



EUROPEAN COMMISSION

SUPPORT GROUP FOR UKRAINE

# **Support Group for Ukraine**

## **Activity Report**

### **The first 18 months**

Data collected up to June 2016, published October 2016

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## 1. EXECUTIVE SUMMARY

This report provides an account of the activities of the Support Group for Ukraine in the course of its first eighteen months of full operation (from approximately September 2014 to the first half of this year). The Support Group was created in Spring 2014 on the initiative of the President of the European Commission, in response to the appointment of a reform-minded government following the dramatic events of the previous Winter. It was swiftly realised that for Ukraine to survive the early crisis period, and ultimately to fully achieve and draw maximum benefit from political association and economic integration with the EU, it would have to realise fundamental and systemic governance and economic reforms.

**Areas of support:** The Support Group has focused from the outset on the basic reforms required. These can be divided into three broad categories: first, reform planning, governance and rule of law; second, economic governance; and finally, sectoral policies including agriculture, energy, infrastructure, health, the labour market and education, and IDPs.

**Joined-up working methods:** The Support Group has sought to work as catalyst, facilitator and supporter of reform: by providing advice directly; by bringing in experts from other European Commission services; by deploying experts provided by the Member States; and – having assumed responsibility for financial cooperation in July 2015 - by bringing to bear the substantial grant assistance made available by the European Union.

The present report provides a narrative of the activities of the Support Group across its fields of intervention, describing where appropriate the progress that has (or has not) been made towards meaningful reform, as well as an annex containing a listing of significant legislation and other important documents, and institutions, on which the Support Group has sought to bring advice and expertise to bear (Annex I).

Ukraine has made good progress in a number of crucial reform areas, and the Support Group has been able to contribute to this. From the outset the Group drew on the familiarity with the country of the Delegation of the EU, and on the Delegation's long experience of supporting reform in Ukraine. In many cases this allowed the Support Group to build on earlier reform support projects. The Support Group could also rely on close collaboration with other EU actors, notably the External Action Service (EEAS), other European Commission services, and the European Union Advisory Mission for civilian security sector reform (EUAM Ukraine). Engagement with other international actors, in particular the International Financial Institutions and OECD/SIGMA, as well as with a vibrant Ukrainian civil society, was also important. Last but not least, the Support Group has been working increasingly to better coordinate with EU Member States at strategic level. By setting out the wider context for reforms and large support programmes, it is intended to provide additional strategic direction to already existing in-country day-to-day donor coordination.

Finally, the report develops a number of conclusions for the future operation of the group:

- (1) The Support Group should continue building on the substantial work already under way in Kyiv, and must remain responsive to Ukrainian requests for support and assistance in many areas.

- (2) The Support Group will seek to further strengthen strategic coordination with Member States of ongoing assistance, with a view to increasing the overall impact of EU action.
- (3) Further synergies, and thus even greater impact, could be achieved by enhanced coordination with Member States on programming, including on priorities for future intervention, with lead actors in each field.
- (4) Higher visibility for the work of the Support Group can contribute to building confidence in Ukraine's reforms, helping to attract and sustain the interest of donors and investors. Co-operation with all actors to improve communication both in Ukraine and in the EU is therefore important.
- (5) Close cooperation with other EU actors, notably the EEAS, remains key across the board.

## 2. INTRODUCTION

This report provides an account of the activities of the Support Group for Ukraine in the course of its first eighteen months of full operation (from approximately September 2014 to the first half of this year).

The Support Group was created in Spring 2014 on the initiative of the President of the European Commission, in response to appointment of a reform-minded government following the dramatic events of the previous Winter in Ukraine.

The Group was to be coordinated by the Commissioner for Enlargement and Neighbourhood Policy. The mandate of the Group was to *"provide a focal point, structure, overview and guidance for the Commission's work to support Ukraine, through the initial and crucial early phases of its transition. The Support Group would also help mobilise Member State expertise and further enhance coordination with other donors and the International Financing Institutions (IFIs)." The Group would "deliver expertise in two phases:*

- (1) *the immediate short-term phase, until end 2014, to identify and coordinate with the national authorities, benefitting from input from the Member States, the technical assistance that they need to 1) stabilise the fragile financial, economic and political situation in Ukraine; 2) plan and implement reforms to boost growth and 3) identify reform priorities and advance the reforms necessary to ensure that immediate benefits can be obtained from the EU offer (Association Agreement (AA)/Deep and Comprehensive Free Trade Agreement (DCFTA) and Visa Liberalisation Action Plan (VLAP)).*
- (2) *a medium-term phase, from end 2014 where the goal is to further support Ukraine in the elaboration and implementation of comprehensive reform programmes."*

It was announced that the Support Group would *"report to the President and the High Representative/Vice-President"* and that the group should *"draw on the contributions of all relevant Commission portfolios"*.

Most recruitments were completed over the summer of 2014, with Support Group members drawn from a wide range of European Commission services, the European External Action Service (EEAS), experts seconded from national administrations<sup>1</sup> and contracted staff. The Group was operational by early September 2014, gradually building up to a total operational staff of more than 25.

The Support Group assumed responsibility for financial cooperation in July 2015. This step allows the Group to follow a comprehensive approach in its relations with the country, and alongside the Delegation to deliver support in a fully integrated way.

It was swiftly realised that for Ukraine to survive the early crisis period, and ultimately to fully achieve and draw maximum benefit from political association and economic integration with the EU, it would have to realise fundamental and systemic governance and economic reforms. This meant that the Support Group would have to go beyond

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<sup>1</sup> On 1 May 2016, the Support Group included four Seconded National Experts from the United Kingdom, Lithuania, Poland, and the Netherlands.

providing support and advice on the technical changes to legislation required for the implementation of the Association Agreement. The Support Group has therefore focused from the outset on working with the government, with the Verkhovna Rada, with the Presidential Administration as well as with other state bodies on the basic reforms that Ukraine will have to undertake for the benefit of its own citizens and the Ukrainian economy.

Ukraine's reform priorities are set out in a number of documents, including the Association Agenda with the EU. Ukraine must also address a wide range of rather detailed conditions agreed with its principal lenders; the conditions negotiated with the EU as a basis for its €3.41 billion in macro-financial assistance, or conditions agreed with the IMF or the World Bank. The central purpose of the Support Group is to help Ukraine achieve the ambitious programme of reform set out in these various documents and agreements.

Across, therefore, a range of issues as detailed in this report, the Support Group has sought to work as catalyst, facilitator and supporter of the reforms set out: by providing advice directly; by bringing in experts from other European Commission services; by deploying experts provided by the Member States; and by bringing to bear the substantial grant assistance made available by the European Commission.

