food safety, veterinary and phytosanitary policy of Ukraine is "moderately prepared" according to the Commission's report. Yet, the industry experts find the advancements in the area overestimated. At the same time, the implementation of critical areas of veterinary control have been incorrectly assessed in the Commission's Staff Working Document (SWD): the assertion "Ukraine does not have a system to identify and register sheep, goats, pigs and equidae" is contradicting the national expert review and international sources.

The area of Fisheries is at an "early stage of preparation" according to the SWD(2023)-30-Ukraine, but has been evaluated higher by domestic industry experts. Some of the reporting lacks objective reviews of Ukraine's participation in international treaties and the most recent <u>legal advancement</u> in the area of fisheries control and sustainability.

Key Risk Factors Assessed Given The Significant Scope Of The Three Chapters:

- Institutional Turbulence And Non-Farmer Land Reform
- Wartime Impact On Land, Water Resources, Labor And Supply Chains

Ukraine's constitutional and legal frameworks attribute the EU *acquis* Chapters 11 and 13 to the Ministry of Agrarian Policy and Food of Ukraine (MAPF) and its dedicated authority, the State Agency of Ukraine on Melioration and Fisheries (SAUMF). The State Service of Ukraine on Food Safety and Consumer Protection (SSUFSCP) is a single competent authority to deal with issues of state control along the entire food chain including veterinary and phytosanitary control (EU *acquis* Chapters 12), however, it is not part of the Ministry of Agrarian Policy and Food of Ukraine despite the logic and common practice in the EU member states or other countries.

The MAPF was <u>embedded</u> into the Ministry of Economy, along with the SSUFSCP and other agencies, in 2019 for the purpose of swift <u>land reform</u> implementation which was <u>adopted</u> by the Parliament in March 2020. As a result of administrative manipulations, farmers' associations <u>were not consulted with and no open public discussions</u> about the new format of agricultural land market were conducted. Consequently, the implemented land reform lacked farmer, food security, rural development or sustainability.

The unprecedented merger of an Agrarian Ministry with a Ministry of Economy in a country with the biggest proportion of cultivated farmland in Europe for almost two years had led to the weakening of sectoral institutional competences and eventual separation of the food safety, veterinary and phytosanitary control authority (SSUFSCP) from the Ministry of Agriculture when it was re-established in March 2021. As a result of institutional incoherence, communications with the European institutions on EU *acquis* implementation were possibly impaired, leading to inaccurate statements presented in the last Commission's <u>analytical report</u> on Ukraine concerning the actual state of approximation to the EU *acquis*, general industry standards, and the practical application of established best practices.

The war significantly impacted the agricultural land availability: around <u>15% of the farmlands cannot</u> <u>be cultivated</u> this year due to the mines and other direct impacts of the russian military aggression. All Black Sea fisheries have suffered from the russia's war, and support measures had to be taken by

the EU to provide <u>compensations</u> for the temporary suspension of fishing activities aimed at ensuring crew safety. Due to the blocking of seaports, Ukraine's marine commercial fishing in the Black and Azov Seas, as well as in the internal occupied territories, have been stopped completely. Fishing in internal waters controlled by Ukraine has been restricted.

russia has <u>stolen</u> or destroyed \$1.9 billion worth of agricultural products in Ukraine during the invasion of 2022. The task of shipping over 40 mln tons of grains was a major challenge, as the Black Sea ports totaling 60 mln ton annual capacity were totally blocked before the Grain Deal made in July 2022 and now negotiated to be extended for only a short period of <u>60 days</u>. The <u>EU Solidarity Lanes</u> and the Black Sea Grain Initiative have allowed the export of more than 28 million tonnes of agricultural products to the world market, especially to the countries most in need. Roughly 32 mln tons of the old harvests still remain to be shipped by January 2024 given the current trends and capacities of the Solidarity Lanes and the Black Sea Grain Initiative.

