

Euroscope

Digest 3/2023: Monitoring and Assessment of the EU-Ukraine AA implementation and EU *acquis* alignment progress, March-April

Executive Summary

The [fourth](#) Candidate Check was conducted by Ukraine's Civil Society organizations in April 2023 assessing the implementation of the [seven recommendations](#) by the EU that should lead to the opening of the accession negotiations. With overall 6.8 points out of 10, one point was added to the previous assessment. The current digest provides a legal approximation overview of the laws related to the 7 recommendations implementation, as well as analytical reviews of the Chapters of the EU *acquis* most affected during March-April 2023 by the legislative initiatives of the Ukrainian Parliament, Cabinet of Ministers and other state authorities.

The number of expert reviews on the legal approximation to the EU *acquis* has decreased in 2023 due to the trend of closed legislative elaboration by very limited circle of stakeholders. Civil Society organisations alert on the limited public access to critical information and government's initiative such as the Energy Strategy of Ukraine until 2050, which was announced but not published for review. The previous (now acting) Strategy until 2035 was questioned by local and international experts, including [OECD](#).

The CSO's and industry experts have not been involved in 2023 by the Ukrainian government to produce more balanced and EU-approximating legislation across all Chapters of the EU *acquis* with most criticised areas of Ecology, Agriculture and rural development, Customer protection, Judiciary and fundamental rights, Justice, freedom and security. As a result, nearly all new laws in these areas have received negative reviews and have been recommended by the CSO's not to be supported by the Parliament Members before critical changes are adopted.

Introduction

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.

The seven recommendations: implementation status and trends

1. Selection procedure for judges of the Constitutional Court of Ukraine remains the most critical point with the lowest implementation status and negative progress trend, after the Law [No. 7662](#) of December 2022 was [criticised](#) by the Civil Society and the Venice Commission. The new draft law [No. 9225](#) proposed by the President's Office received even more [negative reaction](#) from the Ukrainian CSO's, experts, and media for downgrading the transparency and accountability conditions.

2. The integrity vetting of the candidates for the High Council of Justice (HCJ) members by the Ethics Council was completed and the HCJ is functional now; and the selection of candidates to establish the High Qualification Commission of Judges of Ukraine (HQCI) is on the way with 32 candidates to be now reviewed to fill the 16 positions of the HQCI. Both cases have positively advanced, but the implementation will have to be confirmed through the best practices performance.

3. Anti-corruption state bodies' top management of SAP (Specialized Anti-corruption Prosecution) and NABU (National Anti-Corruption Bureau of Ukraine) have been appointed, advancing the recommendations' implementation.

4. To ensure that anti-money laundering legislation is in compliance with the standards of the Financial Action Task Force (FATF), the Law [No. 6320](#) on Financial Monitoring (transparency of business beneficiaries) was passed, and the Convention on the Prevention of Terrorism was ratified. An overarching strategic plan for the reform of the entire law enforcement sector – this recommendation is now set to be implemented by the Presidential Decree [273/2023](#) (last minute amendment to this digest).

The positive progress on this point, however, was halted by changes in the Law [No. 8008](#) which limited the terms of the public figures' monitoring to three years after leaving a public position. The correcting amendments have now being reviewed to meet this recommendation point fully.

5. The anti-oligarch reform was attempted by the Ukrainian Parliament in 2021 with the adoption of the Law [No. 5599](#) on National Security Protection from the oligarchs' influence. The law received no public evaluation from the Venice Commission. However, in public [discussions](#) it was generally considered not effective while a better use of the existing legal framework could be sufficient if duly implemented.

6. Media Law [No. 2693-d](#) was passed in December 2022, which aligned Ukraine's legislation with the EU audio-visual media services directive. Yet, another law on collective management organization(s) has to be elaborated to empower an independent media regulator. Additionally, critical amendments to the Law on Advertising are being currently reviewed by the Parliament with a draft law [No. 9206](#).

