

Digest 5/2023: Monitoring and Assessment of the EU-Ukraine AA implementation and EU *acquis* alignment progress, July

Executive Summary

July 2023 marked 500 days of Ukraine's resistance that had been [doubted](#) by many international experts. The unprecedented stand-off has determined the [evolution](#) of support by the European and international partners, the crucial role of the Ukrainian civil society in the country's resilience and democratic transformation towards the EU accession, and the urgent need for critical judiciary, law enforcement and administrative reforms along with the long-awaited counteroffensive.

The NATO membership of Ukraine, which most Ukrainians expected to be clearly pre-conditioned if not approved during the summit in Vilnius on 12 July, commonly [requires](#) reforms that match the EU enlargement criteria. Thus, not only the bravery of the Ukrainian military but the political will of the state officials, the vigilance of the civil society and the strategic consistent facilitation by the international partners can ensure the eventual victory and successful [recovery](#) of Ukraine.

The restoration of asset declarations by public officials – one of the seven prerequisites of the accession negotiations – is now reviewed by the Parliament. The anti-corruption measure was waived with the start of the martial law in Ukraine, amid a [wide](#) discussion of even more stringent prosecution of corruption as a form of treason. However, civil society activists warn that “treason” would require such cases to be handed to the SBU, an agency in a [critical need](#) of reform itself.

Food security's long-term solutions were discussed during the Euroscope's event on Ukraine's Agriculture, CAP, and the European Green Deal in Rotterdam on 11 July. The EU's Solidarity Lanes are vital yet not sufficient and costly for the over 40 mln tons of the Ukrainian grain exports that get also [challenged](#) by five EU members at Ukraine's border. The end of the Grain Deal and the massive attacks on the Ukrainian port grain facilities, mostly owned by multinational investors, came right after the international [inaction](#) in response to the Kakhovka dam ecocide. Experts agree that only the joint and direct international maritime security restoration can ensure the global food security.

Mutual trust and collaboration were tested in July by Ukraine's slow pace of reforms and criticised governmental decision on Kakhovka dam reconstruction without any prior assessment, and by a series of texts in Western media that implied [negotiations](#) about Ukraine without Ukraine. Also, the G7's joint [declaration](#) of support had no direct effect as the attacks on Ukraine's civil infrastructure intensified following the end of the Grain Deal.

The legislative work of the Parliament in July was prioritising financing of demining, easing customs rules for defence, control over firearms, CG and investment support in the energy sector, environment, healthcare and social sphere. Judiciary and law enforcement reforms were jointly addressed and advanced on by the Parliament, the Presidential Office and the Cabinet of Ministers.

Introduction

*Courtesy of **Viktorii Melnyk**, European Integration Project Manager
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While the functioning of public administration is not included in the list of negotiation chapters, it is part of the Copenhagen criteria. As the Government is responsible for the negotiation process and the approximation of the Ukrainian legislation to the EU *acquis*, the effectiveness of public administration directly affects the implementation of Ukraine's accession to the European Union.

The full-scale war in Ukraine not only aggravated the already existing problems but also [tested the public administration system as a whole](#). Adjustments in the government's priorities led to a diminished attention to the public administration reform. With more than 12 million people displaced by the war and many captured on the occupied territories or directly participating in the defence of Ukraine, capacities of various organisations, including state institutions, have decreased.

In April 2023, the OECD's SIGMA programme started assessing the compliance of Ukraine's public administration with the [European principles](#), meaning to form a basis for the necessary adjustments to the public administration reform which should be conducted with the involvement of the Ukrainian civil society.

In May 2023, the National Agency of Ukraine on Civil Service presented a [report](#) on the ability to align with the EU *acquis*. The assessment identified that 12 out of 128 policy areas included in the negotiation sections have no government bodies with a leading role in policy and legislation development. In 27 policy areas, more than one body identified its leading role, indicating authority duplication. This issue is primarily related to the lack of clear legal separation of the spheres of state policy and the delimitation of responsibilities in policymaking and implementation.

On 29 June 2023 a meeting of the Coordinating Council on Public Administration Reform was held to discuss the functioning of directorates within ministries and the responsibilities of civil service officers appointed as reform specialists. Also, the Concept of the institutional preparation of Ukraine for accession to the EU was presented. The concept document was not published yet, which makes it impossible for the civil society experts to evaluate it.

The practical functioning of the Policy Directorates and EU Integration Directorates has been jeopardised: by the end of 2022, there was no progress in establishing or staffing directorates in all ministries. As of May 2023, there were 40 directorates and a total of 335 positions of reform specialists. Only a few ministries currently have a fully-fledged system of directorates, while staffing continues to be slow. Some ministries have only one directorate and only a few people in the position of reform specialists. Seven ministries do not have any directorates in their structure.

Policy development is one of the weakest points of the governance system in Ukraine. In fact, there is no qualitative system of policy analysis and formation, and the [current PAR Strategy](#) does not set any clear goals of establishing one. Also, there is no legal framework that would regulate the entire process of analysis and policy development. Neither the legal provisions nor the practice of the leadership do not define such internal tasks. The system of training and informing employees

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regarding policy development has also not been developed, apart from a few isolated cases of effective cooperation of ministries with respective Parliamentary Committees.