The Support Group has worked, with the EU Delegation in particular, to ensure that existing and future financial cooperation is increasingly brought to bear on the government's own efforts to implement basic reforms, as detailed later in this report. The Group was also substantially involved in formulating the conditions attached to Macro-Financial Assistance (MFA) III, and this provided further opportunity to induce positive reform.

Support Group members played an active part in many of the more than one hundred study visits, workshops and other expert missions in support of the Ukrainian authorities undertaken under the auspices of the European Commission's Technical Assistance and Information Exchange (TAIEX) programme during the same period. Figures for these TAIEX events in Ukraine, and participants reached - well over 2,000 public officials - were up more than 100% on both 2014 and 2013.

In order to provide this close support, Support Group members undertook some 300 missions to Ukraine in 2015 alone, as well as deploying nine "active senior" (recently retired high-level European Commission officials) on advisory missions varying in duration from a few days to several weeks.

The Support Group works in close collaboration and coordination with the EEAS, other European Commission services, the EU Delegation in Kyiv in particular, but also with the European Union Assistance Mission for civilian security sector reform (EUAM Ukraine), Member States, other European and international donors including international financial institutions, as well as Ukraine's particularly active civil society. It has also invested in efforts to help coordinate and streamline the numerous support efforts of various other international donors and international as well as national actors, in order to match them with Ukraine's reform objectives. In order to ensure transparency and a better information flow, the Support Group organised in Brussels four general coordination meetings with Member States as well as a number of energy sector meetings.

### **3. REFORM PLANNING, GOVERNANCE AND RULE OF LAW**

#### **3.1. Public Administration Reform**

A thorough reform of public administration is indispensable for the successful implementation of Ukraine's ambitious reform process. Working closely with the EU Delegation in all areas related to public administration reform, the Support Group focused initially on bringing the draft law on civil service to a level of maturity where the draft met the benchmarks developed by OECD's EU-funded SIGMA. The Group provided support to various stakeholders in their quest to bring the law, which will be one of the pillars of Public Administration Reform, to successful adoption by the Rada in December 2015. It entered into force on 1<sup>st</sup> May. The Group also worked closely with the National Agency for the Civil Service on a range of issues from change management and communication to IT and the preparation – with the support of the European Personnel and Selection Office – of selection procedures for officials.

In parallel the Support Group urged that for public administration reform to get under way with intent, an overall strategy and implementation plan should be conceived. The Group suggested that once these had been drawn up the European Commission could potentially provide financial support for the reform of Ukraine's public administration. However first attempts to draw up such a strategy were inconclusive. The offer of financial support was therefore suspended to allow time for the recruitment of additional high-level advisers. The appointment of a new government in April 2016 and the nomination of Deputy Prime Minister Ivanna Klympush-Tsintsadze to take charge of public administration reform provided fresh impetus. A comprehensive Strategy for Public Administration Reform in line with the EU-SIGMA Principles of Public Administration, together with a corresponding implementation plan, was adopted by the Cabinet of Ministers on 24<sup>th</sup> June 2016. This followed an inclusive consultation process in which civil society had been encouraged to participate. It is now anticipated that substantial budgetary support will be provided to allow Ukraine decisively to initiate a wholesale reform of its entire public administration. As a further contribution to this overall reform effort, the Support Group has worked with the EU Delegation and with other international donors to prepare the deployment of 'reform support teams' to pilot ministries to ensure that public administration reform carries through to the ministries and to the implementation of sector reforms.

E-governance will also play an important part in overall public administration reform. The Support Group undertook the first comprehensive mapping of IT needs in key reform areas and of the capacity of Ukrainian institutions to implement key IT solutions. This mapping should enable a better direction of future financial and expert support in this area.

#### **3.2. Anti-corruption**

Corruption is one of the main obstacles to sustainable reform in Ukraine. The EU Delegation from the beginning pressed for the urgent establishment of the three new anti-corruption institutions: the National Anti-Corruption Bureau of Ukraine, the National Agency for the Prevention of Corruption, and the specialised anti-corruption prosecutor. In conjunction with a British project, the Support Group advised on the initial stages of the establishment of the Anti-Corruption Bureau in particular, providing advice on project management and meeting regularly with management to identify and satisfy additional support needs. The Support Group also worked closely with the EU

Delegation to help ensure that the EU provided expertise for the initial training of Bureau detectives and provided advice to the Ukrainian authorities and civil society on the drafting and implementation of anti-corruption legislation. The Group used high-level contacts to make sure that any issues arising were addressed in appropriate manner. Support Group members also recommended to European Commission line DGs which anti-corruption commitments should be agreed with the Ukrainian government under the third Macro-Financial Assistance programme and under the Visa Liberalisation Action Plan (following the VLAP reports of May and December 2015). The Group thereafter helped to assess compliance, and contributed to the discussion of legislative changes required as a consequence.

The Support Group has also been instrumental in designing a wider new anti-corruption measure to be financed by the European Commission, with implementation due to begin at the end of the year. Success in tackling this absolutely vital issue will depend on the full commitment of the Ukrainian authorities.

### **3.3. Rule of law reform**

In the justice sector, Ukrainian reform efforts focused on amendments to the Constitution (concerning the judiciary) and – partially linked to that – the vetting of judges and prosecutors.

Support Group members worked closely with the EU Delegation and the EU-financed Justice Reform Project to support the General Prosecutor Office's reform department in its efforts to renew the prosecutorial corps and cut staff. All local prosecutors were required to go through a testing process to determine fitness for post in terms of professionalism and integrity; management posts were filled in an open competition. Although in the case of management level prosecutorial staff testing did not generally bring in new blood – mainly because few qualified outside candidates applied – it was possible without opposition to reduce the overall staff complement by some 20%. The experience gained by the Ukrainian authorities from this exercise will be useful for future vetting processes.

As to the judiciary, Support Group members are in close contact with the Ukrainian authorities and civil society in order to support the vetting of judges and ensure compliance with Venice Commission requirements. The process gained significant new momentum with the recent adoption of constitutional amendments concerning the judiciary and of a new law on the judiciary. While the previous law provided merely for a requalification assessment of judges, the new law foresees a major reorganisation of the judiciary and the creation of a Supreme Court.

Another main area of reform is the system for the enforcement of judgments. Draft legislation envisages the introduction of a profession of private bailiffs which would coexist for a transitional period with the state enforcement officers. The Support Group identified the short term expert who consulted on the reform with the Ministry of Justice and advised Ministry officials and members of the Rada on the necessary draft legislation.