7. The reform of the legal framework for national minorities was realised with the Law on National Minorities (Communities) [No. 8224](#) adopted in December 2022. The implementation is [under way](#).

The [fourth](#) Candidate Check conducted in April 2023 by a group of independent experts added one point to the previous assessment's rating of February 2023. The first point of the 7 recommendations concerning accountability of the selection of the Constitutional Court judges remains most critical and requires additional attention from the European and international partners of Ukraine.

Free movement of goods

Chapter 1 of the EU acquis

Rated as “moderately prepared”, the free movement of goods continues to be practically hampered by numerous standardisation requirements and political complications when centralised EU policies are not implemented by individual member states based on their market specifics. The pace of synchronisation efforts in Ukraine is difficult to assess due to the institutional distancing from the

civil society and independent experts during the preparation and adoption of any particular EU-*acquis*-aligning law or decree. General positive reports posted by the Ministry of Economy of Ukraine, the key state stakeholder for the Chapter 1, for instance, provide no links, references, or clear information regarding the actual state of approximation.

Regulatory legal acts

The case of the ACAA (Agreement on Conformity and Assessment and Acceptance of Industrial Products) approximation implementation by the Ukrainian government is indicative of the limited publicity and transparency of the synchronisation procedures, as the public self-complimentary [statement](#) by the Ministry of Economy does not link to the official documents produced or related to, nor the approximation EU regulation that it aligns with. The [Directive 2011/65/EU](#), in this case, is additionally approximated by the Ministry's [Decree](#) No. 370 of 21 April 2023 as the 11th Amendment to the original [Decree](#) No. 139 of 10 March 2017. The ACAA implementation will remove trade barriers for the industrial products sold in the EU market.

Legal base required for projects in development

In April 2023, Ukrainian private company Gals Agro [launched](#) the first unit of a biomethane production facility in Ukraine, earlier [announced](#) by the InvestUkraine State Agency. The project was specifically developed to supply biomethane to the EU market. This investment was a pilot project provided with no state support. Ukrainian gas distribution and transmission operators expressed their interest in connecting more biomethane into the grid from private businesses in the future. It corresponds with Ukraine's obligations to promote the development of gaseous renewable energy. However, it will require development efforts to enable large-scale production, including establishing a register of biomethane guarantees of origin, implementing legal and regulatory conditions for export, and establishing procedures for decarbonising production chains for businesses to comply with the [EU's Carbon Border Adjustment Mechanism](#).

Intellectual property law

Chapter 7 of the EU *acquis*

In February 2023, the European Commission (EC) [assessed](#) Ukraine's implementation of the EU *acquis* on intellectual property law with a minimum score (1 out of 5). It noted that Ukraine still needs both to align its legislation with the EU and to improve its enforcement record in intellectual property law. The EC also concluded that Ukraine should improve its fight against counterfeit products and regulation of collective rights management in a sphere of royalties to performers and phonogram producers. In addition, the report mentioned that acts on patent law reform, which were adopted in 2020, "not fully in line with international standards or with the European Patent Convention". However, it is important to mention that the European Commission's assessment did not take into account the most recent legislative initiatives of the Ukrainian Parliament.

Despite the fact that the reform of intellectual property law was one of the EU's requirements within the framework of the Association Agreement, there was no coherent state policy in the field of intellectual property by 2022, according to [experts](#). The situation changed when, in December 2022,

the Parliament adopted a fundamental Law [No. 5552](#) on Copyright and Related Rights. It replaced the 1993 law with the same name. Prior to that, all previous legislative initiatives were limited to amendments to the outdated 1993 law.

The law was defined as a European integration law and provided for the implementation of eight EU Directives. Among other things, the law introduced such innovations as the concept of an orphan work, established the “droit de suite” right, strengthened the requirements for hosting services providers on control of intellectual rights, updated the legislation regarding modern challenges of intellectual law (in particular, the development of artificial intelligence technologies). The law was mostly supported by Ukrainian experts and [business associations](#). Some of them even [called it](#) "a long-awaited and confident step of Ukraine towards the EU, which we can really be proud of."