The level of adoption of government bills in the Parliament is still quite low, which actually reduces the role of the Government in the development of state policy. Ministries and directorates have not become agents of change and do not perform their main function. Directorates at ministries exist formally, they do not cover all spheres of state policy and mostly perform operational functions.

As for European integration, it can be concluded that the process is effectively set up only at the political level, while the actual implementation of tasks related to the preparation of integration has a fragmentary nature. The Government Office for Coordination on European and Euro-Atlantic integration is not able to do all the work without the involvement of ministries, and its personnel capacity needs to be significantly strengthened.

While the legislation on civil service is rather developed and the policies are effectively formed and implemented by the NACS, there are some key issues which should be resolved:

- Threat of violation of the principle of political neutrality and impartiality of civil servants.
- Lack of an up-to-date recruitment and tailored personal development systems.
- Lack of staff capacity in the process of policy development and implementation.
- Need for enhancement of institutional capacity for systematic state development.

The main issue with accountability is the lack of a clear separation of functions regarding the formation and implementation of state policy. Ukraine needs to establish a clear system where Ministries aimed at developing state policy and other executive bodies are aimed at implementing it. The lack of a system leads to chaos and power abuse when the government bodies responsible for the implementation of policies actually adjust them to serve personal or corporate interests.

Agriculture and rural development

Chapter 11 of the EU *acquis*

Weaponising Food: the grand challenge for the Europe's Breadbasket

"Weaponising food" has [become](#) a brutal symbol of the Russian aggression against Ukraine, aka the Breadbasket of Europe. The aggressor has intensified the use of food as weapon by [ending](#) the Grain Deal on 17 July 2023. The massive missile and drone attacks that followed – right after the UN and Turkey [failed](#) to save the international agreement despite the EU's help – have destroyed tens of thousands tons of grain in the ports of Odesa, Izmail and Reni [causing](#) hikes in global food prices.

The African Union [visited](#) Russia in the end of July, marking another failed attempt by global leaders to reinstate the Ukrainian agricultural supply and ensure global food security (as well as political stability on the African continent).

Since the start of the full-scale invasion, the Russian leadership already [offered](#) the grain stolen in Ukraine to African countries. By pulling out of the UN supported Grain Deal, Russia has [endangered](#) millions while offering the plundered resources from the invaded Ukrainian territories as a gift – [presenting](#) themselves as a "saviour of Africa" and imposing their [bloody offer](#) instead of restoring peace in Europe and free trade in the Black Sea.

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Over 4 million tons of grain and oil seeds worth of around €1.8 billion were stolen or destroyed by russians in Ukraine last year. The recent massive attacks on the Ukrainian port grain facilities, mostly owned by multinational investors, came right after the international [inaction](#) in response to the Kakhovka dam ecocide, which was more than a [war crime](#) committed by russia on 6 June 2023.

Euroscope in Rotterdam: Ukraine's Agriculture, CAP, European Green Deal

Long-term solutions for global food security and coherent integration of the Ukrainian agricultural sector as a strengthening competitive factor of the European Single Market were discussed during the Euroscope's event on Ukraine's Agriculture, CAP, and the European Green Deal in Rotterdam on 11 July.

The EU's Solidarity Lanes initiative remains since May 2022 a major alternative trade route for the Ukrainian agricultural produce. It is extremely vital yet not sufficient and costly for the over 40 mln tons of the Ukrainian grain exports that get additionally [challenged](#) by the five EU members at Ukraine's border. Thus, the Solidarity Lanes require an [upgrade](#) to balance the extra transit costs.

Ukraine's agricultural production structure and general practices need to be adapted to meet the essential goals of the EU's Common Agricultural Policy (CAP) of reversing environmental and soil degradation and biodiversity declines. The [CAP Strategic Plans](#) that meet specific needs of each EU member state jointly focus on combatting climate change and reaching the goals of the [European Green Deal](#). Ukraine's Green building back better plans need to set even more ambitious goals of re-wilding the areas that continue to be contaminated by military combat. Demining long-term plans should also – in the best cases and as approved by environmentalists – include options of natural recovery and transition of entire areas to national natural reserves for the combined good of decarbonisation and sustainable restoration of the affected rural territories.

The social aspect of the Ukrainian veterans' rehabilitation through the practices of regenerative farming and permaculture gardening was also discussed in Rotterdam.

Experts generally agreed that only joint efforts of international maritime security restoration can ensure cost-effective international trade of the Ukrainian agricultural products. The future of the European Single Market's competitive advantage and global food security can as well be protected only through a joint international effort, potentially involving NATO or a wider coalition of peace-keepers. In the meantime, Ukraine continues to be a strong and reliable provider of food and security from the hybrid aggression.

