

EU-Ukraine Association Agenda*
to prepare and facilitate the implementation of the Association Agreement

I. Strategic part

EU-Ukraine Relations

Since 1991 when Ukraine gained independence, the European Union and Ukraine have developed an increasingly dynamic relationship. The impetus for this arose from a shared understanding that the prosperity, stability and security of both the European Union and Ukraine could be significantly enhanced by close partnership.

In subsequent years, the ambitions of both the EU and Ukraine have grown as regards this relationship. From initial political declarations and the provision by the EU of technical and financial support, the relationship has transformed into a partnership involving extensive collaboration over a comprehensive range of areas of activity involving a wide network of governmental, business and civil society partners.

In 1998 the European Union and Ukraine took a decisive step in up-grading the relationship by the adoption of a Partnership and Cooperation Agreement. Initially conceived for a 10-year period, the PCA together with the EU-Ukraine Action Plan, have provided the legal and practical framework for EU-Ukraine relations subsequently.

Events in 2004 helped to accelerate the rapprochement between the European Union and Ukraine. On the one hand the “Orange Revolution” demonstrated Ukraine’s determination to deepen the process of domestic democratic reform. On the other hand a further enlargement of the European Union took place on 1 May establishing a direct border between the EU and Ukraine. Both of these developments created an opportunity for the EU and Ukraine to move beyond cooperation towards gradual economic integration and deepening political association.

** The Association Agenda was adopted by the EU-Ukraine Cooperation Council on 23 November, 2009, and entered into effect on 24 November, 2009.*

In March 2007 negotiations were launched on a new agreement to replace the Partnership and Cooperation Agreement. It included, following Ukraine's accession to the World Trade Organisation in May 2008, the prospect of the establishment of a deep and comprehensive Free Trade Area with the EU.

The annual EU-Ukraine Summit held on 9 September 2008 was an important occasion for the EU and Ukraine to take stock of their deepening relationship and look to the future. Meeting in Paris the leaders recognized that Ukraine as a European country shares a common history and common values with the countries of the European Union. The EU acknowledged Ukraine's European aspirations and welcomed its European choice. As regards the new Association Agreement – the leaders heralded progress made in negotiations. They noted that the new Association Agreement would renew the EU-Ukraine common institutional framework, facilitate the deepening of relations in all areas and strengthen political association and economic integration through reciprocal rights and obligations. Looking to the future they acknowledged that gradual convergence of Ukraine with the EU in the political, economic and legal areas would contribute to further progress in EU – Ukraine relations.

The EU-Ukraine Association Agenda

Negotiations and ratification of the EU-Ukraine Association Agreement will take some more years before the full Agreement can enter into force. It is however expected that an Interim Agreement covering the Community aspects of the Agreement will enter into force significantly earlier. In the meantime action is needed now to ensure that both the EU and Ukraine are able to enjoy the full benefits of first the Interim Agreement and then the full Association Agreement as they are ratified. Consequently at the Paris EU-Ukraine Summit the leaders called for the development of a new practical instrument to replace the EU-Ukraine Action Plan.

This instrument, the Association Agenda will prepare for and facilitate the entry into force of the Association Agreement.

The new Association Agreement and the Association Agenda will promote further political association with and economic integration of Ukraine into the EU by creating a comprehensive and practical framework through which these overriding objectives can be realized.

More specifically they will help to consolidate democratic reforms notably reform of the judiciary, respect for the rule of law and human rights, transparency and democratic accountability, the fight against corruption as well as increasing citizens' participation in public decision-making in Ukraine.

The establishment of a deep and comprehensive Free Trade Area between the EU and Ukraine will lead to gradual and ever deeper integration of Ukraine with the internal market in parallel with the implementation of relevant elements of the *acquis communautaire*.

The Association Agenda has been shaped by common principles as set out in Section II below. It does not seek to establish a comprehensive menu of priorities for action since ultimately these will be determined by the Association Agreement itself once it enters into force. The Association Agenda clearly identifies those priorities on a sector by sector basis which require urgent action in anticipation of the entry into force of the Agreement.

II. Principles and instruments for the implementation of the Association Agenda

(i) The Association Agenda will be implemented on the basis of a number of common guiding principles:

Respect for the overall goal of achieving political association and greater economic integration of Ukraine to the European Union: recognising that actions undertaken through the Association Agenda should be implemented in the spirit of this overall objective;

Respect for the specific goal of “facilitating and preparing for” the implementation of the EU-Ukraine Association Agreement: The priorities agreed in the Association Agenda will complement the responsibilities of the EU and Ukraine to implement in full the provisions of the EU-Ukraine Association Agreement once it enters into force. The priorities set out in the Association Agenda may be amended or up-dated (including through the addition of new priorities) at any time as necessary by agreement between the EU and Ukraine in order to achieve this specific goal. Once the interim agreement enters into force the EU and Ukraine will conduct a major review of relevant parts of the Association Agenda.

Respect for the principles of transparency, accountability and inclusiveness;
Joint ownership and joint responsibility: recognising that the Association Agenda involves an engagement from both sides in implementation of the provisions of the Association Agenda;

The achievement of tangible results through the progressive implementation of practical measures: recognising that the Association Agenda aims to achieve tangible and defined results through the progressive implementation of a range of concrete and practical measures;

Consistency and sufficiency of means: recognising the importance of supporting agreed priorities through appropriate and sufficient political, technical and financial means. Within the overall EU financial assistance for Ukraine, resources could be available to support the actions identified in the Association Agenda;

Phased implementation: recognising that the priorities and activities agreed under the Association Agenda will be implemented at different speeds and in a phased manner year on year;

Common assessment: recognising that the implementation of the Association Agenda will be subject to annual reporting, monitoring and assessment and that in this process the parties will aim to reach, so far as is possible, an overall common assessment of annual progress made (*specific provisions related to monitoring mechanisms are set out in paragraph 9 below*);

Negotiations: The content of the Association Agenda will not influence in any way the process of negotiations on the EU-Ukraine Association Agreement. However, negotiations on the Association Agreement may be taken into account during the annual review of the Association Agenda.

The fact that the Association Agenda focuses upon a limited number of priorities should not affect the scope or the mandate of existing dialogue under the Partnership and Cooperation Agreement or other relevant Agreements.