Latterly it has been decided that an overall programme in support of rule of law reform should be developed, in order to bring EU resources to bear in a more comprehensive and effective manner. The new programme is due to start in 2017.

The development of this new programme has involved Support Group collaboration with the EU Delegation and also increasingly with the EU Advisory Mission for civilian security sector reform (EUAM Ukraine). This will help ensure that the EU can deliver on police reform and law enforcement as part of the overall effort to rule of law reform in Ukraine. The Support Group has also helped to bring to bear funding under the Instrument contributing to Stability and Peace to help initiate that police reform as a precursor to the wider programme. The very deliberate choice made by the Support Group to collaborate with EUAM is in line with the EU's 'comprehensive approach' to global security challenges.

### **3.4. Central government**

The Group from the outset focussed on supporting Ukraine's central state bodies to implement basic reform.

Early efforts were directed towards the preparation of a single and comprehensive national development strategy, with reform objectives refined, prioritised and costed. The Support Group aided the office of the Deputy Prime Minister in the design and conduct of a participatory process intended to formulate the single strategy. One of the goals was to systematise and unify the objectives and proposals set out in various politically or legally-binding documents. Developing original proposals from the government, more than 300 Ukrainian and foreign experts, including amongst others staff of the Presidential Administration and experts from civil society, contributed to the formulation of ideas that ultimately found their way into the government's action plan and sectoral policies, as well as into the Rada's 'legislative plan in support of reforms' (adopted in June 2015). The Support Group also worked with the Ministry of Economic Development and Trade to support the April 2015 international Ukraine reform support conference. It was disappointing that the Ukrainian government was not able to use this conference to maximum effect to showcase its reform achievements and plans.

The Support Group advised on the design of the National Reform Council, to meet the concerns of the international community with respect to the place of this new body in the state's decision-making process and in the coordination of donors. The Support Group also offered support to the Project Management Office created to manage the Council task forces.

Some progress has more recently been made towards the gradual establishment of a domestically-owned donor coordination mechanism. This has been made possible by the support of the international community and in particular of the EU Delegation, and the Support Group is now lending its weight to this drive.

The Group is offering targeted support and technical assistance to the Government Office for European Integration. This should contribute to its establishment as Ukraine's coordinating executive body on European integration matters, as and when the Office is provided proper authority in this regard. The Group in parallel participated in the definition of an institutional support project to the Office, to be delivered from 2016. The Support Group and the Government Office jointly organised the visit of deputy ministers responsible for European integration to Brussels, agreeing on that occasion on an information exchange routine aimed to facilitate, on demand, Ukraine's gradual approximation to the *acquis*. The Support Group also acts as a focal point for the Government Office for European Integration with regard to its contacts with the many Commission services assisting in the transition process.

### **3.5. The Verkhovna Rada**

In response to a request made by the Speaker, the Support Group began working with the professional staff of the Verkhovna Rada. Assistance was aimed primarily at designing an implementation and monitoring process applicable to the Legislative Plan in Support of Reforms adopted by the Rada in June 2015, and providing recommendations or practical help on various other projects. The Support Group also worked on the initiative of the EU Delegation to deliver scene-setting seminars on the Association Agreement and on sector reforms, for the benefit of Members of the Rada, staff, and representatives of civil society. Cooperating closely with a European Parliament needs assessment mission launched in October 2015, it has more recently concentrated on legal approximation issues, including their inter-institutional dimension, and worked with the EU Delegation to define technical assistance projects for the Rada.

### **3.6. Constitutional, electoral and other political reforms**

The holding of presidential and general elections and a thorough constitutional reform was one of the major challenges for the new Ukrainian leadership. An inclusive process, bringing in a vibrant Ukrainian civil society, was the key to success. More generally the Support Group has sought, alongside and in close coordination with the EEAS, to encourage constitutional reform, changes to electoral legislation and the holding of the legislative and regional elections, and constitutional guarantees for human rights. Support Group members consulted with civil society organisations in public and awareness-raising events on constitutional reform, and supported, alongside the EU Delegation, the preparation of large-scale EU support to decentralisation, to be implemented from 2016. In the framework of the Visa Liberalisation Action Plan verification missions, the Support Group worked closely with EEAS and European Commission colleagues in assessing the situation of human rights and the regional elections law with respect to discrimination and the rights of internally displaced persons. More recently, it delivered detailed recommendations on the draft National Human Rights Action Plan prepared by the Ukrainian government. Attention was paid also to encouraging civil society initiatives aimed at fostering dialogue and reconciliation.

## **4. ECONOMIC GOVERNANCE**

### **4.1. Public Financial Management**

Strengthening public financial management, including budget reform, external audit, the management of state-owned enterprises, public procurement and tax administration present considerable challenges and much remains to be done. Nevertheless, notable progress has been achieved in a number of areas. The Support Group has worked closely with other Commission services and the EU Delegation to support the policy dialogue with a wide range of stakeholders in the Ukrainian government, the donor community, and civil society, as well as the design of possible future support measures.

In the area of budget reform, sustained dialogue and exchange of information on best practice has encouraged the Ministry of Finance to develop proposals to tackle the long-running problem of excessive amendments to the annual state budget, by establishing clear criteria for amendments and thereby strengthening budget discipline and predictability. A new law in this regard was adopted in December 2015. Advice has also been provided on broader budget management with a view to developing medium-term

budgeting systems and financial management tools. The Support Group has also entered into discussions regarding fiscal decentralisation, with a number of other actors in the area. The Group stands ready to increase the support available in order to find timely and credible solutions to inter-related fiscal, legal and procedural challenges.

On the external audit of public finances, the Support Group has promoted reform by working with others on new legislation, adopted in August 2015, which brings Ukraine more in line with international standards; applying key principles of transparency, independence and objectivity. The law introduces appointments to the Accounting Chamber of Ukraine based on professional merit and requires open hearings and publication of reports. To raise awareness of this new approach, the Support Group, working with the EU Delegation, organised a roundtable for parliamentarians, which enabled them to consider their role in relation to the Accounting Chamber and in promoting accountability for public spending.

In the area of state-owned enterprises, the Support Group has from the outset encouraged reforms in corporate governance, not least in the energy sector. Working alongside international financial institutions and others, the Support Group has encouraged Ukraine, and the Ministry of Economic Development and Trade in particular, to establish a clear framework for future privatisations of state-owned enterprises based on transparency and fairness in line with best international practice. A joint letter signed by a number of international donors and IFIs to this effect was delivered to the Ukrainian Prime Minister, with the result that a task force was established to review all relevant laws and procedures and develop a strategy and a sound legal framework. A new law has now been passed paving the way for transparent privatisations.