EU *acquis* approximating legislation

The draft law No. [7588](#) on enhancing the use of land owned by state passed the second reading and was signed into Law of Ukraine by the President, providing a legal basis for the transition of over 700 thousand hectares of agricultural land from state academic institutions to the State Property Fund of Ukraine for further competitive [auctioning](#) of lease titles at the Prozorro platform. It would leave state agricultural academic institutions with only up to 100 hectares of land for on-farm field trials.

As the vice-minister of Agriculture, Denys Bashlyk, [suggested](#), the implementation of the law should mobilise up to UAH2.5 billion (over €62 million) in annual rental fees to local communes compared to the current returns of UAH199 million (just below €5 million).

Earlier this year, Agropolit, one of the agriculture industry dedicated online media, [held](#) debates on the purpose of the legislative initiative with members of the parliament and [conducted](#) a poll among its readers to assess the intended purpose of the draft law 7588. With a result of 53%, Agropolit's respondents considered the draft law had a purpose of "controlled distribution of land" in private or corporate interests of those in control of the State Property Fund of Ukraine. Only 20% of the professional audience supported the draft law as a positive initiative. The practical implementation of the adopted law can either support the low trust of the agrarian community in state initiatives or set a new positive benchmark of an effective land reform, as well as add to a solid basis towards the opening of the EU accession negotiations.

Energy

Chapter 15 of the EU *acquis*

The main developments in the energy sector of Ukraine in July included legislative advances with REMIT, green transformation, and corporate governance of the gas transmission system operator (GTSO), as well as the improvements in the customs clearance of biomethane which can contribute to Ukraine's decarbonization and diversify the country's export opportunities in agricultural. Ukraine has also advanced towards the [Clean energy for all Europeans package](#) implementation. Some progress has also been achieved in reopening electricity export to the EU in accordance with the European rules.

At the same time, the Cabinet of Ministers of Ukraine [has adopted](#) a resolution on reconstruction of Kakhovska HPP without any public hearings, expert assessments and despite the [appeals](#) by environmental scientists and civil society.

Strategic documents

The President of Ukraine [signed](#) the draft law No. [5322](#) which was developed in accordance with the [adapted version of Regulation 1227/2011](#). On 21 July 2023, the Energy Community Secretariat published the [assessment](#) of the Law of Ukraine No. 3141-IX with general conclusion about the compliance with the Ministerial Council Decision 2021/07/MC-EnC of 30 November 2021 in Case ECS-04/21 of a breach of the obligations of Ukraine to timely transpose the REMIT Regulation. It outlined that the above legislative change was only the first step towards the availability of a fully functioning REMIT toolbox.

The law shall result in numerous amendments to the secondary legislation and regulations to improve integrity and transparency on the wholesale energy markets in Ukraine. The adopted REMIT law has enabled the national energy Regulator to start public consultations on procedure for registration of the wholesale energy market participants, preparation of respective regulation and intensification of cooperation with the European partners. The law [provides for](#) the development and adoption deadlines of the secondary legislation, which should establish the legal and regulatory grounds for the market stakeholders registration, the creation of internal information platforms, investigations of abuse cases, and penalty calculations.

Adopted laws

The President of Ukraine signed the draft law No [9011-d](#) on green transformation of the energy system. The law has a potential of becoming a game changer due to certain [innovations](#):

- introduction of a system of issuing guarantees of the origin of electric energy produced from renewable energy sources and creation of a single register (obligation under Directive (EU) [2018/2001](#), art. 19);
- introduction of the market premium mechanism;
- settlement of exit of economic entities from the balancing group of the Guaranteed Buyer;
- the possibility of exporting electrical energy by producers and the Guaranteed Buyer;
- the possibility of completing the construction and commissioning by the end of 2023 of facilities that plan to produce electricity at a green tariff, except for solar generation facilities;
- introduction of Net Billing instead of Green Tariff for household solar and wind installations.

The Law of Ukraine No. [9311-1-d](#) on optimization of the (corporate) structure of the gas transmission system operator (GTSO) of Ukraine was adopted by the Parliament. It now meets the important structural benchmarks in the [Memorandum of Understanding with the EU](#) on macro financial assistance and in the [Memorandum of Economic and Financial Policies](#) with the IMF. It provides for the appointment of a new independent supervisory board by 31 October 2023, to be elected in a competitive, transparent, and merit-based nomination process. The Ministry of Energy of Ukraine should adopt – after prior consultations with the [Energy Community Secretariat](#) – a new charter of the GTSO, taking into consideration its binding opinion.

The law abolishes a two-layered structure of the current GTSO's corporate governance, enabling the transfer of the 100% shares from the Main Gas Pipelines of Ukraine (MGU) to the Ministry of Energy and mitigating a governmental role in the company's decision-making through the new charter and the independent supervisory board. Supervisory board members will be appointed by the [State-Owned Enterprises Nomination Committee](#) based on a short-list of the candidates selected by professional head-hunters.

The GTSO case can become an important test for Ukraine in ensuring a transparent corporate governance reform needed for other state-owned enterprises, with the Energoatom as the most important one for the coming period.