The Parliament of Ukraine has adopted, initiated or withdrawn the following laws:

The <u>Draft Law No.</u> 8149 on Agricultural Producers Associations is meant to approximate Ukrainian legislation to the EU Regulation No 1308/2013 of December 17, 2013 establishing a common organization of the markets in agricultural products. The Draft is positively <u>supported</u> by the MAPF while no public expert opinion could be drawn to comment on the EU *acquis* approximating initiative even from the Ministry's own statement. Self-complementary media reports by the MAPF lack opinions of the established agri-food producers' community reportedly represented at the dedicated round table meeting.

The first hearing was successful for the <u>Draft Law</u> No. 5839 on the Regulation of Cultivation and Circulation of GMOs in Ukraine, suggesting a regulation green light to cultivating GM plants despite the overall ban on commercial GMO production in Ukraine and the EU member states. The agricultural sector groups such as Ukrainian Grain Association, Ukrainian Seed Association and the "Danube Soy" Association called for the compliance with the EU requirements regarding the circulation of GMOs and the prohibition of the GM plants cultivation in open field systems. The agri-food experts have shared the concerns that the first hearing version could be in conflict with EU Directive 2001/18/EC on the deliberate release into the environment of genetically modified organisms and thus jeopardize the EU acquis approximation efforts. The ambiguous position of the MAPF on the matter of GMO inclination reported by international media in October 2022 is strengthening experts' concerns that are based on the actual GM crops production considerations: industry rumors in Ukraine suggest that 60-70 percent of soybeans, 10-25 percent of rapeseed and 1-3 percent of corn produced for export (domestic production not calculated in) is genetically engineered. Since any commercial growing of GMO crops is currently banned in Ukraine and GM seeds can only be supplied by the originators (patent holders of those seeds), the sources of smuggling can only be supplied by official GM seed producers like Bayer that openly declare their interest in Ukraine. Joint efforts by the EU and Ukraine should be taken to not only regulate the state of controls in terms of the proper circulation and labeling of GMO seeds and derived products, but also to analyze and enforce the existing regulations meant to prevent trade and customs violations that allow for patented, yet banned, GMO seeds smuggling into Ukraine estimated at 150-200 thousand tons per year.

The <u>Draft Law No.</u> 8150 on Food Feed Veterinary Medicine and Animal Welfare was withdrawn by the Ukrainian Parliament on 7 February 2022 leaving yet unanswered by the State Service of Ukraine on Food Safety and Consumer Protection (<u>SSUFSCP</u>) the concerns regarding the alignment with EU Regulation No 1169/2011 on the provision of food information to consumers which was originally meant by the Draft Law.

The Government of Ukraine has adopted the following legal acts:

The Water Resources Management Strategy till 2050 was <u>passed</u> by the Cabinet of Ministers of Ukraine in December 2022 to align with EU Directive 2000/60/EC establishing a framework for Community action in the field of water policy.

In December 2022, Fisheries Seasonal Control Rules for 2023 in the <u>Black Sea</u> and Ukraine's <u>in-land basins</u> were passed by the Ministry of Agrarian Policy and Food of Ukraine in line with and beyond the EU fisheries regulations.

Social Policy and Employment

Chapter 19 of the EU acquis

Employment is the most elaborated issue from the perspective of developed draft laws in order to align the Ukrainian legislation to the EU *acquis*. Most of the documents were developed to comply with the EU-Ukraine Association Agreement years ago. Draft Law "On Social Dialogue in Ukraine" (new edition) and draft Law "On Labor" are included in the <u>Plan</u> of legislative work of the Parliament of Ukraine for 2023 and both of them are highlighted as EU approximations.

The <u>Law</u> "On National Minorities (Communities) of Ukraine" (new edition) was approved by Verkhovna Rada on December 13, 2022, but it enters into force six months after its publication to bring the laws and by-laws of Ukraine into compliance. As of now, there are no registered draft laws on national minorities and this issue is not included into the <u>Plan</u> of legislative work of Parliament of Ukraine for 2023.