(ii) Implementing Instruments:

The European Union will support Ukraine in implementing the objectives and priorities (set out below). Where appropriate it will do so through a variety of means including: exchanges of technical expertise and advice, best practices and know how, the sharing of information, support to capacity-building and institutional strengthening. Where relevant it may also include the provision of advice and a structured process of approximation to EU *acquis communautaire*. The Parties may also consider establishing sectoral dialogues as outlined in specific sectors below. In addition they may reflect in the Joint Committee of senior officials referred to in section III. 9 on setting up other dialogues by mutual consent in order to address a demonstrated need and where the establishment of such a dialogue would bring clear value added to existing formats. As appropriate, the European Commission will also encourage international, governmental, business and civil society partners to promote these objectives and priorities and, where relevant, facilitate them in these tasks. The instruments of the Eastern Partnership will also be available to help in the implementation of the Association Agenda.

III. Operational part

1. Priorities for Action

The Joint Committee at senior officials level will define priorities for action and provide guidance for the implementation of the Association Agenda in line with the provisions set up in section III. 9 below.

2. Political Dialogue

2.1 Democracy, rule of law, human rights and fundamental freedoms

The Parties agree to maintain dialogue and to cooperate to strengthen respect for democratic principles, the rule of law and good governance, human rights and fundamental freedoms, including the rights of persons belonging to national minorities as enshrined in the core UN and Council of Europe Conventions and related protocols. Such dialogue and cooperation shall cover the following areas:

(i) Strengthen the stability, independence and effectiveness of institutions guaranteeing democracy and the rule of law and in particular:

- promoting an inclusive constitutional reform process designed to further develop a constitutional system of effective checks and balances between state institutions, in the light of the relevant recommendations of the Venice Commission;
- strengthening of the functioning of local and regional self-government, including by reference to relevant standards contained in the European Charter on Local Self-Government;
- work closely together in reforming and enhancing the capacity of the public administration system in Ukraine on the basis of an assessment by SIGMA, including an effective fight against corruption;
- ensuring the effectiveness of the electoral framework and environment so as to continue the conduct of presidential and parliamentary elections in accordance with international standards for democratic elections and the recommendations made by OSCE/ODIHR;

- helping to ensure the independence and effectiveness of the Ombudsman. The Principles relating to the status of national institutions (the Paris Principles)¹ will be relevant for this priority.

(ii.) Ensure the independence of the judiciary and the effectiveness of the courts and of the prosecution as well as of law enforcement agencies, and in particular:

- continuing reform of the judiciary and of the court system so as to further strengthen the independence, impartiality, and professionalism of the judiciary and courts, notably by enhancing the training of judges, court officials and prosecutors as well as support staff and law enforcement agencies staff;
- effective implementation and enforcement of the civil, criminal and administrative codes and their corresponding procedural codes, based on European standards.

(iii.) Ensure respect for human rights and fundamental freedoms by comprehensive cooperation on the protection of human rights and fundamental freedoms, covering both individual cases and issues concerning international law instruments on human rights. This cooperation includes, inter alia:

(a.) Promoting the implementation of international and regional human rights standards

- following up on the implementation of the judgments of the European Court of Human Rights and promoting the evolving jurisprudence of the Court as a major source of international human rights law, with the support of the EU;
- promoting human rights awareness among judges, prosecutors and other law enforcement agencies by common measures on enhancing trainings of judges, prosecutors and law enforcement officers on human rights issues and in particular on combating torture and inhuman and degrading treatment;
- implementing the UN Convention on the Rights of Persons with Disabilities and its Optional Protocol.

¹ Adopted by General Assembly resolution 48/134 of 20 December 1993

(b.) Freedom of Expression, Assembly and Association

Expression:

Promoting the legal and administrative framework necessary for the enjoyment of freedom of expression with a particular emphasis upon the mass media and the rights of journalists, notably by:

- cooperating on the development of a system of public broadcasting, including by exchange of best practices, the adoption of a legislative framework and its implementation in accordance with European and international standards;
- cooperating to create the conditions necessary for journalists to work freely and shielded from threats or actual violence. This will include the exchange of best practices on effective protection of journalists by law enforcement agencies.

Assembly:

Step up cooperation to further strengthen the awareness of law enforcement agencies and the courts as regards respect for the right to freedom of peaceful assembly, notably by the exchange of best practices, training and cooperation on implementing rules of legislation.

Association:

Promoting the involvement of citizens in decision-making processes in particular through the activities of civil society organizations, notably by cooperation on legal framework and practice that facilitates the work of civil society organizations.

(c.) Ensuring respect for the rights of persons belonging to minorities

- exchanging best practices on measures to protect minorities from discrimination and exclusion in accordance with European and international standards, with the objective of developing a modern legal framework. Developing close cooperation between the authorities and representatives of minority groups;
- cooperate on measures to combat the growth in intolerance and the incidence of hate crimes (whether due to racism, xenophobia, anti-semitism or homophobia).

(d.) *Combating torture and inhuman and degrading treatment*

- further strengthening of efforts to improve the legal basis and practice in the area of detention, in particular as regards pre-trial and administrative detention in order to address effectively the issue of arbitrary detention;
- improve the conditions of detention for all prisoners whether in pre-trial detention or after conviction with the aim of eliminating ill-treatment and implement the recommendations of the UN Committee against Torture and the European Committee for the Prevention of Torture;
- consider the establishing of an independent police complaints mechanism.

(e.) *Ensuring Equal Treatment*

- exchange best practices to ensure the equality of men and women in social and economic life and promote the greater participation of women in public life and decision-making;
- combat domestic violence by supporting the strengthening of the legislative framework and practices of the law enforcement agencies regarding domestic violence and through awareness raising and training.

(f.) *Ensuring respect for Children's Rights*

- in the context of the commitments under the Optional Protocol on the Sale of Children, Child Prostitution and Child Pornography² to strengthen cooperation on preventing the sale, trafficking and exploitation of children;
- developing juvenile justice standards in line with relevant international standards.

(g.) *Ensuring Respect for Trade Union Rights and Core Labour Standards*

- further strengthen efforts, including through exchanges of best practices, to promote the full enjoyment of trade union rights and core labour standards based on International Labour Organization Conventions, and promote the effective use of collective bargaining.