The draft law No. [2390](#) on the amendments to the Code of Ukraine on Bankruptcy Procedures is adopted by the Parliament, aiming to facilitate repayment of debts incurred on the wholesale electricity market. It refers reportedly only to the state-owned enterprise "Energorynok" which has to fulfil all its financial obligations to the electricity market participants after the launch on 1 July 2019 of the new electricity market and prior to its liquidation.

As of 1 May 2021, SE Energorynok's receivables [amounted](#) to UAH 29.423 billion (debts of market participants to the state-owned enterprise), and accounts payable amounted to UAH 26.975 billion (the SE Energorynok's debt to participants).

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The Law of Ukraine on the [National Energy and Utilities Regulation Commission](#) has only the definition “participant of the wholesale electricity market”. Therefore, provisions of the draft law No. 2390 should not impact the functioning of the wholesale electricity market and make preferences for its participants.

The Law of Ukraine No. 2390 has received the positive assessment from the [Budget Committee](#) of the Parliament and the [negative assessment](#) from the Main Legal Department of the Parliament. The latter insisted that it violated the Constitution of Ukraine in terms of court jurisdiction over each and every legal dispute without any exceptions.

Draft laws reviewed by the Parliament of Ukraine

The draft law No. [9456](#) on the amendments to the Customs Code of Ukraine regarding the customs clearance of biomethane was registered in the Parliament of Ukraine with the key aims of supporting the development of low-carbon production of natural gas, fulfilment of Ukraine’s decarbonization commitments, facilitation of exports under the CBAM requirements, as well as the creation of new business opportunities and jobs in the agricultural sector. The business and expert communities are campaigning intensively in favour of this law to unlock export opportunities and investment opportunities to build up new capacities and reconstruct existing biogas facilities.

The draft law No. [4344](#) passed the first reading in the Parliament of Ukraine. It aims to amend legislation on the production sharing agreements (PSA’s) for oil and gas and thus facilitate foreign investment into the national hydrocarbon production industry. The draft law has been reviewed since 2020 and received numerous amendment proposals.

The [Association of Gas Producers of Ukraine](#) considers proposed amendments an important improvement to auctioning procedures, transparency, and responsibilities sharing. However, the new production sharing agreements could be enforced, in most cases, only after the restoration of Ukraine’s territorial integrity and regained control over the Black and Azov seas.

Governmental decisions

The Cabinet of Ministers of Ukraine approved the Resolution No. [750](#) on oil and natural gas wells state register. It is a final document from a set of secondary legislation on reforming mining in Ukraine in accordance with the [European legislation](#). Access to the register of oil and gas wells will be free of charge and conducted through the State geological [web portal](#), namely through the subsurface user's electronic cabinet.

The Cabinet of Ministers of Ukraine approved the Resolution No. [730](#) on the implementation of an experimental project "Construction of the Kakhovska hydroelectric station on the Dnipro River". The resolution was initiated by the Ministry of Economy of Ukraine and state-owned company Ukrhydroenergo. The reconstruction can be implemented during the next two years and financed by the Ukrhydroenergo’s funds and loans.

The decision was made in an internal discussion between the state-owned “Ukrhydroenergo” and the Government without any public hearings and considerations of numerous appeals by scientists, experts and civil society regarding the need of a more profound assessment and evaluation of many

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[pros and cons about future of the Kakhovska HPP](#). This unbalanced decision undermined the principles of democratic state governance.

The Cabinet of Ministers of Ukraine approved [amendments to the action plan](#) on the implementation of commitments within the Energy Community Treaty. They include an updated list of the European legislation adopted during 2015-2022 and now due to be implemented within Ukraine's legal framework. The amendments will also include legal acts from the [Clean energy for all Europeans package](#).

National Energy and Utilities Regulation Commission (the Regulator)

The Regulator has announced a [draft resolution](#) on the approval of the wholesale energy market participants as a part of its commitments within the adopted REMIT legislation. The draft is subject to public discussions with stakeholders.

International cooperation

Ukrainian TSO Ukrenergo conducted [an international meeting](#) with TSOs from neighbouring countries for coordinating efforts on introduction of a Joint Allocation Office (JAO) procedures for the transborder capacity allocation. JAP procedures will apply for joint allocations with Slovakia, Hungary, and Poland. Romania and Ukraine will have a separate allocation mechanism according to procedures, approved by the Energy Regulator of Ukraine.

The energy Regulator and the Energy Community Secretariat have signed a [Memorandum of Understanding](#) on the fines for the wholesale energy market abuse within the adopted REMIT legislative framework. The Memorandum should facilitate investigations against market participants regarding their abuses on wholesale energy markets and support more integrity and transparency.

Statistics

Chapter 18 of the EU *acquis*

The European Commission in February [rated](#) Ukraine's level of preparation in the area of statistics at 3 points out of 5 (some level of preparation). The EC noted that Ukraine "has taken initial steps to align itself with some of the EU *acquis*". At the same time, the Commission concluded that "administrative capacities of the institutions involved need to be strengthened and coordination among them improved". The commission also noted that Ukraine cooperates with the Eurostat and shares data on a voluntary basis.