The Support Group has become increasingly focussed on the reform of tax administration, taking part *inter alia* in an IMF review of the State Fiscal Service (SFS) in 2015. An action plan adopted by the government is now being further developed with the close involvement of the Support Group. The Support Group is facilitating technical assistance to support the extensive reforms envisaged by the SFS, which should help improve tax compliance and reduce administrative burdens for businesses and individual taxpayers. A dedicated IT scoping mission to the SFS took place in February 2016 in cooperation with the *Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)*. It found a high-risk environment with weak IT support, strong limitations on data storage capacity, insufficient IT protection, outdated equipment and a lack of planning and strategy. A follow-up mission took place in March 2016 in order to help the tax authorities develop an IT strategy. (See also Support Group interventions in support of Customs reform, at 4.3 Trade and industry, below.)

Sound public financial management is an important condition for EU macro-financial assistance and budget support programmes in Ukraine. The Support Group has played its part in following progress in the public financial management reforms promoted by these programmes. The Support Group is also involved in designing a future support measure on public financial management/tax administration in response to a request from the Ukrainian government.

## **4.2. Financial sector**

The Support Group has worked closely with the National Bank of Ukraine and other regulatory authorities in the context of the comprehensive programme for financial sector development adopted by the National Reform Council in June 2015. This provides a

framework for the approximation of Ukrainian law with EU regulatory standards over the coming years as foreseen by the Association Agreement. In March 2015 the EU launched a technical assistance project focussing on certain priority areas, particularly in the banking sector, and the Support Group has been closely involved in this. The Support Group has also facilitated dialogue between the European Commission and the Ukrainian regulatory authorities to ensure that regulatory reform is on the right track. In addition the Support Group has worked with international financial institutions active in the financial services area to promote complementarity in support for Ukraine.

Financial sector reform is an important part of structural reform and economic development in Ukraine and the Support Group has worked closely with other European Commission colleagues in promoting broader economic reform and financial stability.

### **4.3. Trade and industry**

In coordination with other EU actors, the Support Group sought to assist Ukraine in the preparation for the provisional application (from 1<sup>st</sup> January 2016) of Title IV of the Association Agreement (Trade and trade-related matters), ie. the Deep and Comprehensive Free Trade Area (DCFTA); in the implementation notably of Title V (Economic and Sector Cooperation); and in the fulfilment of other conditions (notably those applying to the third EU macro-financial assistance programme (MFA III)), as they related to the policy areas of microeconomic governance.

Since the provisional application of the Association Agreement, bilateral discussions on trade and trade-related aspects are conducted at senior official level within the Association Committee in Trade Configuration led by DG TRADE and the Ministry of Economic Development and Trade (MEDT). The first such meeting took place in April 2016. Support Group and Delegation personnel were present to ensure that current and future assistance could be matched as far as possible to emerging reform requirements.

Ukraine's binding commitments to approximate its law to parts of the EU *acquis* played an important role in the reporting period. In cooperation with the Ministry of Economic Development and Trade and the Ukrainian Government Office for European Integration, the Support Group helped foster the inter-ministerial coordination required for the drafting of the various roadmaps, strategies and action plans required under the DCFTA. The main focus was on institutional capacity-building and legal approximation in the DCFTA areas that directly or indirectly determine an effective access to the EU market for Ukrainian products and services, ie, technical regulations and standards, sanitary and phytosanitary measures (see also 4.6), public procurement, customs regulations, intellectual property rights, competition policy, and the legal framework for the services sector.

With regard to technical regulations and standards, the Support Group provided oversight, together with the Delegation, of the technical assistance programme in support of further regulatory harmonisation with Ukraine that ended in late 2015, and assisted with the preparation of a new one. The Support Group also liaised with the Ministry for Economic Development and Trade and the bodies responsible for standards, conformity assessment and accreditation, to advise them on the setting up of an EU-compatible system. The Support Group further advised the Ministry on a possible scheme for deregulation.

On public procurement, the Support Group has worked with policy-makers and consultants to promote reforms that reflect EU standards and best practice. New laws were adopted in 2015 in favour of transparency, openness, non-discrimination and competition in public tendering. Work continued simultaneously on the preparation of a public procurement roadmap in respect of the commitments contained in the Association Agreement in this area. A Public Procurement Roadmap was subsequently adopted by the government on 24<sup>th</sup> February and awaits joint decision of the Association Committee in Trade Configuration.

In the area of customs and trade facilitation, the Support Group worked closely with other European Commission colleagues, the EU Delegation to Ukraine, EUAM Ukraine, and the EU Border Assistance Mission to Ukraine and Moldova (EUBAM), in supporting the State Fiscal Service of Ukraine in its reform process as regards customs matters. Ukraine requested specific assistance for the approximation of customs legislation in accordance with its DCFTA commitments. The Support Group contributed to the identification of priorities and the planning of such assistance.

The Support Group also put emphasis on supporting Ukraine in the design and implementation of reforms in the area of competition policy, notably in anti-trust and merger control. The promotion of competition and the tackling of the monopolistic character of the economy is a key reform for Ukraine. The institutional changes that took place in 2015, with a new chairman and board of the Anti-Monopoly Commission of Ukraine (AMCU) being appointed in the summer, were therefore significant. The Support Group used this opportunity to encourage reform and the adoption of EU best practices, developing a package of expert support using its own officials, retired officials and TAIEX funded Member-State officials in a coordinated assistance programme, also supported by other European Commission officials in Brussels, and the Delegation.

The Group assisted AMCU in preparing legislation and internal guidance papers to promote transparency and focus its activity on the most significant issues in relation to anti-trust and merger control. Advice and support were also provided to assist Ukraine adopt two crucial pieces of legislation in the competition field: Law 2102 to ensure the AMCU transparency; and Law 2168a on improving the effectiveness of the supervision of economic concentrations and of merger thresholds, thereby safeguarding competition. While challenges remain, the Ukrainian legal community has indicated that AMCU is already more open and transparent than previously considered.

The AMCU will also be the designated state aid control authority in accordance with DCFTA commitments. A law on state aid was adopted by Ukraine in 2014 and sets the scene for a fully operational EU-style state aid control system by August 2017. Through the same programme, the Support Group provided advice on institutional structures and on secondary legislation in this area.