Development of social statistics, including the provision of data or metadata, is a critical issue for developing policies and legislation on social protection, providing budget-planning procedures and making decisions based on relevant data especially considering the consequences of the war in Ukraine. Social statistics legislation in Ukraine should align with <u>EU Regulation 2019/1700</u>.

Issues of freedom of movement for workers, young workers, Roma minorities, wage payment delays, work-life balance, gender equality remain without the attention of legislators.

The law adopted by the Parliament of Ukraine

The <u>Law of Ukraine</u> "On Collective Agreements and Contracts" increases the role of collective agreement regulation of labor relations, strengthens the protection of the rights of employees and employers, and establishes the cooperation between the parties of the social dialogue. The law is aligned with the provisions of the <u>European Social Charter</u>, as well as <u>EU Directive 2014/23</u> on the award of concession contracts and <u>Council Directive 91/533</u> on an employer's obligation to inform employees of the conditions applicable to the contract or employment relationship.

The draft laws under consideration by the Parliament of Ukraine

The <u>Draft Law</u> "On amendments to the Code of Labor Laws of Ukraine regarding legal succession in labor relations" was developed to align Ukrainian legislation to EU member states relating to the safeguarding of employees' rights in the event of transfers of undertakings, businesses, or parts of undertakings or businesses. It needs to be revised to fully comply with the provisions of the <u>Council Directive</u> 2001/23.

The <u>Draft Law</u> "On amendments to the Code of Labor Laws of Ukraine regarding the definition of the concept of labor relations and attributes of their existence" deals with the regulation of labor relations, legislative introduction of attributes of labor relations, regulation of labor relations where the subject is a person – an entrepreneur. It needs to be revised to fully comply with the provisions of European Parliament <u>Resolution</u> on the implementation of the EU Association Agreement with Ukraine, <u>EU Directive 2019/1152</u>, <u>Council Directive 2001/23</u>, <u>EU Directive 2002/14</u>, <u>Council Directive 89/391</u>, as well as the ILO <u>Recommendation No. 198</u>.

The <u>Draft Law</u> "On Amendments to Laws of Ukraine on Ensuring the Rights of Persons with Disabilities to Work" aims to create favorable conditions for the employment of persons with disabilities, including through the implementation of approaches approved in other countries in regard to the development of stimulating mechanisms for employers and expanding opportunities for persons with disabilities. It has many positive aspects, however it needs to be revised from the perspective of transition from a medical to a human rights based model of disability, which prevails in the EU. It also should be revised to fully comply with the provisions of <u>Council Directive 89/391</u>, <u>EU Directive 2019/882</u>, as well as the provisions of the <u>UN Convention</u> on the Rights of Persons with Disabilities, particularly in terms of harmonizing terminology.

The <u>Draft Law</u> "On Universal Compulsory Accumulative Pension Provision" aims to gradually lead to improvement of the social protection of people of retirement age and attract more internal long-term investment resources, which will contribute to an increase in investments in the national economy.

Fundamental Rights

Chapter 23 of the EU acquis

In 2021, Ukraine adopted the new <u>National Strategy on Human Rights</u> for 2021-2023 and an Action Plan to strengthen efforts to align structures and procedures of its public administration with the international framework. According to the <u>information</u> provided by the Ministry of Justice of Ukraine, less than 50% of activities of the <u>Action Plan</u> were implemented as of the end 2022.

On June 20, 2022, the Parliament of Ukraine <u>supported</u> the ratification of *The Council of Europe Convention on Preventing and Combating Violence Against Women and Domestic Violence (Istanbul Convention)*. On November 1, 2022, it entered into force, but several Ukrainian laws and by-laws need to be revised to align with the Istanbul Convention. Draft *Law on Amendments to Some Laws of Ukraine in Connection with Ratification of the Istanbul Convention* is included in the <u>Plan</u> of legislative work of the Parliament of Ukraine for 2023 and is expected to be developed in June 2023. This document is not highlighted as an EU approximating one, but the necessity to ratify the Istanbul Convention was one of the conditions for becoming an EU member state for Ukraine. Therefore, we

suggest monitoring the development and adoption of the legislation connected to the implementation of the norms of Istanbul Convention.