Four months later, the Parliament implemented another law on intellectual property regulation, adopting draft law [No. 6464](#) on strengthening the protection of intellectual property rights. It implemented EU's [Directive No. 2004/48](#) on intellectual property rights. Among other things, the law specified the procedure for demanding evidence on the violation of intellectual property rights and introduced the possibility of withdrawal of goods manufactured in violation of intellectual property rights at the violator's expense.

Regarding the problem of counterfeit products, it is worth noting that Ukraine [adapted](#) its legislation to EU norms in the field of cross-border intellectual property in 2019. In particular, amendments to the Customs Code were approved, and several by-laws were adopted. However, there are still significant problems with the implementation of these norms. According to [experts](#), there are problems both with the level of political will to fight against contraband products, and with the lack of modern, effective tools for detecting counterfeits.

There were a lot of conflicts and scandals surrounding the issue of royalties for artists in Ukraine, which are primarily related to the unsuccessful implementation of the extended collective licensing system in Ukraine according to the 2018 law. In February 2022, the [Law 5572](#) on the effective management of property rights in the field of copyright was passed, which restarted the accreditation of collective rights management bodies, unblocking the process of collecting royalties by artists. Still, the regulation of this issue needs further legislative initiatives. New law on the collective rights management bodies is under development today. The adoption of this law is the next milestone for implementation of the norms of the EU *acquis* Chapter 7.

The introduction of the changes in the patent law should be another important step for the Ukrainian authorities on intellectual property law. The European Commission pointed out the need to change the relevant law.

In March 2023, the government [assessed](#) the implementation of the EU-Ukraine Association Agreement between Ukraine and the European Union in the field of intellectual property law at the level of 94%. Thus, it was determined as the second highest in terms of progress among all areas defined by the AA. An independent assessment made by Ukrainian specialized NGOs gives a [lower result](#) - 61.1% of fulfilled obligations in the field of intellectual property law but the Navigator's online database seems to be outdated.

Therefore, Ukraine has made significant progress in the approximation of the intellectual property legislation since the last Commission's opinion. We can expect a significantly higher assessment of the state of intellectual property protection in Ukraine in the next opinion. However, the Ukrainian government still has a lot of work to do in order to harmonize Ukraine's intellectual property law with all the EU regulations.

Financial markets

Chapter 8 of the EU *acquis*

Ukraine has some level of preparation in financial services according to the Commission's assessment. Overall, it has approximated part of its legislation to the EU *acquis*, based on the EU-Ukraine AA/DCFTA.

The draft law [No. 8131](#) "On the International Standard of the Financial Accounts Information Exchange" was adopted by the Parliament in late March 2023. The law enables introduction of international CRS and EOIR standards to comply with the provisions of the Section V on Economic and industry cooperation and Section VI on Financial cooperation and anti-fraud provisions of the EU-Ukraine AA.

Some media criticized the law on financial accounts exchange, [citing](#) lawyers who accused the law of "killing the concept of banking secrecy" and [claimed](#) that Ukrainian refugees may have their card accounts blocked after changing their tax resident status according to the new law. However, other media [called](#) the innovation "an absolutely necessary step for the approximation of Ukraine to the EU *acquis* and its integration with the European economic infrastructure."

Agriculture and rural development

Food safety, veterinary and phytosanitary policy

EU *acquis* Chapters 11, 12

Rated as at "early stage of preparation", the Agri-Food Chapters of the EU *acquis* will require some of the most intensive synchronisation efforts by Ukraine, given the scope of the relevant legislation. Despite this fact, the Ministry of Agriculture of Ukraine remains one of the few without a dedicated vice-minister responsible for the cooperation with EU and legal approximation. The Ministry functions [without](#) any public reporting on the progress in the implementation of its expert part under the EU-Ukraine Association Agreement and without any identification of the need of such EU-oriented activities at all.