² To the Convention on the Rights of the Child

2.2 *Combating Corruption*

- promote cooperation within the Council of Europe Group of States against Corruption and follow up the implementation of its relevant recommendations;
- completion of the processes of ratification of the UN Convention against Corruption and the Council of Europe Criminal Law Convention on Corruption;
- implementation of the National Anti-Corruption Action Plan, in cooperation with relevant EU bodies.

2.3 *Foreign and Security Policy*

Regional and international issues, cooperation on foreign and security policy, WMD non-proliferation and disarmament, conflict prevention and crisis management

- (i) Further strengthen convergence on regional and international issues, conflict prevention and crisis management; work jointly to make multilateral institutions and conventions more effective, so as to reinforce global governance, strengthen coordination in combating security threats and address development related issues
- intensify consultations and coordination through available diplomatic and military channels to address international issues of common concern, including and especially challenges to commonly shared principles of international peace and security, as established by the UN Charter, the OSCE Helsinki Final Act and other relevant multilateral documents, also in view of Ukraine's practice of aligning with EU CFSP declarations and common positions;
 - continue dialogue on implementation of the European Security Strategy;
 - enhance EU–Ukraine consultations on crisis management;
 - continue the practice of jointly identifying opportunities for Ukraine to participate in future ESDP operations, building on the good experience of Ukraine's participation in EU operations in the Balkans, as well as the current discussions relating to Ukraine's possible participation in EU naval operation Atalanta;

- further implement “Seville” Arrangements for Consultation and Co-operation between the EU and Ukraine in EU-led crisis management operations, including continued participation of Ukraine in relevant crisis management exercises and ESDP-related training activities;
- increase interoperability where appropriate between Ukrainian peacekeeping units and EU forces through lessons learned from relevant EU crisis management operations to which Ukraine participated. Ukraine expressed interest to bilaterally explore the possibilities of involvement of the units of the Armed Forces of Ukraine into the formation of EU Multinational Tactical Battle Groups;
- Ukraine and the EU to enhance their joint efforts within the 5+2 framework, with the aim of reaching a viable settlement to the Transnistrian conflict in the Republic of Moldova;
- the EU and Ukraine to continue cooperation with the Republic of Moldova on border issues;
- continue consultations on sanctions applied by the EU;
- explore further concrete ways of achieving convergence in the field of foreign and security policy;
- take measures to foster military and technological cooperation between the EU and Ukraine;
- encourage and facilitate direct cooperation on concrete activities, jointly identified by both sides, between relevant Ukrainian institutions and CFSP/ESDP agencies and bodies such as the European Defence Agency, the European Union Institute for Security Studies, the European Union Satellite Centre and the European Security and Defence College.

(ii.) Further develop co-operation in addressing common security threats, including combating terrorism, non-proliferation of weapons of mass destruction and illegal arms exports

- continue cooperation in the fight against non-proliferation of weapons of mass destruction, including on aspects related to the accession to and national implementation of relevant international instruments, such as CWC, BTWC and NPT, and export control regimes;
- further improve an effective system of national export control, controlling export and transit of WMD related goods, including WMD end use control on dual use technologies, in light of the EU regulation on export controls on dual use goods adopted in 2000 and on its updated version, further cooperate on the development of national lists of dual-use goods, controls over intangible transfer of technologies, enforcement of the export control system, including prevention and sanctions of breaches, and outreach to industry;
- continue cooperation in the fight against the trafficking of nuclear materials;
- continue cooperation in achieving the objectives of the G8 Global Partnership in all its aspects;
- cooperate in the enhancement of bio-security and bio-safety standards in the laboratories, other facilities and during the transport of dangerous bio-agents, in particular in light of the ongoing dialogue on possible cooperation on bio-safety and bio-security in the Ukrainian Anti-plague station (AR Crimea, Simferopol);
- cooperate in enhancing the security of outer space activities through confidence building measures, such as those proposed by the EU draft Code of Conduct;
- further cooperate on arms exports in the light of the content and principles of the Council Common Position 2008/944/CFSP defining common rules governing the control of exports of military technology and equipment and also in jointly supporting the process leading to the negotiation of an Arms Trade Treaty;
- further develop cooperation in the fight against the illicit trafficking of SALW and their ammunition;

- jointly address threats for security, posed by Ukrainian stockpiles of conventional weapons and old ammunition, including SALW and their ammunition and anti personnel land mines, in accordance with the provisions of the Ottawa Convention on the Prohibition of the Use, Stockpiling, Production, Transfer of Anti-Personnel Mines.

2.4 *International Criminal Court*

Enhance cooperation to promote international justice and fight impunity, including through:

- further support to the International Criminal Court (ICC) and the establishment of a consultation mechanism on the ICC's activities and functioning;
- effectively implement all measures necessary for the entry into force for Ukraine of the Rome Statute establishing the ICC;
- cooperate further within the framework of the Special Working Group on the Crime of Aggression and other special groups.

3. Co-operation on Justice, Freedom and Security issues

In the context of the commitments contained in the 2007 EU-UA revised JLS Action Plan, cooperation in this area shall focus on the following priorities:

- support in developing a Ukrainian system of Protection of Personal Data upon ratification of the Council of Europe 1981 Convention on Protection of Personal Data and the Additional Protocol thereto³ and its implementation. This should serve as one of the prerequisites for concluding agreements with Europol and Eurojust, including exchange of operational information;
- development of an appropriate legislative and institutional framework related to migration management with the aim of fighting illegal migration, smuggling and trafficking in human beings, with the support of the EU;

³ Convention for the Protection of Individuals with regard to Automatic Processing of Personal Data, Strasbourg, 28/01/1981 and Additional Protocol to the Convention for the Protection of Individuals with regard to Automatic Processing of Personal Data, regarding supervisory authorities and transborder data flows, Strasbourg, 08/11/2001.

