



Key events of the EU-Ukraine cooperation. June, 2015

EU EXPERT: UKRAINE'S PROGRESS ON ANTI-CORRUPTION DELAYED

The fight against corruption is one of the most important reforms required of Ukraine to move closer to EU membership. It is one of the key elements of the [State-Building Contract](#) (a package of reforms backed by €355 million in EU support). Other even more significant incentives, such as several-billion euros of macro-financial assistance and the creation of a visa-free regime, also depend on anti-corruption achievements in Ukraine and particularly on the efficiency and independence of the newly-created National Anti-Corruption Bureau and a soon-to-be established National Corruption Prevention Agency.

*To discuss the state of play in this field we talked with **Maria Stogova**, anti-corruption sector manager of the Delegation of the European Union to Ukraine.*

Ukraine is in the process of establishing a National Anti-Corruption Bureau (NABU). How would you assess the country's progress in this field?

The process of setting up the bureau is just beginning. The head of the National Anti-Corruption Bureau and three deputies have been appointed. There is also an ongoing recruitment process for 100 investigators and heads of departments and a Civil Society Council has also been selected.



Maria Stogova, anti-corruption sector manager of the Delegation of the European Union to Ukraine

But don't you think that progress is too slow? The law was adopted last year, and now it is June 2015, and the Bureau is still not operational.

Indeed, the legislation on the National Anti-Corruption Bureau was adopted in autumn 2014 – more than half a year ago. There were delays in starting the selection process for the head of the NABU. I would not say that the process is slow, but rather that the process has been delayed.

The head of the Bureau has been appointed, but the anti-corruption prosecution office has not yet been set up. Any progress there?

Indeed, in order for the National Anti-Corruption Bureau to be operational and to start conducting investigations, there should be an anti-corruption prosecutor's office. The Ukrainian parliament is currently considering draft amendments to the procedures for selecting the members of this body. I hope that the relevant legislation will be adopted as soon as possible and there will be no delays setting up the anti-corruption prosecutor's office.

What are the EU's recommendations for this procedure?

One of the EU's primary concerns is that this anti-corruption prosecutor's office is independent. However, the current draft amendments [to the procedures for the selection of the members of the office] establish the following procedure: that five members are selected by the Verkhovna Rada, and five members by the General Prosecutor's Office. Taking into account that the General Prosecutor is appointed by the President, and that the Verkhovna Rada has a coalition that includes the President's party, there may not be an effective balance of power, and there is a risk that this new office might be influenced. I am not saying that this will certainly be the case, but the risk of inappropriate influence is definitely there.

In this case, the EU would like the parliament to look for a solution to diminish this risk. Of course, it is up to Ukraine to decide how to deal with this concern, but it is important that the issue is addressed.

Read the full text at <http://euukrainecoop.com/2015/06/19/anticorruption-institutions/>



ADDRESS OF EP PRESIDENT MARTIN SCHULZ TO THE VERKHOVNA RADA

Martin Schulz, the president of the European Parliament, visited Ukraine and made an address in the Ukrainian Parliament.



Dear President Poroshenko,
Dear Prime Minister Yatsenyuk,
Dear Chairman Groysman,
Dear Members of the Verkhovna Rada,
Ladies and Gentlemen,

It is a great honour and pleasure to be here with you on this special day,
the day of the signing of the Cooperation Agreement between the European Parliament and the Verkhovna Rada of Ukraine.

This agreement will bring our two Parliaments, and thus our people, even closer together.

As Europeans, peace and unity on our continent are ideals we all treasure.

Our shared values, democracy and rule of law, individual rights and human dignity, drive the European project.

During the Maidan revolution;
you stood up and demanded free elections,
you went out on the streets to live in a society that is free, democratic and pluralistic,
you chose the European path by signing and ratifying the Association Agreement with the European Union. And we have welcomed your European choice.
It was a courageous choice.