Draft laws reviewed by the Parliament of Ukraine

The draft law [No. 8290](#) on Food Safety and Animal Husbandry is a complex legislative approximation aimed at aligning with a number of the EU Regulations: [178/2002](#) on food law and food safety, [852/2004](#) on food hygiene, [1831/2003](#) on additives for animal nutrition, [2017/625](#) on official controls in the spheres of food and feed law, and other related regulations and directives. The current draft version [requires](#) further adjustments, according to the Parliamentary Committee on European Integration. The proposed legislative changes cover a wide scope of agricultural and food

production spheres, which made it too complicated to be discussed and reviewed by the experts. For this reason, it is more commonly [referred](#) to as “food safety law” and associated with the adoption of the formal requirements for ISO and HACCP principles application in food production and food labeling.

The draft laws [No. 5762](#) on Craft Spirit and Distillate Production is currently being reviewed by the Ukrainian Parliament to align with the EU [Regulation 2019/787](#) on spirit drinks. If adopted, small-scale producers of distillates will receive a legal framework, simplified rules of operation, and a much more affordable wholesale trade license. While the law is nowhere mentioned to be part of the EU-Ukraine Association Agreement implementation package, it does create a legal framework for small spirits producers based on similar principles applied in the EU member states.

The draft law [No. 9030](#) on Craft Wine Production should align Ukrainian wines production rules with several EU Regulations that outline the wine-making and labeling of wines for the EU member states: [2018/273](#) and [2018/274](#) in particular. It stipulates liberalisation for small-size wine producers and the creation of a national wine-makers register. The lack of the register was one of the key reasons for the “early stage” mark in the [last assessment](#) by the European Commission in February 2023. The conclusions made by the Parliamentary expert division, the Ministry of Finance, and the Tax Administration of Ukraine [do not support](#) the suggested liberalisation and register identification of small-size wine-makers. Their negative justification is based on their dedication to control of any business operations, which has formed a tradition and basis of corruption in Ukraine.

Transport policy

Chapter 14 of the EU *acquis*

Ukraine has some level of preparation in the area of transport policy, according to the Commission’s opinion. The country needs to further align and effectively implement the EU *acquis* in all areas of transport and in particular in the railway sector, where appropriate administrative structures need to be set up.

The draft law [No. 6405](#) on Civil Aviation Security and Deregulation was adopted by the Parliament in late March 2023. The law approximates Ukrainian legislation with the [Regulation 2018/1139](#) and meets the obligations under the EU-Ukraine [Common Aviation Area Agreement](#). European Union Aviation Safety Agency (EASA) regulations and certificates will be further accepted in Ukraine as part of the law implementation. The law was positively [reviewed](#) by the expert community, as it will allow quickly renewing the commercial activities by the European air-carriers in Ukraine as soon as the security situation allows.

Energy

Chapter 15 of the EU *acquis*

In April 2023, Ukraine’s progress in legal approximation varies from the advancements in renewables regulation to standstill in lifting the existing prices for household consumers. The steps towards recovering investors' trust and creating a basis for further development of green energies along with [REMIT Regulation](#), even if adopted in the so-called “light” version, are considered to be positive developments. Energy market liberalisation: electricity and gas prices for private households

remained unchanged due to the martial law and economic scrutiny of the second year of a full-scale war.

Ukraine was unable to fully renew electricity exports to its western neighbours because of insufficient coordination between the National Energy and Utilities Regulation Commission (NEURC), the Ministry of Energy, and the Electricity Transmission System Operator (TSO), UkrEnergo.

Ukrainian government approved the [Energy Strategy of Ukraine until 2050](#), which reflects the objectives of the European Green Deal as mentioned on its website. The document was not published, justifying the secrecy by the state of war considerations. Civil society is deeply concerned that it was not involved in the policy development and that insufficient transparency in public regulation undermines the flow of investments to Ukraine along with the energy and infrastructure planning at the local level.