Postal services are one of the four areas of the services sector for which the DCFTA foresees significant approximation to the EU *acquis*, and ultimately internal market treatment provided sufficient alignment has been achieved as regards the transposition of law, its implementation and enforcement. The Support Group therefore received a request for assistance in this area, where no support was ongoing. Since the Spring of 2015, the Support Group has been supporting the Ministry of Infrastructure – as regulator and incumbent postal provider - on the development of a roadmap for postal and courier services; the roadmap has received a positive preliminary approval by Commission services and is now awaiting adoption by the Association Committee in Trade

Configuration. The Support Group facilitated advice and expert missions from the European Commission in Brussels, and organised TAIEX support by Member State experts under the programme mentioned above. The main focus was the approximation process and the role of the regulator.

The Support Group also liaised with colleagues from European Commission line DGs in relation to the Title V approximation obligations. The priority areas have been: industrial policy, support for SMEs, tourism, consumer protection and corporate law. The Support Group has also provided some advice to the Ministry of Economic Development and Trade on deregulation matters.

The Support Group also participated in efforts undertaken in response to concerns expressed by the Russian Federation in respect of the economic impact on its industry of certain elements of the DCFTA, notably in the area of customs cooperation, technical barriers to trade and sanitary and phyto-sanitary measures. Trilateral discussions took place at ministerial as well as expert level between the European Commission, Ukraine and the Russian Federation (mid-2014-end 2015) to consider possible solutions. The Head of the Support Group represented the European Commission in this trilateral process in his capacity as former Deputy Director General for Trade. The Support Group provided input on the question of technical barriers to trade, notably regarding the scope for co-existence of different standards and technical regulations. The suggestions made might have allowed Russia to ensure the continuing, and mutually beneficial marketability of its products in Ukraine.

Russia's decision to suspend its longstanding bilateral trade regime with Ukraine resulted in a discontinuation of the talks. Furthermore from 1<sup>st</sup> January 2016 Russia imposed an import embargo on many Ukrainian foodstuffs as well as transit restrictions; and suspended the CIS FTA with Ukraine. The Support Group helped to organise advice and technical assistance to the Ukrainian authorities.

#### **4.4. Energy sector**

The Support Group has sought to make judicious interventions across the energy sector with the objective of supporting sector reform in general (including with a view to environmental concerns), boosting Ukraine's energy security, and stabilising gas transit to the EU. The Group has notably worked in concert with other European Commission colleagues from Brussels and with the Delegation in Kyiv to ensure that EU support and expert advice, macro-financial assistance and other financial cooperation programmes are coordinated and coherent with the assistance provided by the IMF and other major international donors.

In part due to pressure from the EU, a new Energy Regulator's Law is due to be adopted in Summer 2016, thus ensuring that Ukrainian energy markets operate according to trust and fair play in accordance with EU rules. The EU and the Energy Community Secretariat are working together to ensure that the draft Electricity Market Law approved by the Energy Committee of the Rada in May, plus associated secondary legislation, will be adopted shortly and thus gradually open up the electricity market.

The entry into force of a new gas law in October 2015 can be counted a major success. The Support Group, other European Commission colleagues and the Delegation teamed up with the Energy Community Secretariat to support the adoption of this law. The law abolishes the Naftogaz monopoly on gas trades and brings compatibility with EU energy

market rules. Secondary legislation has to a large degree been adopted although this needs to be brought fully into line with EU practice, and the EU continues to push for Naftogaz restructuring in line with the new law. The EU has stood behind recent gas tariff rises; as a result the company is on track to break even by 2017 (Naftogaz ran a deficit of some €10 billion as recently as 2014, corresponding to 7% of Ukraine's GDP).

The EU has facilitated agreements between Ukraine and Russia over gas prices and supply, in order to ensure that Ukraine, and by extension EU countries, did not go short of gas over the last two winters. Experts from the Support Group, the wider European Commission, from EU Member States and from the US and Canada advised on a Winter Action Plan approved by the Cabinet of Ministers in August 2015. The implementation of this Plan meant significantly improved security of supply over this last Winter. In cooperation with DG Energy the Support Group continued equally a close monitoring of Ukrtransgaz transit flows. The EU has also advised the Ministry of Energy on a concept for a new energy strategy to 2035.

The Support Group joined the IFIs and other major donors in insisting that the government adopt a more strategic approach to the question of energy efficiency. Whereas responsibility used to lie with a technical agency, Deputy Prime Minister Zubko has now taken the lead, with the Support Group working closely with his staff. Through consultations with government officials and Members of the Rada, by providing advice and expertise at conferences and seminars, the Support Group and its partners in 2015 promoted the successful adoption of a number of energy efficiency laws and other measures, such as on home-owners' associations and energy service companies. The Support Group also played a central role in the drafting of laws on energy efficiency in buildings and on heat metering and billing. However there have been unwonted delays to their consideration by the Rada. If these laws and the associated secondary acts necessary to make the legislation effective in practice are to be adopted by the end of 2016, sustained pressure from the Support Group and other donors will continue to be necessary.

Meanwhile over 120,000 families have benefitted from funding provided through a European Commission budget support programme for the thermal renovation of residential buildings. The Support Group and Delegation worked together to ensure the launch of a dedicated EBRD programme for the energy efficient renovation of residential buildings, and the EU is collectively the biggest supporter of EBRD energy efficiency funds for Ukraine. Following intensive consultations with the Support Group and the EU Delegation, the Deputy Prime Minister eventually proposed a revolving energy efficiency fund for buildings, taking forward a German initiative first advanced in the G7 context.

Indeed, residential buildings currently consume more than half of Ukraine's gas, and a key challenge for the coming months will to use the early experience of energy efficiency funds – combined with the new legal basis, the fresh international funding coming on stream and the enhanced powers of the regions under decentralisation - to ensure energy efficiency gains across Ukraine. A major new EU support programme for energy efficiency is now under development in collaboration between the Delegation and Support Group colleagues.

The reform of utility tariffs means consumers are now paying more for heating and electricity. This impacts on socioeconomically vulnerable groups. Supported by several international partners, the government has put in place a system of subsidies to protect the most vulnerable households. Implementation has been a considerable challenge to the

Ministry of Social Policy, but the system now covers some five million households. Still, preliminary evaluation has shown that, although necessary as a first step towards a cost-based system, and for the sake of social stability, the system as a whole needs to be rethought: it needs to be consumer-focussed and to cover needs more comprehensively and systematically. Furthermore, the expansion of the informal economy and the absence of a metering system for the majority of the population make the encouragement of energy efficiency very difficult. The Support Group, together with the Delegation, has proposed a range of other measures appropriate to Ukrainian conditions that might be taken to ensure that a properly consumer-based subsidy scheme plays its part in improving energy efficiency.