- practical implementation of the 1951 UN Convention relating to the status of refugees and i.a. its 1967 Protocol including the right to seek asylum and respect for the principle of "non-refoulement" and the 2000 UN Convention against Trans-national Organised Crime with the aim of combating and preventing criminal activities, organised or otherwise;
- actively pursue the visa dialogue, developing the relevant conditions, with the long-term perspective of establishing a visa-free regime between the EU and Ukraine, as agreed at the EU-Ukraine Paris Summit of September 2008 with special attention to issues such as document security, illegal migration including readmission, public order and security, and external relations;
- encourage EU Member States to use the flexibilities existing under the Community acquis to reduce or waive visa fees in individual cases;
- ensure the full implementation of both the visa facilitation and readmission agreements between Ukraine and the EU;
- facilitate further Ukraine-EU judicial cooperation in civil matters on the basis of the applicable existing international instruments;
- develop, implement and upgrade the strategy, legal basis and procedures of integrated border management, including with the comprehensive support of the EU, to be jointly defined;
- with the technical support of the EU, continue the process of demarcation of Ukraine's borders in accordance with international standards in cooperation with the authorities of the respective neighbouring countries as appropriate;
- intensify and enhance cooperation under the existing working arrangements between the Ukrainian Border Guard Service and Frontex, including in particular analysis and risk management;
- in the context of Ukraine's continuing cooperation with the Republic of Moldova on border issues, including the effective exchange of information regarding flows of goods and people across the common border, Ukraine and the European Commission will maintain their collaboration together with the Republic of Moldova in particular through technical trilateral talks and with the support of the EU Border Assistance Mission;

- to minimize security and safety risks at EURO 2012, existing law enforcement and judicial cooperation will be reinforced with a view to exchanging relevant expertise and data on violent fans, based on existing mechanisms of information exchange. The EU network of National Football Information Points will be closely associated in the undertaken initiatives.

4. Economic cooperation

The Parties cooperate to support Ukraine in establishing a fully functioning market economy and gradually approximating its policies to the policies of the Community in accordance with the guiding principles of macroeconomic stability, sound public finances, a robust financial system and sustainable balance of payments, and in particular:

- develop Ukraine's capacity in macro-economic forecasts, inter alia improvement of methodology of elaboration of development scenarios, and monitoring of economic processes, improving the quality of analysis of the factors of impact etc. by exchanging of best practices;
- strengthen the independence of the National Bank of Ukraine (NBU), including by reviewing the 'Law on the National Bank' in line with best EU practice, including with the support of EU expertise, also from the ECB;
- sharing the experience of the EU, including from ECB, on monetary exchange rate and financial and banking sector regulation and supervision policies, and helping to develop and strengthen Ukraine's capabilities in all those areas;
- reinforce the sustainability and governance of public finances, through implementing fiscal and expenditure reforms, covering also the pension system and public debt management, in particular by:
 - jointly developing workable tools and methods to improve budget planning, including a medium-term expenditure framework (with strategic plans and budget ceilings for current and capital spending by line ministries⁴;

⁴ In Ukrainian version the relevant Ukrainian terminology will be used.

- exchanging of information, experience and the best practice concerning improvement of program- purpose approach in budgetary process, analysis of efficiency and gains of budgetary programs fulfillment, planning and implementation of budget and public debt;
 - exchanging of best expertise from the EU and the EU member states on pension system reforms with a view of improving the sustainability of Ukraine's pension system;
 - assessing the economic impact of tax measures in cooperation with EU experts;
 - exchanging of best practices on enhancing public debt management in line with international standards.
- reducing the involvement of the State in setting prices and introducing procedures for full price recovery in line with best EU practices;
 - further developing open, competitive and transparent privatisation rules and procedures and their implementation in line with best EU practices.

5. Trade and trade related matters

Trade in goods

Priorities will be specified once negotiations on the EU-Ukraine Association Agreement are concluded and in line with the provisions set up in section III.9

Rules of origin

The Parties shall cooperate in preparing the proper implementation of rules of origin to be applicable between the Parties, in particular by:

- transfer of the competence in certification of origin from the Chamber of Commerce to the Customs authorities before the Association Agreement enters into force;
- provide relevant TWINNING projects to the Ukrainian Customs authority on application of rules of origin upon Ukrainian initiative.

Technical regulations on industrial products, standards and conformity assessment procedures

- development of the Ukrainian legislation on technical regulation, standardisation, conformity assessment, market surveillance, metrology and accreditation concerning the provisions, regulating circulation of industrial products in line with the EU acquis⁵ in order to eliminate trade barriers between the Parties;
- take actions in line with the benchmarks agreed between the Parties for the EU budgetary support projects in standardisation in 2010-2012.

Sanitary and phytosanitary measures

In view of ensuring a gradual approximation of the Ukrainian SPS food and feed, animal health and welfare legislation and practice to that of the European Union, the EC will support Ukraine inter alia through available instruments, to:

- develop a comprehensive strategy for reform of the SPS, food and feed, animal health and welfare policy of Ukraine. The strategy will include a time table involving intermediate stages and financing plan for its implementation and set clear priorities for areas in which rapid progress can be made. It will address, inter alia, legislative approximation, capacity building and implementation, among others in the area of food and feed safety, animal health and welfare, traceability, and audits exercised by the controlling bodies;
- strengthen administrative capacity in these areas by:
 - reviewing the functions of the Ukrainian animal health and welfare, food and feed safety authorities with a view to compliance with the EC requirements (Regulation 882/2004/EC);
 - training of staff of the Ukrainian competent authorities;
 - the development of laboratories towards EC requirements with special attention given to the necessary equipment and appropriate methods of analysis (residue testing) and prepare for their accreditation in compliance with ISO standards.

⁵ EU to make reference as in FTA

- organise information campaigns on rules and requirements on access to the EU market with relevant stakeholders and establishments;
- food and feed industry on the implementation of the Hazard Analysis Critical Control Point system;
- parties will establish a constant dialogue on sanitary and phytosanitary issues.

Trade in services, freedom of establishment and investment

Priorities will be specified once negotiations on the EU-Ukraine Association Agreement are concluded and in line with the provisions set up in section III.9

Capital movements and payments

Continue the effective dialogue on capital movements and payments, in particular with a view to monitoring compliance with all existing commitments and preparing for the new Association Agreement;

Public procurement

The Parties shall pay particular attention to cooperation in taking the following measures:

- enhance and strengthen cooperation, including through technical assistance, aimed at taking appropriate measures in particular to ensure that the central government body responsible for economic policy has sufficient administrative capacity to fulfil its tasks related to public procurement ;
- work towards the establishment of an independent review body in line with Directive 89/665 as amended by Directive 2007/66 and ensure that it has sufficient administrative capacity to provide effective remedies;
- work towards further harmonisation of the Ukrainian public procurement legislation with the EU acquis as set out in Directives 2004/17 and 2004/18.