The central statistical body and the main producer of official statistical data in Ukraine is the State Statistics Service of Ukraine (SSSU). The national statistical system also includes the National Bank of Ukraine and the Ministry of Finance of Ukraine. Many other government bodies (in particular, ministries) collect and disseminate official statistics and coordinate their statistical forms with the State Statistics Service.

The draft law No. [5886](#) on official statistics was adopted last year, in August 2022, and meant to harmonise Ukraine's state statistics with the European standards. The law aligns with the three

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regulations of the European Parliament ([223/2009](#), [759/2015](#) and [1922/2006](#)), the implements the Article 355 of the EU-Ukraine Association Agreement, and [the European Statistics Code of Practice](#).

The law entered into force on 1 January 2023. Among other novations, it strengthened the coordinating role of the State Statistics Service of Ukraine, improved the institution's access to administrative data, launched standardised access to statistical microdata, introduced the advisory body of the National Council on Statistics, prohibited the application of paper reports to foster transition to paperless format.

The new law also started the process of digitization of the State Statistics Service of Ukraine. The reform will make SSSU “look more like an IT-company” ([according to the definition](#) of Mykhailo Fedorov, the Minister of Digital Transformation), where all processes, from uploading data to its distribution, would be automated. The new website of the State Statistics Service is planned to be presented soon.

The reform also includes [plans to reduce](#) the number of staff of the SSSU. In 2022, the number was already reduced from more than 6 000 employees to 4 600. The ultimate goal is to reduce 30% of the original staff number.

The current [national strategy for the development](#) of statistical system covers 2019-2023. Currently, [the draft of the new strategy](#) for 2024-2028 is at the approval stage. One of the main priorities of the new strategy is to ensure compliance of bodies of state statistics with the [European Statistics Code of Practice](#). In particular, to adopt the EU statistical classifiers (such as ISCO and COICOP).

It is still too early to evaluate the effectiveness of the ministry's reforms, but Ukrainian experts [mostly support](#) any significant changes in the work of SSSU and traditionally imperfect and outdated Ukraine's statistical system.

Regarding the statistics system in various fields, the report notes that energy statistics is in line with the relevant *acquis* while no transport data is provided under the regulated statistics; domestic tourism statistics lack frequency and environmental statistics are partially aligned with the *acquis*.

Martial law norms lead to significant problems for the statistics system in Ukraine. Natural persons and entrepreneurs during martial law are not obliged to send statistical and financial reports. Moreover, a large part of open data systems are not being published today. According to the calculations of Ukrainian data analysts, Ukraine's economy [lost 36 billion](#) hryvnias (\$1 billion) during the first 12 months of the full-scale war due to the closure of citizens' access to the open data.

The long-term problem for the statistical system in Ukraine is a long delay in conducting the national census. The last census was conducted in 2001, the next one was planned for 2011, but it was constantly postponed. In 2021, Mykhailo Fedorov [announced the plans](#) to conduct a new census in 2023, but the idea was postponed after the start of the full-scale war.

Social policy

Chapter 19 of the EU *acquis*

On 13 July 2023, the Law [3238-IX](#) on maternity leave was approved by the Parliament. It allows working pregnant women, in the absence of medical contraindications, to choose the start of their

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maternity leave later than 70 (90) days before the expected delivery, as well as to transfer unused days of the maternity leave to the period after childbirth. The law provides a flexible maternity leave corridor to a pregnant woman based on her working conditions and childcare preferences. At the same time, the total duration of maternity leave of minimum 152 days, earlier provided for by law, will not change.

The following legislative acts have been changed by this law: Labour Code of Ukraine; Law of Ukraine on vacations; Law of Ukraine on mandatory state social insurance. The Law is in line with the EU *acquis* in social policy.

A new [state standard](#) for day care social services for children with disabilities was published in July by the Ministry of Social Policy of Ukraine, which should play an important role in the implementation of the EC [recommendations](#), namely “deinstitutionalisation process needs to be implemented to transition towards community based care of persons with disabilities”. The goal of enhancing and promoting inclusivity in Ukraine was supported by the related government’s activities on [strengthening cooperation](#) with the World Bank to support social sector reforms and on the development of a [barrier-free environment](#).

Judiciary and fundamental rights

Chapter 23 of the EU *acquis*

The draft law No. [9534](#) intends to restore the asset declaration by politicians and state officials. The European Union representatives, [including](#) the Head of the EU Representation in Ukraine Matti Maasilta, called on the Ukrainian authorities to restore the electronic submission of the assets declarations, which was cancelled last year with the start of the martial law in Ukraine.

Representatives of anti-corruption public organizations criticised the draft law for limiting public access to critical information in declarations and for the possibility of concealing the names of the relatives or other donors of property to the person of declaration, as well as a provision for undervaluing real estate as a way of avoiding its declaration. There were no such loopholes before the introduction of the martial law.