#### **4.5. Transport**

The Association Agreement includes a significant transport component. Together with the Common Aviation Area Agreement (initialled but not yet signed), it requires the implementation of over 100 items of EU legislation. The Support Group has endeavoured to provide both strategic and regulatory assistance, complementing and intensifying the support provided by the EU Delegation.

In respect of regulation, the Support Group has arranged for the delivery of expertise on specific items of legislation. A seminar was organised on rail safety, and comments were made on important legislative initiatives such as the new laws on road, rail, inland waterway and maritime transport. In addition a number of sub-sector strategies, implementation plans and roadmaps prepared by the Ukrainian authorities were reviewed in order to improve their effectiveness and to help assess compliance with the EU acquis.

The Support Group has striven hard to convince the Ukrainian authorities of the paramount need to develop the capacity of the Ministry of Infrastructure for strategic development and proactive policy making. The Group has pushed for (i) the assessment of the whole cycle of infrastructure planning, design, approval, implementation, audit and maintenance, so as to identify and remove administrative and regulatory bottlenecks that stand in the way of efficient provision of new infrastructure and the rehabilitation of existing infrastructure; (ii) the development of a systematic approach towards traffic measurement and prediction, so as to prepare a transport model as a basis for a transport master plan and objective priority investment requirements; and (iii) together with the World Bank and in close cooperation with private operators and the public authorities at all levels, the systematic review of the practical, administrative and regulatory impediments to effective logistics operations, with a view to drafting a logistics action plan and its implementation.

Support Group activities in the area of transport and infrastructure are planned and implemented in coordination with the existing programme of financial cooperation. For example the Ministry of Infrastructure is one of the pilot ministries for European Commission support to public administration reform (see Section 3.1, above), involving the appointment of some 20 staff to take charge of administrative reform initiatives in the Ministry. Other financial cooperation in the transport sector includes sector budget support of up to €65m; as well as technical assistance for the implementation of the transport strategy of Ukraine – putting significant further expertise at the disposal of the Ministry. Focussed expertise has also been made available in the form of twinning projects addressing railway transport, road safety, aviation and the transport of dangerous goods.

#### **4.6. Agriculture and sanitary and phyto-sanitary measures**

The Support Group's first task was to assess the principal challenges facing the agricultural sector and, with the support of the EU Delegation, to form a network of stakeholders and international donors with whom it could work. The agricultural sector was found to be characterised by high levels of corruption on the one hand, and by an over-focus on exports from large farms, or 'agro-holdings' on the other. No mechanism existed for formulating strategy or policy. As a result there was no consensus on the way forward for the agricultural sector. The Support Group advised that stakeholders should be appropriately consulted. The formulation of a clear strategy could help develop the sector, and attract both donors and private investors.

The Ministry of Agrarian Policy and Food appreciated the potential advantages of developing a strategy from an early stage and proved an engaged partner to the Support Group from the outset. Thus the main task for the Support Group has been to assist in the development of a single and comprehensive Strategy for agriculture and rural development for Ukraine 2015-2020. Eight main and 24 specific working groups have been formed for this task, bringing together around 170 Ukrainian and international experts including government officials, consultants, representatives of civic society and professional organisations. The process enabled dialogue and coordination among state institutions, providing a long-term vision for the development of agriculture and rural areas as well as offering the basis for a stable, predictable and transparent legal framework. The resulting Strategy covers a wide spectrum of agriculture policy-related issues (land management, access to credit, taxation, agricultural research and education, state support mechanisms, food safety, environment, etc.), and provides a basis for the institutional reform necessary for successful follow-up and implementation. This unprecedented collaborative process has been structured in an open and transparent way: the preliminary work of the groups was open for public scrutiny and feedback over a two-month public consultation period, provoking over 170 written contributions. The draft Strategy was subsequently finalised and passed up for endorsement to the National Reform Council by the Ministry in early August.

The National Reform Council of Ukraine formally endorsed the Strategy on 4<sup>th</sup> December 2015. The efforts of the Support Group have focussed on ensuring its formal approval by the government itself. The Support Group and donors worked to ensure the consideration of the Strategy by the Agrarian Committee of the Verkhovna Rada, and possibly the adoption of a framework law.

The Support Group and its partners encouraged the working groups to deliver on 'quick wins', such as initiatives to deregulate. A total of 125 specific permits or regulations in the agricultural sector were identified for potential removal or restriction. Reports on progress achieved are made to a donor group on agriculture on a bi-annual basis.

The Group went on to help formulate a first ever Action Plan for the implementation of the Strategy for agriculture and rural development. The 2016 Action Plan encompasses actions stemming from the Strategy, actions which have now been added to the Government's own work plan. The Group also advised on the institutional arrangements appropriate to the monitoring of the Strategy, with the first meeting of an 'extended Collegium' to assure that monitoring taking place on 3rd March. Meanwhile the Support Group and EU Delegation together launched a project of technical assistance to reinforce the administrative capacity of the Ministry of Agrarian Policy and Food and the State Service for Food Safety and Consumer Rights.

Support Group members also worked closely with colleagues from other European Commission services to prepare the tenth agricultural 'dialogue' under the Ukraine-EU Association Agreement, and to introduce new working methods in policy making in the area of state support; and, with other European Commission colleagues and the EU Delegation in Kyiv, to coordinate Ukraine's approximation to EU standards.

While the Support Group has been the prime mover in initiating the development and formulation of a strategy, the strong involvement of all international donors (USAID, World Bank/IFC, FAO, EBRD, EIB...), the flexible funding and assistance organised by the Delegation, and the strong support of other Commission services, have been indispensable in achieving success in this important sector.

#### **4.7. Education and Science Policy**

The Ukrainian education system is currently starting down the path of restructuring and modernisation with a view to offering more relevant education, delivering globally-recognised quality education, and to internationalisation. The adoption of a new Law on Higher Education in July 2014 was an important first step towards aligning higher education with the Bologna Process and the European Higher Education Area. Ukraine already participates in EU capacity building and academic mobility programmes such as Tempus and Erasmus +. However reform needs to go further and be extended to all stages of education.

In consultation with other European Commission services, the European Training Foundation and other donors, the Support Group has monitored the preparation of new laws by the Ministry of Science and Education on education, and on vocational education and training, to bring improvements to the system as a whole. The Support Group also responded to a request from the Ministry of Education for technical assistance for education financing, early specialisation, and the establishment of an education inspectorate.