The draft laws under consideration by the Parliament of Ukraine

The <u>Draft Law</u> "On Amendments to the Code of Ukraine on Administrative Offenses and the Criminal Code of Ukraine on Fighting Discrimination" aims to complement the provisions of Ukrainian anti-discrimination legislation to align with the EU *acquis*, in particular: <u>EU Regulation 2021/692</u>, the <u>ECRI Conclusions</u> and <u>Council Directive 2000/43</u>. It was developed to combat discrimination based on gender, age, sex, racial or ethnic origin, religion or belief, disability, or sexual orientation.

The <u>Draft Law</u> "On Child-Friendly Justice" was developed to meet the requirements of the Convention on the Rights of the Child and to comply with the provisions of the <u>National Strategy on Human Rights for</u> 2021-2023. It ensures the prevention of offenses in the children's environment, proper treatment of children by law-enforcement and their social rehabilitation, prevention of secondary victimization of children who are victims or witnesses.

Rights Of The Child

Integrated Child Protection System

In 2017, the Cabinet of Ministers of Ukraine <u>approved</u> the *National Deinstitutionalization (DI) Strategy for 2017–2026*. The Action Plan for the implementation of Stage I should have been implemented by July 2019, but was barely 30% complete by that time, and the Action plan for Stage II was <u>approved</u> with a one-year delay. Monitoring the implementation of regional DI Strategies showed that the DI reform has been completely suspended: services are not provided, residential institutions are replenished with new victims. Therefore, there is an urgent need to relaunch the deinstitutionalization reform in Ukraine, in particular: develop and approve a deinstitutionalization strategy (a new edition taking into account the war) at the level of law, with clear criteria and budget allocated, and consistently implement it in the best interests of the children.

From the perspective of relaunching deinstitutionalization reform in Ukraine, it is necessary to implement the <u>UN Guidelines for Alternative Care of Children</u> and the <u>UN Guidelines on Deinstitutionalization, including emergencies</u>. The National Action Plan for the implementation of the *UN Convention on the Rights of the Child* ended in 2021 and the new one is not yet developed.

Education

Chapter 26 of the EU acquis

The <u>Draft Law</u> "On Education of Adults" is recommended to be taken as a basis for the second reading at the Parliament of Ukraine. It was developed to establish the legal, organizational and economic foundations for the education of adults in Ukraine, create the conditions for effective cooperation of stakeholders, ensure the right of adults to lifelong learning, and meet their individual needs, taking into account the priorities of social development and demands of the economy. The document is aligned with the <u>Recommendation 2006/962</u> on the key competences for lifelong learning and the <u>Recommendation 2008/C 111/01</u> on the establishment of the European Qualifications Framework for lifelong learning.

Health Protection

Chapter 28 of the EU acquis

The <u>Agreement</u> between Ukraine and the EU on the participation of Ukraine in the "EU4Health" Program was <u>ratified</u> by the Parliament of Ukraine. This program was created in accordance with EU <u>EU Regulation 2021/522</u> establishing a Program for the Union's action in the field of health ("EU4Health Program") for the period of 2021-2027. It aims to complement and support national health policies, encouraging cooperation between the member states and promoting the coordination between their programs, in full respect of the responsibilities of member states for the definition of their health policies and for the organization, management and delivery of health services and medical care.

The <u>Draft Law</u> "On Medical Devices" aims to eliminate the issues of circulation of medical products that are not regulated in the current legislation of Ukraine. According to the conclusion of the EU Committee, this document needs to be revised to fully comply with the provisions of <u>Regulation</u> 2017/745.

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This publication has been made within the frameworks of the MATRA Program supported by the Embassy of the Kingdom of the Netherlands in Ukraine. The opinions expressed are those of the author(s) only and should not be considered as representative of the Embassy's official position.