Justice, freedom and security

Chapter 24 of the EU *acquis*

The Strategic Plan of law enforcement reform 2023-2027 was [signed](#) on 11 May by the President as part of the efforts of implementing the 7 steps. The European counterparts have [welcomed](#) the Overarching Strategic Plan for the Reform of the Entire Law Enforcement Sector (OAS). Ukrainian Civil Society has been more critical of the Strategic Plan, [addressing](#) the general nature of the document and the lack of specific details of the intended reform.

Environment (Climate Change)

Chapter 27 of the EU *acquis*

July has marked 500 days of the ongoing Russian war against Ukraine and continuing [damage to the environment](#), which Ukraine aims to document in the yet developing the [Register of Damage](#) caused

by russia. Ukraine continues EU integration by officially launching reform on waste management and developing other draft laws aimed at digitalization.

The President [signed](#) draft law No. [8410](#) “On Certain Changes on Law on Environmental Impact Assessment (EIA)” simplifying the overall EIA procedure, reducing the period for its conducting from 216 to 67 days and introducing public hearings during martial law in video conference format. The law will enter into force five months after adoption (December 2023). Previously, over 40 NGOs were concerned about restricting their rights to engage in EIA and [addressed](#) the Government, the Ministry of Environmental Protection and Natural Resources, and Members of Parliament asking to amend the proposed changes. The legislator [considered](#) the civil society's concerns about keeping the requirement to publish announcements about EIA in print media parallel to online media and holding public hearings in video conference format even if less than ten persons have registered for participation. The period for the EIA public discussions has been shortened from 20 to 12 working days. The law has changed the way for providing access to EIA reports (upon civil society's request).

The adopted in 2022 [Law “On Waste Management”](#) has already entered into force. It marked the launch of the waste management reform and approximation of our legislation closer to EU acquis ([Directive on Waste](#) and [Directive on the Landfill of Waste](#)). The law was to enter into force 12 months after its adoption. This framework document creates the basis for a new permit system, decentralization of waste management, multilevel planning, infrastructure development and introduction of the “polluter pays” principle.

The implementation of waste reform requires the adoption of other laws and by-laws. For example, the extractive industry waste is proposed by default to be regulated by the new law; however, this sector is not covered by the provisions of the Directive on Waste, which the law aims to implement, but this Directive refers to the [Directive on the Management of Waste from Extractive Industries](#) for regulating this sector. Thus, a law on waste management in the extractive industry should also be adopted along with other draft laws such as “On Batteries and Accumulators,” “On Packaging and Packaging Waste”, “On Electrical and Electronic Equipment Waste.”

Additionally, the Ministry of Environment is [delegated](#) to develop 17 by-laws to implement the reform. So far, only three draft decrees ([667](#), [625](#), [103](#)) out of 17 have been adopted, and civil society already considers that some of their provisions [require improvements](#), for example, Decree No. [625](#) on Management of Household Waste in Special Conditions.

The draft laws under consideration by the Parliament of Ukraine

The draft Law No [9484](#) “On Amendments to Article 2 of the Law of Ukraine “On Scrap Metal” was also developed to comply with the new law “On Waste Management.” According to the proposed changes, its provisions will also start applying to the operations with scrap metal, which was not the case before.

The new draft Law No [9516](#) On Amendments to Certain Legislative Acts of Ukraine on Effective Forest Management Based on the Principles of Forestry Close to Nature, Adapted to Climate Change, Biodiversity Conservation in Forests is [heavily criticised](#) by civil society on the matters of violating [Forest Code of Ukraine](#), [Forest Reproduction Rules](#), [European Practices of EIA in forestry](#) as well as

narrowing the application of [EIA law](#) in the forestry area and paving the way for commercial timber harvesting in unexploited forests by forestry enterprises.

Digitalization and access to public information

The Government continues to bring in digitalization aimed at creating a transparent and convenient system of subsoil use in the country - [EkoSystem](#), an online platform with up-to-date environmental information and the number of public services provided. The Government has approved several procedures to expand the EkoSystem's functionality, such as the [Procedure for Maintaining the State Register of Oil and Gas Wells](#), the [Procedure for Maintaining the State Register of Pesticides and Agrochemicals](#) and the changes to the [Procedure of Artesian Wells Accounting](#). Also, EkoSystem now has an additional public service, allowing obtaining the conclusion on the cross-border waste transportation ("[e-Zelenka](#)") online.

The new digital developments increase transparency and public control in subsoil use. Still, it is essential to underline that access to [most state registers](#), such as the Register of Geosoil, Register of the State Land Cadastre and others, still need to be opened to society.

Consumer and health protection

Chapter 28 of the EU *acquis*

A new draft law No. [9147](#) on overcoming Tuberculosis (TB) in Ukraine was reviewed by the Parliament of Ukraine since March and quickly adopted on 14 July 2023 after its second reading. Despite the [notes](#) by the Committee on Ukraine's integration into the EU and fundamental analysis and [recommendations](#) by recognised medical community, the law did not include most of the proposed amendments. Based on [detailed analysis](#), the new law failed to fully integrate the WHO's [global strategy](#) and targets for tuberculosis prevention care and control after 2015, which was adopted in 2014 at the 67th World Health Assembly.