In concert with other colleagues from the European Commission in Brussels, the Support Group facilitated the association of Ukraine with the European Research Area and the progressive establishment of effective governance mechanisms in this regard (especially linked to the EU's Horizon 2020 programme). In the first quarter of 2015 Ukraine formalised its association with Horizon 2020. Besides the opportunities for Ukrainian research centres and universities to cooperate with leading scientific institutes in the EU and other associated countries, the signature of the agreement is a fundamental step for Ukraine's integration in the European Research Area. Support Group efforts focused on two areas: the elaboration of a Horizon 2020 implementation Road Map, and support for the creation of a dedicated unit of the Ministry of Education and Science to ensure Ukraine's active, high-quality participation as well as to enhance its role in Horizon 2020 financing and governance. The drafting and adoption of the Road Map also offered an opportunity to press for further reform of the Ukrainian scientific sector, within the general framework offered by the current draft Law on Science. The Support Group also supported DG Research and Innovation in finalising Ukraine's association with the EURATOM training programme, participation in which will make a further contribution to the revitalisation and internationalisation of Ukrainian science.

## **4.8. Environment**

The Support Group lobbied for adoption of laws on Environmental Impact Assessment (EIA) and Strategic Environmental Assessment (SEA) which were prepared with significant contribution of the Commission. These laws are currently being considered by the Rada. Ukraine has made a positive step towards compliance with the trans-boundary aspects of the SEA by ratifying the SEA Protocol to the Espoo Convention and becoming a member to the Protocol in December 2015. The Support Group worked with EU Delegation to provide for the implementation of environmental chapter of the Association Agreement, notably in the fields of water management and nature protection.

## **5. HEALTH, LABOUR AND INTERNALLY DISPLACED PERSONS**

### **5.1. Public health**

The Ukrainian public health system requires fundamental and systemic change not only in order to protect the health of Ukrainian citizens, but also to ensure that the country fulfils its international health commitments. The polio outbreak of August 2015 was a clear indication of the gravity of the situation. The government has instigated an overall reform of the health sector, and while this remains inadequate it is a start, and it enjoys the fundamental support of the international community; given the health-related provisions of the Association Agreement, the EU is seen as a key player.

Although the European Commission has not been a major donor in this sector, the Support Group nevertheless saw that a wide-ranging assessment of the Ukrainian public health system was not only long overdue but was also of fundamental importance to Ukraine and to the EU. The Support Group therefore worked with colleagues from a number of European Commission line DGs (particularly DG Health and Food Safety) and the European Centre for Disease Prevention and Control to undertake two fundamental assessments in 2015: the assessment of the epidemiological surveillance and disease control system of Ukraine (March-September) and the assessment of the blood safety system (July-August). A third work strand has been an assessment of the procurement and registration of pharmaceutical products, encouraged by the Support Group and the Delegation together. These assessments resulted in the elaboration of a National Blood Safety Strategy as well as a reform of the pharmaceutical procurement and registration, now underway. The Support Group is presently co-chairing, along with the Deputy Minister, a working group for the reform of the public health system. The working group has produced a concept paper which describes the key role of a national public health centre for the streamlining of the whole public health system. The concept paper has now been tabled with the Cabinet of Ministers. A new National Public Health Centre has been formally registered, and up to nine government agencies are to be merged into it.

### **5.2. Employment and the labour market**

Current economic conditions have contributed to a worsening of working conditions, expansion of the informal sector and a rise in unemployment as well as under-employment. There are two major reform challenges in the area of labour policy that should not be overlooked: the adoption by the Rada of a new Labour Code (initiated a decade ago); and the effective establishment of a modern labour inspectorate. The new service is taking shape, but still lacks adequate career and salary schemes for staff. The

Support Group, in concert with European Commission colleagues in Brussels and the EU delegation, is preparing an ambitious programme of technical assistance, in partnership with the International Labour Organisation (ILO). The Group equally maintains dialogue with the Ministry of Social Policy and with other partners, and will, in close cooperation with the DG EMPL and the Delegation in Kyiv, follow up on the drafting and adoption of the new Labour Code.

### **5.3. Internally displaced persons**

With according to Ministry of Social policy data around 1.8m internally displaced persons (IDPs) due to the armed conflict in certain areas of the Donetsk and Luhansk regions, and the illegal annexation of the Crimea, Ukraine is facing a humanitarian challenge unprecedented in its post-Soviet history. The threat to its territorial integrity, and socio-economic crisis in general, make it difficult for the government to respond appropriately. The Support Group, in concert with the European Commission Humanitarian Office, several international organisations and the EU Delegation, undertook a comprehensive evaluation of policies for the re-integration of IDPs. While legal provisions on IDP status have been put in place and subsequently improved, and financial assistance is provided to IDPs, a substantial number of IDPs will not return to their former places of residence. The European Commission has thus felt it necessary to insist on the need for a long-term integration strategy (one of the conditions for MFA III disbursement). The Support Group, in coordination with the Delegation in Kyiv and with the Ministry of Labour and Social Policy, has launched an evaluation of existing policy. Depending on the results of this operation and the needs of the government, the Support Group stands ready to provide further assistance. The Support Group in coordination with other Commission services has also been monitoring the consequences of the recent suspension of social payments to IDPs and has activated a dialogue with the authorities and with international partners with a view to the resumption of payments as soon as possible.

## **6. FINANCIAL COOPERATION**

Building on support provided since Ukraine's independence, the EU has provided unprecedented support to the country's political and economic stabilisation since spring 2014 – more than in any other third country. Out of a €12.8 billion package for Ukraine covering the next few years, the EU and European Financial Institutions have so far mobilised more than €7 billion in grants and loans in support of Ukraine's ambitious reform programme.

The Support Group has sought to work with the EEAS, the Delegation and the government of Ukraine to ensure that the support provided as grants – roughly €200m *per annum* - is oriented in support of Ukraine's reform programme. Due to the crisis, this support is provided without a multi-annual programme but rather through a set of special measures adopted during the course of the calendar year. A return to multi-annual programming is foreseen as of 2018.

An overview table setting out the principal items of financial cooperation grant assistance provided to Ukraine by the EU over the period 1991-2015 is attached at Annex II. More detailed information will be provided in a future report.

Taking over the respective responsibility in July 2015, the Support Group has notably contributed to the development of the second special measure for 2015 in support of decentralisation reform. This measure will focus on capacity building at the local and regional level and the improved provision of services to citizens, and will start in the coming months. It is relevant equally for the implementation of the State Strategy of Regional Development to 2020, as approved by the government of Ukraine in 2014 (prior to the effective establishment of the Support Group).