Competition

State aid

The Parties shall cooperate in the establishment of an effective system of State aid control and monitoring in Ukraine.

Anti-trust

The Parties will cooperate in order to:

- enhance the transparency and predictability of competition policy in Ukraine, including the publication of the decisions of the Competition Authority within a reasonably short delay following their adoption and of the principles used in implementation and enforcement of competition laws;
- promote convergence of competition law and practice in Ukraine to EC acquis, notably in the areas of merger control rules and in the principles used in the implementation and enforcement of competition laws;
- prepare for the implementation of the provisions to be set out in the Competition Chapter of the future Association Agreement (FTA part).

Intellectual property

Strengthen cooperation on the protection of the IPR by exchange of experience and organisation of joint actions on the IPR issues as well as continue a dialogue on IPR issues in order to:

- properly implement standards embedded in the Enforcement Directive 2004/48/EC and the EC Council Regulation 1383/2003 concerning customs actions;
- take effective measures against counterfeiting and piracy and ensure effective implementation of the enforcement legislation and of sanctions for infringements of intellectual property rights;
- strengthen coherent and comprehensive enforcement capacity at public authorities level (administrative, judicial and operational authorities), in particular strengthen the number of State Inspectors at SDIP and increase the enforcement resources regarding internet piracy within the Ministry of Interior.

Trade facilitation and customs

The Parties shall pay particular attention to cooperation in taking the following measures:

- development of mutual transparent trade environment. Ensure that relevant legislation and procedures, as well as the administrative and operational capacity of the customs administration, fulfil the objectives of effective control and support facilitation of legitimate trade as a matter of principle, while ensuring security and preventing fraud;
- elaborate and implement a comprehensive strategic plan with EU support upon Ukraine's request for the Customs Service, including structures, procedures, resources, IT support and implementation plan. The EU Modernized Customs Blueprints may be used as a benchmark;
- further development of the Ukrainian Customs legislation and its implementing provisions in line with the international instruments and standards applicable in the field of customs and trade including those developed by the EU, World Customs Organisation (in particular Revised Kyoto Convention), WTO, UN (e.g. 1982 Convention on harmonization of border controls);
- cooperate in the implementation of an up-to-date Harmonized System with a view to adopting the Combined Nomenclature and ensuring proper and coherent classification of goods;
- cooperate on the implementation of modern customs control techniques based in particular on selective, risk based control, simplified procedures for release of goods and post clearance controls;
- ensure the highest standards of integrity, in particular at the border, through the application of measures reflecting the principles of the WCO Arusha Declaration. The EU Customs Ethics Blueprint may be used as a benchmark;
- cooperate on the further development of customs valuation procedures and practice in order to make them more transparent and efficient, including through the exchange of best practices on the implementation of WTO standards (the Agreement on the Implementation of the Article VII of the GATT 1994), in particular as regards reference prices for the determination of customs value;

- take all necessary steps within the competence of the Parties to facilitate future participation of Ukraine in both the Working Group EU – EFTA and the EC/ECFTA working group and ECG (Electronic Customs Group) – NCTS;
- elaborate, with EU support upon Ukraine's request, and implement a comprehensive strategic plan for the State Customs Service of Ukraine, to align its transit legislation, operational procedures, and IT system on the EC/ECFTA conventions on a common transit procedure and the simplification of formalities in trade in goods, with a view to ensuring the future membership of Ukraine in the said Conventions and participation in the common transit system;
- assess the feasibility of the establishment of mechanisms for exchange of data, inter alia on goods and vehicles, in line with relevant data protection standards and regulations;

Trade and sustainable development

The Parties will engage in a dialogue on the issues covered by the chapter on Trade and Sustainable Development in the Association Agreement.

Transparency of regulations

Priorities will be specified once negotiations on the EU-Ukraine Association Agreement are concluded and in line with the provisions set up in section III.9

Trade and Regulatory Co-operation

Priorities will be specified once negotiations on the EU-Ukraine Association Agreement are concluded and in line with the provisions set up in section III.9

6. Energy co-operation including nuclear issues

On the basis of the continued implementation of the EU-Ukraine Memorandum of Understanding on energy cooperation and preparing for the implementation of the EC acquis mentioned in the relevant annex of the Association Agreement, and consistent with relevant multilateral agreements, the Parties shall pay particular attention to cooperation in taking the following steps:

- integration of energy markets:
 - work towards rapid accession of Ukraine to the Energy Community Treaty;
 - strengthening of the capacity and independence of the National Electricity Regulatory Commission (NERC), including setting up the legislative framework necessary for this purpose;
 - continue reform of electricity tariff and gas pricing and measures to ensure full payments for providing electricity and gas;
 - take all necessary steps for the entry into force of the law of Ukraine on the Principles of the Functioning of the Market in Natural Gas which should be in line with the relevant EC norms (Directive 2003/55/EC, Regulation EC 1775/2005);
 - fully implement the Joint Declaration of the investment conference on the rehabilitation and modernisation of the Ukrainian gas transit network of 23 March 2009;
 - accelerate work towards integration of the united power system of Ukraine into the central European electricity network, in accordance with the requirements of UCTE (Union for the Coordination of the Transmission of Electricity).
- energy security
 - Continue developing and implementing strategic oil stocks.
- energy efficiency, renewable energy and environmental aspects
 - exchange of expertise and best practices in order to prepare, adopt and implement sub-sectoral energy policy documents on energy efficiency and renewable energy;
 - take all necessary steps to enable Ukraine's participation in the Intelligent Energy-Europe programme;
 - advance in assessing the technical and financial feasibility of implementing methane capture and clean coal technologies and their promotion.
- nuclear safety
 - continue cooperation on the EC-IAEA-Ukraine Joint Project on nuclear safety evaluation of Ukrainian nuclear power plants.