In particular, the new law pays little attention to the prevention of TB as a socially dangerous disease. Social services, which are only mentioned in the law, are an effective tool of prevention protection. According to the Glossary of [social services classification](#), information campaigns on the prevention of socially dangerous diseases, including TB, should be carried out as a social prevention service. Such a fundamental social service is normally provided by local authorities and funded from local budgets. Since the beginning of the full-scale invasion in February 2022, the number of social welfare recipients in Ukraine has significantly [increased](#). Besides IDP's, vulnerable groups include residents of remote villages and small towns, injecting drug users, and ex-convicts. Local communities have been unable to provide social services to the full extent without the implementation of a national intersectoral program on the TB prevention.

The adoption of the new law was positively [reviewed](#) only by an NGO's allegedly related to the author of the legislative initiative in the Parliament. No additional comments from the NGO could be obtained during an independent assessment of the law. At the same time, neither the [Alliance for Public Health](#) nor the [Patients of Ukraine](#) NGO have reported on their website about the new law on overcoming Tuberculosis in Ukraine.

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In February 2023, the Global Fund to Fight AIDS, Tuberculosis and Malaria [approved](#) an additional US\$10.32 million in emergency funding to maintain essential HIV and tuberculosis (TB) services in Ukraine. This added to a total of US\$25.32 million emergency funding over 2022-2023 and more than US\$885 million since 2003. According to the Global Fund, Ukraine remains one of the high-priority countries to fight TB in Eastern Europe and Central Asia today.

On 13 July 2023, the draft law No. [7457](#) on regulating the circulation of hemp plants (Cannabis) for medical, industrial purposes, scientific and technical activities was passed the first reading. It should create conditions for allowing patients' access to the necessary treatment of oncological diseases and post-traumatic stress disorders caused by the war, as the complete title of the draft law suggest. This document fully complies with both the [EU Drugs Strategy 2021-2025](#), and the norms of European Parliament [resolution](#) on the use of cannabis for medicinal purposes. At the same time, the government should also focus on the adoption of a national drug policy strategy, as recommended in the EC's [opinion](#), since the previous strategy expired in 2020.

International cooperation

Amid the second year of the war in Ukraine, the European Union and the WHO [announced](#) in July about joining forces to further strengthen medical evacuation operations in Ukraine. The EU's Civil Protection Mechanism has already helped more than 2350 Ukrainian patients by transferring them to hospitals in 21 European countries. The new project will provide technical assistance and resources to the Ukrainian Ministry of Healthcare, the Medevac Coordination Unit and the Emergency Medical Services.

Foreign, security and defence policy

Chapter 31 of the EU *acquis*

Ukraine has been defending its independence for over 500 days as of July 2023. The world witnesses brutality of the russian politicians and the military. Nevertheless, some international media critically [reported](#) on the slow counteroffensive of the Ukrainian troops, [ineffective](#) use of the Western military support, as well as suggested an armistice with territorial concessions in favour of russia.

Those debates are believed by most Ukrainians to betray democracy and undermine the right to self-determination, while neglecting the core definition of the “unprovoked and unjustified war of aggression” of russia against Ukraine. The frustration intensified after the NATO summit in Vilnius, where Ukraine was denied a political invitation to NATO yet reassured in a G7 [joint declaration](#) “to formalise — through bilateral security commitments and arrangements — enduring support to Ukraine”.

One of the immediate follow-ups of the summit came very soon with the numerous russian missile and drone attacks against Ukraine's seaports and grain export infrastructure intending to crack down the “Black Sea [Grain Deal](#)”. Given a weak international reaction to the terror, Ukraine launched its own active measures in the Black Sea to enforce the russian enemy to further concessions. Among them came a bilateral agreement with Turkey to [release](#) several top-commanders of the Azov regiment, as well as Ukraine's successful attempts to deteriorate logistics of the russian occupation forces with a series of long-range strikes.

Despite all the challenges, Ukraine has worked further on the security sector reforms in July, with the main focus on improving state-owned defence enterprises' corporate governance. Substantial efforts have also been made towards humanitarian demining.

Strategic documents

The Parliament of Ukraine has prolonged martial law and general mobilisation in Ukraine until 15 November 2023 upon requests of the President of Ukraine, submitted in Resolutions No. [9532](#) and No. [9533](#). These decisions enable the military to recruit new personnel under the general mobilisation procedure from service-eligible citizens of Ukraine. Some restrictions on civil rights and freedoms, economic activities, and movements will remain in force.

Adopted laws

The Parliament adopted the Law of Ukraine No. [3288-IX](#) on reliefs of certain military and dual-use goods from customs duty and the Law of Ukraine No. [3287-IX](#) on reliefs of certain military and dual-use goods from value added tax.

Although the laws contradict Ukraine's obligations under the Regulation (EC) No 1186/2009 on the Community system of reliefs from customs duties and the Council Directive 2006/112/EC on the common system of value added tax, their adoption has been determined by the current military needs of Ukraine and should be viewed as a temporary measure to strengthen the country's defence capability.