For 2016 and 2017 the Support Group is working closely with the Delegation to design programmes in the areas of anti-corruption (adopted in June 2016), public administration reform (PAR) rule of law, public financial management and energy efficiency. In particular, on PAR the Support Group and the Delegation have deployed a major effort over the last months to support the government in kick-starting a comprehensive reform programme across Ministries and Agencies. The above priorities are based on the findings of a joint programming mission with the EEAS that took place in autumn 2015. Strategic co-ordination meetings with EU Member States took place in February and June 2016.

The Support Group also works closely with EU Member States, other international donors and notably with International Financial Institutions to strengthen co-ordination and seek synergies between programmes of financial cooperation provided by Ukraine's various supporters. This included country days with the European Investment Bank, the European Bank for Reconstruction and Development and the World Bank in early 2016, in order to jointly assess the common aid portfolio, specialisations of the respective actors, and possible ideas for future cooperation.

## **7. LESSONS LEARNED AND OUTLOOK**

The creation of the Support Group for Ukraine by the European Commission marked an innovative, indeed unprecedented new departure in its partnership with its eastern neighbours. By bringing concentrated and focussed expertise and support to bear to support reform in a neighbourhood country, the European Commission demonstrated its sustained commitment to the goals of the Eastern Partnership.

The deployment of a dedicated group of senior officials in support of Ukraine's reform process has been intended to increase both the impact and visibility of EU assistance and to augment the effectiveness of standard mechanisms of cooperation.

More than a year after the start of Support Group operations towards the end of 2014, a number of lessons can be learned and conclusions drawn.

- The Support Group has found its role and formed effective working relationships with other EU actors active in Ukraine, and now adds value EU efforts to support deep-seated and systemic reform in Ukraine.
- By drawing together and forming a dedicated group of senior officials from sectoral Commission services who together offer a broad range of expert profiles, and by joining these to expertise from the EEAS and from Member States, the Support Group has been able to help shape and focus Ukrainian reforms, and design financial support to advance them.

- The Support Group has been most effective where it has adopted a targeted approach focussing on measures to advance the reform agenda in specific sectors (for example, and most successfully, agriculture, energy, transport).
- Close working relations with counterparts in Ministries and government agencies, has been key to achieving success, as well as the generation of a sense of common purpose based on Ukrainian ownership. Cooperation with the Delegation in order to build on existing relations has often been crucial in this regard.
- Integrating the operational support available in the Support Group with responsibility for EU financial cooperation has created synergies which could be further exploited in the coming period.
- The provision of this strategic and financial assistance has encouraged progress in a number of important Ukrainian reform areas, with more still to come.
- It has been by recognising and adapting to reform needs as they evolve in a sometimes unstable political and economic environment, that the Support Group has been able to make a distinctive contribution to the Ukrainian reform agenda.

Building on this experience, on exchanges with Member States as well as on the outcome of discussions of the Ukrainian reform process at the Foreign Affairs Council of 18<sup>th</sup> January 2016, the tangible impact of the Support Group's work could be enhanced in a number of ways.

Finally, the report develops a number of conclusions for the future operation of the group:

- The Support Group should continue building on the substantial work already under way in Kyiv, and must remain responsive to Ukrainian requests for support and assistance in many areas.
- The Support Group will seek to further strengthen strategic coordination with Member States of ongoing assistance, with a view to increasing the overall impact of EU action.
- Further synergies, and thus even greater impact, could be achieved by enhanced coordination with Member States on programming, including on priorities for future intervention, with lead actors in each field.
- Higher visibility for the work of the Support Group can contribute to building confidence in Ukraine's reforms, helping to attract and sustain the interest of donors and investors. Co-operation with all actors to improve communication both in Ukraine and in the EU is therefore important.
- Close cooperation with other EU actors, notably the EEAS, remains key across the board.

## 8. ANNEX I: ILLUSTRATIVE LIST OF MEASURES ACHIEVED WITH SGUA INVOLVEMENT

This Annex contains an illustrative (rather than comprehensive) listing of significant matters on which the Support Group has played an effective role over the past eighteen months. In certain cases the Group has provided general advice on the shape of institutions, documents or legislation. In others the Support Group has become involved in actual drafting in certain areas, such as energy for example, right down to technical provisions. At the end can be found a list of financial cooperation programmes instigated or shaped by the Support Group.

### *Reform planning, governance and rule of law*

- Constitutional amendments relating to the **judiciary**
- Reform aspects of the **government action plan**
- National **Human Rights** Action Plan
- **Civil Service** Law (adopted December 2015)
- Public administration reform strategy and action plan (adopted June 2016)
- National **Anti-Corruption** Bureau (including guidelines for selection of board members)
- National Agency for the Prevention of Corruption
- Specialised anti-corruption prosecutor
- Law on electronic asset declarations
- Law on Asset Recovery and Asset Management
- Law on seizure and confiscation of assets

### *Economic governance*

- Conditions applying to **EU macro-financial assistance** (MFA III)
- Law on the **Accounting Chamber** (adopted August 2015)
- Budget Revision rules under the **Budget Code** (December 2015)
- Comprehensive Programme of Ukrainian **Financial Sector** Development to 2020 (adopted June 2015 by financial sector regulatory authorities)
- Law 2102 on the transparency of the **Antimonopoly** Committee of Ukraine (signed by the President)
- Law 2168a on the protection of economic competition

- Law 2431 on safeguarding economic competition (fines for violation of competition legislation (awaiting second reading))
- **Postal services:** legislation and roadmap for approximation
- **Energy** Regulator's Law
- Electricity Market Law
- Gas Law (entry into force October 2015) and reform of Naftogaz
- Winter Action Plan for gas (plus Resilience Plan to 2020)
- **Energy efficiency** laws: energy efficiency in buildings, heat metering and billing (plus related measures: home-owners' associations, energy service companies)
- EBRD programme for the energy efficient renovation of residential buildings
- Ukrainian revolving energy efficiency fund for buildings
- Strategy for **agriculture and rural development** 2015-2020 (December 2015)

### **Health, labour and IDPs**

- Ukraine's association with the European **Research** Area and Horizon 2020 (March 2015) plus Horizon 2020 Roadmap (Spring 2015) including an implementation roadmap)
- **EURATOM** training programme association agreement
- **National Health System** Reform Strategy for Ukraine 2015–2020 (published February 2016)
- **Public health** system reform concept paper (published for public consultation in March 2016)
- Concept for the reform of the **procurement system for the Ministry of Health** (published February 2016)
- Evaluation of Ukrainian government policy for the delivery of social services to **Internally Displaced People**