7. Other co-operation issues

Public internal control and external audit and control

The Parties shall cooperate with the aim to ensure the development of public internal control and external audit by:

- ensuring further improvement of the internal control system in state authorities by means of harmonization with generally accepted international standards and methodologies and EU best practice;
- ensuring implementation of the internationally accepted external audit standards (International Organisation of Supreme Audit Institutions) by the Supreme Audit Institution (Accounting Chamber);
- ensuring effective cooperation with the relevant EU Institutions and bodies in the case of on-the-spot checks and inspections related to the management and control of EU funds, to be provided in line with relevant rules and procedures.

Taxation

Enhance and strengthen cooperation aimed at the improvement and development of Ukraine's tax system and administration, based on international and European standards, including preparation for gradual approximation to the taxation structure as laid down in the EC acquis set out in the relevant annex of the Association Agreement, in particular by:

- elaborating and implementing a comprehensive strategic plan for the State Tax Administration, including structures, procedures, resources and IT support;
- improving and simplifying tax legislation including, if necessary, its consolidation through codification;
- improving international tax cooperation in order to enhance good governance in the tax area, as described in the Association Agreement. In relation to fair tax competition, taking into account the principles of the EU Code of Conduct for Business Taxation;
- improving capacity of the tax administration, in particular by moving towards a more focused, risk based system for tax control and audits;
- implementing a sustainable and swift solution to the VAT refund backlog;

- taking measures to harmonise policies in counteracting and fighting fraud and smuggling of excisable products;
- developing cooperation with the tax administrations of EU member states by exchanging new experiences and trends in the field of taxation.

Statistics

- prepare for implementation of EC statistical compendium as annexed to the Association Agreement;
- develop and implement the Action Plan on cooperation with Customs to improve trade statistics through discussion with Commission experts;
- make the SMIS+ fully operational for Ukraine with deadlines for providing information in a regular cycle. EU to provide hands-on training on SMIS+ to Ukraine and ensure analysis of the pilot results by ESTAT.

Transport

The Parties cooperate to support Ukraine in, and to prepare for implementation of EC acquis mentioned in relevant annexes of the Association Agreement:

- final review of the newly developed comprehensive national transport strategy of Ukraine with a view to start implementation from the beginning of 2010;
- implementing mandatory driving times and rest periods in the international transport sector complying with international standards;
- the development and implementation of an action plan for improving road safety.
- the development of intermodal and multimodal services, resolving issues relating to the interoperability of different track gauge and other technical standards.
- considering conditions and necessary preparatory steps for achieving free circulation of vehicles corresponding to EU standards on weights and dimensions, taking also into account planning needs for upgrading of infrastructures;
- preparing and implementing railway sector reform and restructuring programme;
- preparing and implementing port sector reform (separating operational and commercial functions);

- implement relevant international IMO (International Maritime Organisation) Conventions, with particular attention to stepped up efforts in the areas of Port State Control, Flag State Implementation and safety of oil tankers;
- infrastructure development, in particular through identification of priority projects of transnational interest and feasibility studies and the preparation of a 5-year rolling work plan for the development of the network;
- finalize a comprehensive Common Aviation Area Agreement;
- develop and implement the new Air Code of Ukraine.
- harmonisation of aviation safety legislation and strengthening the administrative capacity of the aviation authorities.
- development of cooperation with EASA and EC on aviation safety issues.

Environment

The Parties cooperate to support Ukraine in, and to prepare for implementation of EC acquis mentioned in relevant annexes of the Association Agreement:

- development, adoption and implementation by Ukraine of the National Environment Strategy for the period till 2020 and the National Environment Action Plan for 2009-2012 in order to be able to take measures to implement budgetary support;
- strengthening of the administrative capacity at national, regional and local levels, including through development of effective inspection and enforcement capacities;
- further development and implementation of Ukrainian environmental legislation, strategies and plans, in particular on environmental impact assessment, strategic environmental assessment, access to environmental information, and public participation;
- development of national implementation instruments in line with multilateral environment agreements signed and ratified by Ukraine and the European Community, as enlisted in the Annex;

- implementing the Kyoto Protocol through a dialogue within the Joint EU-Ukraine Working Group on Climate Change on a new post 2012 agreement on climate change, on eligibility criteria for using the Kyoto mechanisms, and on developing measures to mitigate and adapt to climate change;
- active participation in the DABLAS Task Force, including to promote the implementation of the Mykolaev project;
- working together to implement the roadmaps for achieving the water-related Millennium Development Goals and Integrated Water Resources Management targets, using the national policy dialogue under the EU Water Initiative;
- promoting the implementation of the Bucharest Convention and its Protocols and working together with the Parties of this Convention to promote the accession of the European Community to the Convention;
- exploring the participation of Ukraine in selected European Environment Agency activities on information collection and dissemination;
- establishing the REC-Ukraine, inter alia to raise environmental awareness and promote the role of the civil society on environmental matters.
- the Parties will consider establishing a high-level dialogue on environment protection issues.

Industrial and enterprise policy

The Parties will cooperate on implementation of an SME policy based on EU best practice and maintain a regular dialogue on industrial and enterprise policy, involving government and business representatives from both the EU and Ukraine.

Company law, corporate governance, accounting and auditing

The Parties shall enhance their co-operation in all areas of company law corporate governance and accounting and auditing issues through exchanging experience and information about their best practice and their current regulatory frameworks and in particular:

- prepare for implementation of EC acquis mentioned in relevant annexes of the Association Agreement through progressive approximation of Ukraine company law legislation with the EU company law acquis;
- by the development of administrative capacity of relevant state institutions;
- improve functioning of company law through constant review, modernisation of relevant legislation and its application, including in particular the Joint Stock Company Law;
- simplify rules and procedures on registration of legal persons, including companies, and natural persons, including entrepreneurs, to set up and liquidate business;
- develop further corporate governance policy and promote compliance with the code on corporate governance in line with international standards as well as gradual approximation with the EC rules and recommendations in this area;
- introduce relevant international auditing standards at national level;
- promote the application of international accounting standards by all listed companies at national level, notably by introducing a mechanism to this end.