Draft laws reviewed by the Parliament of Ukraine

The Energy Committee of the Parliament recommended the second reading of the draft law [No. 5322](#) on Wholesale Energy Markets, which aims to align with the [Regulation 1227/2011](#) on wholesale energy market integrity and transparency in a "light" version adapted by the Energy Community for its Contracting Parties.

Though less ambitious, it is still considered an essential step towards ensuring more integrity and transparency in the wholesale energy markets and preventing abuses through the obligation to publish inside information and inform about suspicious activities and their investigation.

The draft law [No. 9213](#) "On energy security and green transformation" should ensure that the renewable energy assets damaged at war are granted green tariff on the day of licensing. It provides further incentives for renewable energy projects to participate in green energy auctions, as well as the introduction of direct power purchase contracts with consumers, and green electricity export trade. The draft law can improve legal and regulatory conditions for constructing large-scale renewable energy projects and attract investors to Ukraine. It also aligns Ukraine's national legislation with the [Directive 2018/2001](#) on the promotion of the use of energy from renewable sources.

Energy price fixing

The Cabinet of Ministers of Ukraine extended [fixed electricity prices](#) for private households until 31 May 2023, explaining the market special conditions by the martial law, economic scrutiny and social protection in the times of war.

On 30 April 2023, state-owned Naftogaz [extended](#) for one year the natural gas tariff for household consumers while having no fixed gas prices at the spot market. With this non-market decision, Ukrainian authorities continue to impose regulated energy prices instead of introducing targeted social protection.

In April 2023, Ukraine's Energoatom [concluded](#) several memorandums and reached agreements with a few Western counterparts that might support further development of nuclear energy and bring new technologies to Ukraine, such as small modular reactors. However, these efforts are quite controversial and disputable, in particular, by [ecological organizations](#) and taking into account insufficient transparency of Energoatom, massive public service obligations to support regulated prices for households and compensation of green tariffs for renewable energy assets.

International strategic cooperation

A tailor-made National Energy and Climate Plan ([NECP](#)) for Ukraine has to complement the ongoing green rebuilding planning and contribute to the G7's dialogue over Ukraine's green recovery. This was discussed at a [high-level meeting](#) between Ukraine and the Energy Community ahead of the International Ukraine Recovery Conference ([URC 2023](#)) in London. NECP is a pending document outlining Ukraine's policies and measures for achieving climate neutrality, ensuring transparency, sustainability, and inclusivity.

Trans-European networks

Chapter 21 of the EU *acquis*

On 7 April 2023, the National Regulator (NCSREU) [certified](#) the JSC "Ukrtransgas" in compliance with the new [EU Regulation 2022/0090](#) on gas storage. The certification enables the Ukrainian gas storage facilities contribute to the energy security of Europe by storing gas reserves for EU member states without gas storage facilities, as well as storing emergency volumes of gas jointly purchased by the member states.

The [AggregateEU Platform](#) for joint natural gas purchases has now been joint by Ukraine. The platform provides additional guarantees for Ukraine for the upcoming heating season and allows other members to store gas in the Ukrainian underground storage facilities.

On 21 April 2023, Ukraine [halted electricity exports to Slovakia](#) for regulatory reasons, following a brief renewal of the exports on 17 April. Slovakia is the only country where TSO Ukrenergo can earn profit on transborder transmission capacities allocation auctions. However, due to the ENSO-E synchronization obligations, Ukraine has to adopt rules regulating joint auctioning and sharing the profits, if any, with the Slovak TSO. According to Ukrenergo, it is impossible to do so because the National Regulator refused to amend respective regulations and [accused](#) Ukrenergo of not providing it, upon its request and in due time, with the information about the organizational measures and processes necessary for conducting joint auctions.

Foreign, security and defence policy

Chapter 31 of the EU *acquis*

In April 2023, Ukraine continued active dialogue with EU partners on security matters and assistance. Visits of top officials make it evident to Ukrainians that Europe stands with them. However, Ukraine remains behind the schedule in amending legislation related to functioning of security service.