The above reliefs can be justified by applying provisions of the Articles 472 "Measures related to essential security interests" and 143 "Security exceptions" of the EU-Ukraine [Association Agreement](#).

The draft laws under consideration by the Parliament of Ukraine

The draft laws No. [9531](#) and No. [9531-1](#) on the local communities financing of the defence needs are registered in the Parliament of Ukraine. The draft laws provide changes to the Tax Code allowing local authorities to finance the defence needs of their local military units, as well as to implement local programs aimed to increase the state's defence capabilities and provide logistical support to the Armed Forces of Ukraine.

The draft laws were initiated following a number of public cases of large-scale spendings by some local authorities on non-critical reconstruction and general procurement in the conditions of immediate needs caused by the Russian aggression.

Some clauses in the draft laws have been actively [discussed](#) in local communities with regard to consequent limitations to the decentralisation benefits and freedoms of local budgets redistribution. Local communities appeal for more freedom and flexibility, while supporting in general the idea of financing of immediate defence needs during the martial law period from their local budgets, which is currently restricted by the Tax Code of Ukraine.

The draft law No. [9538](#) On the participation of civilians in the defence of Ukraine and on improving the procedure for obtaining, declaring and handling firearms. Although the draft law is [not regulated](#) by Ukraine's obligations in the approximation to the EU *acquis*, it provides for important provisions regarding responsibility of the citizens of Ukraine to declare firearms and ammunition, which was

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obtained in the areas of combat. Given the number of weapons left by russians after withdrawal from many regions of Ukraine, the law should enable better control over unregistered firearms circulation and prevention of potential criminal use, thus enhancing the basis for Ukraine's future accession negotiations under the Chapter 24 on justice, freedom and security of the EU *acquis*.

Governmental decisions

The Cabinet of Ministers of Ukraine has adopted the Resolution No. [760](#) on the use of funds from the account of the Ministry of Economy to finance humanitarian demining activities. The Resolution should facilitate allocation of funds to support humanitarian demining and streamline efforts for cleaning contaminated areas outside the frontline to ensure safety and return to business activities for local inhabitants. It is also a confirmation for the international partners that Ukraine streamlines all possible funds for humanitarian demining but needs substantial support due to the scale and complexity of demining tasks (around [30%](#) of the land is contaminated with mines and dangerous ordnance).

Given costs on full demining of about USD 37.4 billion, according to [quotes of the PM of Ukraine](#) assessments of the World Bank, full-scale control and monitoring of activities at all stages should be established. According to the [Apostrophe](#), the Ministry of Economy of Ukraine has concentrated control over cooperation with international partners, receipt of donations, special machinery and equipment for demining, as well as arrangement of future financing of state contracts for demining. Public procurement through Prozorro platform and demining data availability can provide transparency and accountability of such a considerable scope of work and expenses.

The Cabinet of Ministers of Ukraine has adopted amendments to the Resolution No. [441](#) on the creation of the JSC Ukrainian Defence Industry. The Resolution has finalised numerous efforts to reform the state corporation Ukroboronprom. The new organisation will facilitate the introduction of corporate governance at numerous state-owned defence enterprises under the JSC control, as well as enable more opportunities for attracting investment and establishing joint ventures with foreign partners.

The Cabinet of Ministers of Ukraine has adopted the Resolution No. [681](#) on donor blood and blood components in the conditions of martial law. The Resolution aims to introduce more advanced models and technologies in blood transfusion in accordance with the international protocols of Tactical Combat Casualty Care during the prehospital phase. However, many combat medics [claim](#) that the adopted resolution is far from the actual needs, as it relates only to the field personnel with medical education.

International cooperation

The Parliament of Ukraine has issued an [Appeal](#) to the United Nations, parliaments and governments of the G7, member states of the European Union and NATO, the European Parliament, the Parliamentary Assembly of the Council of Europe, the Parliamentary Assembly of the OSCE, the Parliamentary Assembly of NATO, the International Committee of the Red Cross, Doctors Without Borders NGO regarding the POW exchange and the return to Ukraine of the defenders of Mariupol.

Ukraine is in active communication with partner countries and organisations to prepare the [International Conference](#) of Donors for Humanitarian Demining in Ukraine, due to be held in Zagreb,

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Croatia, on 11 and 12 October 2023. The conference will mobilise additional international support and resources for demining in Ukraine. Currently, Ukraine has 174,000 square kilometres of potentially contaminated land and lacks a respective number of personnel and demining vehicles.

The Cabinet of Ministers of Ukraine has approved the text of the [Agreement](#) between the Government of Ukraine represented by the Ministry of Defence of Ukraine and the Kingdom of Sweden represented by the Swedish Defence Technology Administration regarding cooperation in defence procurement and related issues. The Agreement aims to facilitate cooperation in the defence sector and purchases and deliveries of the related goods from Sweden – one of the most reliable and consistent partners with modern weapons and military equipment.

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