Financial services

- prepare for implementation of EC acquis mentioned in relevant annexes of the Association Agreement;
- cooperate to ensure the effective implementation of a prudential regulatory framework for financial markets and supervision equivalent to that existing in the EU;
- cooperate to improve the administrative capacity of supervisory authorities in accordance with internationally recognised standards;
- encourage cooperation between Ukraine and EU supervisors, especially regarding exchange and disclosure of information;

- develop national legislation on prevention and counteraction against money-laundering and financing terrorism, in particular by implementing the 40 Recommendations plus 9 Special Recommendations of the Financial Action Tasks Force (FATF) as well as the relevant EU anti-money laundering and combating the financing of terrorism legislation (*inter alia* the provisions of Directive 2005/60/EC on prevention of the use of the financial system for the purpose of money laundering and terrorist financing; Directive 2006/70/EC; EC Regulation 1781/2006; EC Regulation 1889/2005);
- continue organising joint seminars, conferences, trainings, workshops and study visits on counteraction against money-laundering and terrorist financing as well as inviting Ukrainian experts to relevant EU events;
- enhance cooperation with FATF, the Council of Europe, MONEYVAL, as well as relevant authorities in EU member states and sign Memoranda of understanding between financial intelligence authorities of Ukraine and EU member states.

Information society

The Parties cooperate to support Ukraine in, and to prepare for implementation of EC acquis mentioned in relevant annexes of the Association Agreement, in particular by:

- an assessment on the conformity of the new draft law on electronic communications submitted to Parliament in December 2008 with the EC acquis in this area, throughout the legislative process;
- strengthening of the independence and administrative capacity of the national regulator in the field of communications, in order to ensure its ability to take appropriate regulatory measures and enforce its own decisions and all applicable regulations and to guarantee fair competition in the markets, supported by Twinning projects, including with EU regulators;
- exchanging information and experience on the implementation of the EU Initiative “i2010” with a view to developing and implementing e-strategies in Ukraine, including implementing the National Concept for the Development of Telecommunications and State Programme “e-Ukraine”.

Tourism

The Parties will establish a regular dialogue on the issues covered by the chapter on tourism in the Association Agreement.

Agriculture and rural development

The Parties cooperate to support Ukraine in, and to prepare for implementation of EC acquis mentioned in relevant annexes of the Association Agreement, in particular through enhanced activities of the established agricultural dialogue, in particular by:

- developing and implementing a new Action Plan aiming at bringing the sector closer to EC policies and legislation on agricultural policy and rural development;
- increase cooperation on scientific studies and exchange of best practices for the use of biotechnologies in agriculture;
- training of central and local administrations on new models of rural development policies for further implementation of programmes for rural communities;
- exchange best practices on the renewal and preservation of natural resources in order to ensure efficient, sustainable and high quality agricultural production;
- exchange best practices on the sustainable agricultural production of renewable energy resources and their use, including in agriculture;
- studying EU experience on transition towards providing direct support to agricultural producers;
- improving the competitiveness of agricultural production, including by cooperation on the implementation of quality schemes.

Fisheries and maritime policy

- reinforce cooperation and work together towards sustainable fisheries in the Black Sea, both in bilateral and multilateral frameworks on the basis of an ecosystem approach to fisheries management;
- increase scientific and technical co-operation with a view to ensure the capacity of monitoring fisheries and evaluating the state of the stocks of marine resources and of marine environment;

- exchanging best practices on the integrated approach to maritime affairs, e.g. on establishing a coordination structure within the government, and identify mutually beneficial areas of common interest for future cooperation in the context of EU Integrated Maritime Policy.

Science and technology

- renew and activate the EC-Ukraine S&T cooperation agreement, in order to enhance the participation of Ukrainian research entities in FP7 projects;
- use the available tools (S&T agreement, INCO-Nets) in order to prepare for a possible association of Ukraine to the Research Framework Programme;
- Ukraine to promote the activities of the ICT National Contact Points and involve the private sector in the research cooperation through participation in the ICT Theme of the 7th Framework Programme for Research.

Space

The Parties will establish a regular dialogue on the issues covered by the chapter on space in the Association Agreement.

Consumer protection

In view of the preparation for the implementation of the EC acquis mentioned in relevant annexes of the Association Agreement, the parties cooperate in order to:

- exchange information and initiate a dialogue on consumer protection. The Parties may explore the possibility to further cooperate on subjects of mutual interest;
- encourage the empowerment of consumers;
- strengthen administrative capacity of consumer protection enforcement in Ukraine, notably through training and technical assistance in the framework of TAIEX programme for the Ukrainian Public Administration, including the Judiciary and the Legislative branch and civil society organizations on the transposition of EU legislation and its subsequent implementation and enforcement.

Social co-operation

The Parties cooperate in order to:

- prepare for the implementation of the EC acquis in the areas of gender equality, anti-discrimination, health and safety at work, labour law and working conditions mentioned in relevant annexes of the Association Agreement, and in particular:
 - strengthen administrative and enforcement capacities in the area of health and safety at work, notably the labour inspectorate;
 - enhance practical measures in the area of gender equality with the aim of reducing the gender pay gap.
- develop a strategic approach to employment in order to ensure:
 - better matching skills and jobs on the Ukrainian labour market and its efficiency;
 - strengthening capacity of administration in charge of employment policy;
 - strengthening the efficiency of public employment services, possibly backed up by twinning exchanges with public employment services of EU Member States;
 - promoting decent work and the transformation of the informal sector into formal work and implementing the decent work country programmes between the ILO and Ukraine;
 - promoting anti-discrimination and ensuring equal opportunities, in particular for people with disabilities, notably in the context of employment.
- exchange best practices in improving the effectiveness of social protection, with a view to enhancing both its social adequacy and financial sustainability and to significantly reduce the number of poor and vulnerable people;
- encourage both tripartite and bipartite social dialogue and the capacity building of social partners, including in the framework of TAIEX;
- promote the conclusion of agreements between Ukraine and EU Member States on the coordination of social security for workers of Ukrainian nationality legally employed in EU Member States;
- exchange of best practices as regards the provision of social services with a view to encouraging synergies between public and private partners in this sector in Ukraine.

Public Health

The Parties will cooperate in:

- implementing health sector reform;
- strengthening administrative capacity in the field of public health;
- preparing for the implementation of EC health acquis, especially those mentioned in the relevant annexes of the Association Agreement, including on tobacco, blood tissues and cells, communicable diseases;
- preventing of non communicable diseases through health education and promotion of healthy lifestyle, and through actions addressing major health determinants and problems, such as mother and child health, mental health, addiction to alcohol, drugs and tobacco as well as through strengthening civil society involvement;
- preventing and controlling of communicable diseases in particular HIV/AIDS, tuberculosis, sexually transmitted infections, and hepatitis C and B;
- exchanging best practice in implementing the Framework Convention for Tobacco Control and the International Health Regulations;
- participating in the EU public health related networks and working parties such as the annual network meeting on health information and the HIV/AIDS Think Tank;
- developing gradually cooperation with the European Centre for Disease Prevention and Control.