The draft law [No. 3196-d](#) on the Security Service of Ukraine is pending adoption. It is critical for the EU-Ukraine AA implementation, yet, the Parliamentary Committee on National Security is still [not ready to propose it for the second reading](#), referring to the immediate functional needs of the Security Service of Ukraine at war.

The draft law [No. 8146](#) on Terrorism Prevention was adopted in late March 2023. It obliges the communication of the passenger data according to the Council's [Directive 2004/82/EC](#) and the European Parliament's [Directive \(EU\) 2016/681](#) on the use of passengers' personal data for terrorism and serious crime prevention. Several media outlets [published](#) the news about the law under the manipulative title "From now on everyone is in plain view of the SBU", suggesting a long-needed reform of the Security Service of Ukraine mentioned above.

International cooperation and assistance

In April 2023, Ukraine and the EU continued active dialogue at the highest level. Visits of Presidents of the [Czech Republic](#), [Slovak Republic](#), High Representatives from [Austria](#), [Lithuania](#), [Germany](#), the [First Inter-Committee Meeting of the Parliament of Ukraine and the European Parliament](#) were devoted to further support of Ukraine in different areas.

The EU Military Assistance Mission ([EUMAM](#)) in support of Ukraine is advancing training missions for Ukrainian Armed Forces. On 13 April 2023, the EU Council approved the [allocation of €1 billion](#) within the European Peace Facility framework to compensate member states for the supply of projectiles from their stockpiles to Ukraine as the first stage of the [EU Council agreement on the ammunition package](#) of supplying Ukraine with 1 million artillery shells within 12 months.

The demining of the territories contaminated by military remnants of any kind, remains an important area of EU-Ukraine cooperation. The provision of an [additional €25 million support package](#) for Ukraine from the EU funds announced at the EU-Ukraine Summit should facilitate demining and further engagement of technical and human resources from individual EU Member States.

Environment (Climate Change)

Chapter 27 of the EU acquis

The European Commission [assessed](#) Ukraine's legal approximation as being "at an early stage of preparation" in the area of environmental and climate change. Overall, Ukraine needs to align its legislation with the Chapter 27 of the EU acquis, which comprises [over 200 major legal acts](#) covering cross-cutting and sectoral legislation. The Ministry of Environment has already prepared a [report](#) on the progress achieved by Ukraine's fulfillment of obligations in the field of environment and climate change (for the period of 2022 and the beginning of 2023) because this area is defined as the top priority given Ukraine's status as an EU candidate member state.

Ukraine made some progress in implementing the EU obligations, such as opening access to eco-information and creating the foundations for the Unified Register of Strategic Environmental Assessment, as well as improving the regulatory framework for the requirements to procedural documents. However, the changes to the Law "Environmental Impact Assessment" and draft law regarding managing the Nature Reserve Fund [raised](#) substantial concerns among civil society.

International cooperation

Being a party to [Espoo Convention](#), Ukraine [received](#) a caution for non-compliance. The [ratification](#) of the Agreement with Romania on implementing this Convention is one of the steps to address this issue. The agreement will [introduce](#) clear consultation mechanisms for both countries by establishing the timeframe for cross-border consultations, the procedure for informing the public and mechanisms of interaction between the parties.

The Parliament of Ukraine has adopted the following law:

The draft law [No. 7327](#) on Environmental Monitoring and Ecological Information adopted by the Parliament in March 2023 aims at creating an effective state environmental monitoring system that allows getting access to the environmental information. The law forms a basis for establishing and

functioning this system, permeating 18 legislative acts of Ukraine with the principles of environmental monitoring. Furthermore, the monitoring system will interact with similar systems in other countries.

The regulatory legal acts:

The Government approved the [Procedure for maintaining the Unified Register of Strategic Environmental Assessment](#) to contribute to the implementation of [Directive No. 2001/42/EC](#) “On the assessment of the effects of certain plans and programmes on the environment”. The register will be a convenient tool with available systematized and unified information on all conducted strategic eco-assessments.

The Ministry of Environmental Protection and Natural Resources signed the [Order](#) “On Access to eco-Information.” As a result, the eco-information will be published and updated regularly on the Unified state web portal of open data, and it will reopen access to 56 different environmental data sets. Previously, this information was closed to the public due to martial law considerations.

Civil society welcomes the adoption of this order, as it previously [addressed](#) the Minister of Environmental Protection and Natural Resources of Ukraine and the Minister of Digital Transformation of Ukraine with a request to provide public access to all sets of open environmental data defined in the [Resolution](#) “On open data sets”.

The Ministry of Environment has prepared amendments to the draft law [No. 6349](#) on Environmental Audit. The draft law introduces several positive changes, such as expanding the grounds for conducting a mandatory eco-audit and establishing a clear list of requirements for the content of the eco-audit conclusion. At the same time, it also [proposes](#) to oblige individual entrepreneurs to undergo an eco-audit, which may lead to corruption risks, i.e. bribes or interference in operations.

In April, the Ministry of Environment published for a public discussion several draft regulatory acts that stipulate requirements for the form of [protocol](#) on the operator’s violation requirements for emissions’ registration, and transfer of pollutants and waste, the [draft of methodological recommendations](#) for the development of regional ecological programs for environmental protection, and [other requirements](#) for the preparation of documents justifying the volumes of emissions of pollutants into the atmospheric air by stationary sources.

The draft laws under consideration by the Parliament of Ukraine

The draft law [No. 8410](#) on Environmental Impact Assessment(EIA) was taken as a basis for consideration in the second reading by the Parliament. According to the Committee’s [Opinion on European Integration](#), the draft law aligns with the EU acquis. However, it needs to be revised to fully meet the provisions of [Directive 2011/92/EU](#).

The draft law raised [concerns](#) about restricting the rights to engage in EIA among more than 40 NGOs. The civil society [addressed](#) the Government, the Ministry of Environmental Protection and Natural Resources, and Members of Parliament with a request 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.

The draft law [No. 9194](#) on Violations in the Registration of Emissions proposes adding a new Article 91-7 to the Administrative Code that reinforces liability for the emissions and transfer of pollutants and waste. In addition, the draft law aims at implementing the provisions of the Law of Ukraine [No. 2614-IX](#) on the National Register of Emissions and Transfer of Pollutants, which creates the basis for implementing European standards in the field of environmental protection.

The draft law [No. 9136](#) on the Nature Reserve Fund is to be considered at the second reading in the Parliament of Ukraine. It aims to ensure the protection, effective management and use of the Nature Reserve Fund of Ukraine, particularly of its artificially created objects. The Parliamentary Committee on European Integration [concluded](#) that the draft law does not contradict Ukraine's obligations under the EU-Ukraine Association Agreement and the EU *acquis*. However, [the draft law raised many concerns among civil society](#), such as expanding the list of public bodies authorized to revoke land ownership status of the National Reserves or to change its boundaries, which can increase the risks of destruction of nature conservation areas of international importance.

[36 NGOs addressed](#) the Parliament of Ukraine with a request not to vote for the adoption of this draft law and the Ministry of the Environment to withdraw its “shameful” conclusion in support of the draft law. Additionally, the civil society asked the National Anti-Corruption Bureau of Ukraine and the National Agency on Corruption Prevention to analyze the draft law on possible corruption risks. The civil society emphasized the importance of the proper management of such territories as a cornerstone for Ukraine's fulfillment of European integration requirements in the area of biodiversity protection and the guarantee of the environmental protection rights.

The draft law [No. 9116](#) on Forest Reproductive Capacities aims to ensure the preservation and restoration of forest resources and create a forest circulation market of reproductive material, its import and export to implement the [EU-Ukraine Association Agreement](#) and [Council Directive 1999/105/EC](#) on the marketing of forest reproductive material.