Education, training and youth

The Parties shall cooperate in:

- carry out joint work and exchanges with a view to promoting Ukraine's further integration into the European Higher Education Area, in the context of its membership of the Bologna process;
- work towards mutual academic and professional recognition of qualifications, diplomas and certificates on education;

- carry out joint work and exchanges with a view to supporting Ukraine to bring its system of vocational training more closely in line with the modernisation of EU VET structures as pursued in the Copenhagen Process and via instruments such as European Qualifications Framework (EQF), the European Credit system for VET (ECVET) and the European Quality Assurance Reference framework for Vocational Education and Training (EQARF);
- enhancing dialogue on systems of general secondary education, distance education and lifelong learning;
- enhancing exchanges and cooperation in the field of non-formal education for young people and youth workers as a means to promote intercultural dialogue and support civil society, inter alia through the Youth in Action programme (2007-2013).

Culture

- take all measures necessary for the swift entry into force in Ukraine of the 2005 UNESCO Convention on the Protection and Promotion of the Diversity of Cultural Expressions;
- cooperation on development of an inclusive cultural policy in Ukraine and on the preservation and valorisation of historical heritage;
- promote the participation of Ukrainian cultural actors in cultural cooperation programmes (Eastern Partnership Culture Programme and the future ENP window under the Culture Programme).

Sport and physical activity

Exchange of information and good practices on the following topics: integration of disadvantaged groups, the fight against doping.

Civil society cooperation

The Parties will cooperate in the familiarisation of the Ukrainian civil society stakeholders as regards the process of consolidation and dialogue between social partners in the EU, with a view to further integrating civil society into policy processes in Ukraine.

Cross-border and regional cooperation

- implementation of the Memorandum of Understanding for the Establishment of a Dialogue on Regional Policy and Development of Regional Cooperation;
- strengthening cooperation under regional and cross-border programmes between Ukraine and the EU with the aim of decreasing the imbalance in development between relevant regions and ensuring their prosperity by means of:
 - establishment of long term links between social and economic actors on both sides of the common borders contributing to the improvement the competitiveness of border territories;
 - joint activities for promoting social and economic development in the border territories and integrating such activities in the shaping of longer-term regional policies;
- diminish the border effect as a physical barrier by means of:
 - establishment of close contacts between regional and local authorities;
 - improvement of the efficiency of border procedures, including through the further improvement of necessary border infrastructures.

Audio-visual

- preparation for implementation of EC acquis mentioned in relevant annexes of the Association Agreement, in particular Directive 2007/65/EC of 11 December 2007 on Audiovisual Media Services amending Council Directive 89/552/EEC the coordination of certain provisions laid down by law, regulation or administrative action in Member States concerning the pursuit of television broadcasting activities:
- explore Ukraine's possible participation in the EC programme "Media" once the framework agreement enabling Ukraine's participation in European Community programmes has been concluded;

Participation in Community Programs and Agencies

The Parties will conclude a framework agreement which enables Ukraine's participation in European Community programmes and cooperate closely to implement it through specific working arrangements.

8. Resources

This ambitious Association Agenda will require Ukraine and EC to make available resources for the implementation of agreed priorities.

In the case of the EC, such support is to be provided in the context of the overall priorities for assistance in favour of Ukraine, as part of the overall funding available for Ukraine and in full respect of the relevant implementation rules and procedures of EC external assistance.

As appropriate, the EC will also encourage international, governmental, business and civil society partners to promote the objectives and priorities of the association agenda and, where relevant, facilitate them in these tasks.

9. Monitoring and reporting provisions

A Joint Committee at Senior Officials level will be established to review progress in implementing the Association Agenda as well as future priorities and any necessary adjustments to the Association Agenda. The Joint Committee will meet regularly, at least once per year. Either side may carry out its own review of progress in implementing the Association Agenda independently of the Joint Committee. It is anticipated that the Joint Committee mechanism will be reflected in the final arrangements agreed for the EU-Ukraine Association Agreement.

- Multilateral Environmental Agreements to which The European Community and Ukraine are contracting parties
- Convention on Persistent Organic Pollutants (The POP Stockholm Convention), Stockholm, 22.5.2001
- Convention on Access to Environmental Information, Public Participation in Environmental Decision-making and Access to Justice (The Aarhus Convention), Aarhus, 25.6.1998
- Convention on Cooperation for the protection and sustainable use of the Danube River (The Danube River Protection Convention) (DRPC), Sofia, 29.06.1994
- Framework Convention on Climate Change (UNFCCC), New-York, 9.5.1992
- Protocol to the United Nations Framework Convention on Climate Change (The Kyoto Protocol), Kyoto, 11.12.1997
- Convention on Biological Diversity (UN) (CBD), Rio, 5.6.1992
- Convention on the Protection and Use of Transboundary Watercourses and International Lakes (The UN/ECE Water Convention), Helsinki, 17.03.1992
- Convention on Environmental Impact Assessment in a Transboundary context (UN-ECE) (The EIA Espoo Convention), Espoo, 25.2.1991
- Convention for the Protection of the Ozone Layer (UNEP) (Vienna Convention), Vienna, 22.3.1985

- Protocol to the Convention for the Protection of the Ozone Layer on Substances that deplete the Ozone,
Layer (MONTREAL Protocol), as amended
Montreal, 16.9.1987
Amended, London, 29.06.1990
Amended, Copenhagen, 25.11.1992
Amended, Montreal, 17.9.1997
Amended, Beijing, 3.12.1999

 - Convention on Long-range Transboundary Air Pollution (CLRTAP) (UN-ECE),
Geneva, 13.11.1979

 - Convention on the Conservation of European Wildlife and Natural Habitats (Council of Europe), Bern, 19.09.1979

 - Convention on the Conservation of Migratory Species of Wild Animals (CMS) (UNEP),
Bonn, 23.6.1979
-