The terms (label, forest seed, forest reproductive material) and provisions regarding the requirements for the certificate issued for forestry reproductive material and, among others, compilation and publication of cartographic images of forest seed zoning need to be [revised](#) to fully comply with the Directive's provisions.

Science and research

Chapter 25 of the EU *acquis*

The European Commission [rated](#) Ukraine's accession to the European Union in the area of science and innovation on the relatively high level (3 out of 5). It needs to be said that science and research *acquis* does not require transposition of EU rules into the national legal order. The goal of this *acquis*

is to assess Ukraine's capacity for integration into the European Research Area (ERA) and participation in the EU's programmes (Horizon, the European Open Science Cloud, EUREKA and others).

Science has suffered from the full-scale war. According to Ukraine's Ministry of Education, 91 research and higher education institutions [were affected](#) by the aggressor shelling, and four of them were completely destroyed during the first year of the war. Besides, many scientists had to seek shelter and alternative professional opportunities abroad.

Ukraine's government in November 2022 [determined](#) its main achievements in the European approximation in terms of science and innovation: ratification of the Horizon Europe and Euratom agreements, COST Association membership, 500 Ukrainian institutions' registration at the Research4Life portal, and the implementation of the Roadmap for ERA integration at 40%. At the same time, the Ukrainian government [assessed](#) the level of implementation of the AA in the field of science, technology, innovation, and space at the level of 60%, which is 5th lowest result among the 24 categories.

Within the framework of the "Horizon 2020" programme, 102 projects [are being implemented](#) by Ukrainian organizations. Their total funding [reached](#) 21.7 million euros by 2020. The success rate (share of programs winning funding) of Ukrainian applications [was](#) at the level of 9%, which is below the average 15% of the EU member states. At the same time, experts noted that Ukraine's achievements on the Horizon 2020 programme were limited due to [insufficient participation](#) of the Ministry of Education in the EU integration and the multinational programmes in the framework of ERA.

The [implementation](#) of 31 Ukrainian projects within the framework of the new Horizon Europe programme has started. The participation of the Ukrainian researchers in the programme will be facilitated with the opening of the Horizon Europe office in Ukraine [planned](#) for mid 2023. The office will be funded through 2027 by the EU. Notably, Horizon Europe's programme for 2023-24 [identifies](#) targeted support for Ukraine as one of the priorities.

Ukraine's implementation of [smart specialization](#) (S3) of regional sustainable development based on competitive advantages does not ensure a [withdrawal](#) from the post-soviet industrial policy and has [insufficient level](#) of adaptation of the project's methodology to the Ukrainian realities. Experts also admit that the ERA integration roadmap is implemented with a [delay](#).

There is a huge gap between the level of legislative and organizational capacities to participate in EU R&I programmes and the general practical capacity of Ukraine's scientific community. This problem is being acknowledged both by the Ukrainian experts and the European Commission: "while Ukraine has relevant legislation to improve its R&I system, the implementation has still to provide tangible results" (Commission's Opinion of 1 Feb 2023). Ukrainian Science suffers from insufficient funding, fragmented governance, outdated infrastructure. It has been additionally affected by the outflow of researchers due to the war.

Financial control

Chapter 32 of the EU *acquis*

Ukraine is at an early stage of preparation for implementing the EU *acquis* and applying European financial control standards according to the opinion of the European Commission of February 2023. Full alignment with the EU *acquis* will require reform of the Accounting Chamber of Ukraine to make its independence explicit in the Constitution, broaden its mandate, and apply international standards in its audit procedures.

The planned revision of Annex XLIV to the AA will require the alignment of national legislation with the protection of the EU's financial interests, while Ukraine needs to demonstrate its track record of cooperation with the European Anti-Fraud Office (OLAF) in investigations and the reporting of irregularities. The cooperation was positively [marked](#) by an Agreement signed on the 27 March 2023 between the State Audit Service of Ukraine and OLAF.

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