Yet, when I look back at the last year and a half,
I am appalled by all the suffering endured by the Ukrainian people.
Never could I have imagined, seventy years after the end of the Second World War,
25 years after the fall of the Iron Curtain,
that people in Europe would be denied the right to decide on their own destiny;
that borders in Europe could again be redrawn by force;
that the architecture of peace we had built together after the Cold War could come under attack;
and that the maxim “might makes right” could again take precedence over the rule of law.
Yet, it happened.

Ladies and gentlemen,
What happens in Ukraine concerns all Europeans.
We cannot stand by and watch idly while the founding principles of the international community are being violated.
We have agreed on rules for states to follow when dealing with each other.
These rules apply to all.
We cannot accept that bigger countries bully smaller ones to get their way,
We cannot accept, that rules of international law apply to some but not all.

Since the beginning of the conflict, and after the unlawful annexation of Crimea,
the European Union has worked towards a peaceful solution.
I have myself fully supported the mediation efforts of Chancellor Merkel and President Hollande.
We have to face the facts:
there is no military solution to the conflict.
All sides are well advised to restrain themselves and abstain from warmongering and nationalistic rhetoric.
History teaches us that too often heated up spirits can easily run out of control.

Read the full text at <http://euukrainecoop.com/2015/07/03/schulz/>



ADVICE AND MONEY: EU TO HELP UKRAINIAN SMALL BUSINESSES

Two EU initiatives will help Ukrainian small and medium enterprises to get more loans to improve their management.

High levels of creativity, the low cost of intellectual product, and the competitive price of labour are a few of the advantages benefitting Ukrainian small and medium-sized enterprises (SMEs), according to **Volodymyr Patis**, a Ukrainian businessman.

Patis is a co-founder of “Eskada-M”, a company that exports furniture to many European countries. Its example denies the too-common idea that no one expects to see Ukrainian companies succeeding in EU markets.

Today, Ukrainian SMEs often find their way to success through **international clusters**. These clusters are composed of many firms based around the world working together as a single company. Each of these small firms does their own individual part of work. “In Ukraine, people are more used to a “closed cycle” logic, where one and the same company, for example, chops wood and makes furniture out of it. But this logic no longer works in the world,” Patis says. Today businesses are looking for narrow niches for **specialisation**, where they can achieve low costs and high efficiency, and surpass other firms in these particular segments. In so doing, they are integrating into international production chains.



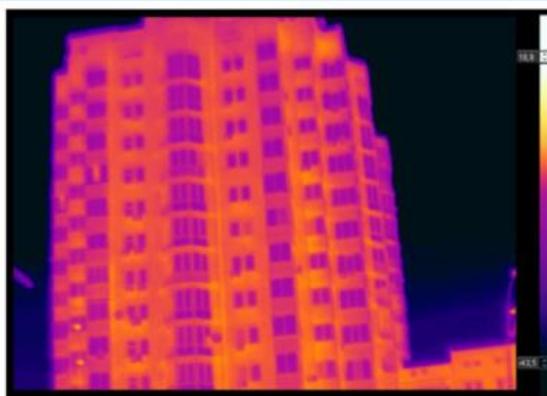
Despite many positive examples of this kind of success, Ukraine’s SMEs still face **many difficulties**. They often lack strong contacts with EU-based clients or partners and good B2B (business to business) relations. They are sometimes short on advanced marketing skills and lack understanding of how today’s businesses are operating around the world. “Our businesses often lack a systemic approach,” says **Inna Sosnovska**, an expert with Strategic Consulting Group, and advisor to the dean of Kyiv Mohyla Business School. “A Systemic approach implies understanding what value a business can bring to a client. If a business can do something well, it does not necessarily mean that it will be able to sell this commodity to the client. If a business produces doors, for example, it could have a variety of different clients – hotels, construction companies, dealers – and the type of the commodity will vary depending on who the buyer is,” she says.

This article was first published in [Den newspaper](#), in cooperation with EU-Ukraine Cooperation News.

WHAT IS THE BEST WAY TO ENCOURAGE VULNERABLE CONSUMERS TO INVEST IN ENERGY EFFICIENCY?

In April 2015 the Ukrainian government began implementing a gradual increase of energy tariffs. At the same time, it introduced energy consumption subsidies targeted to vulnerable consumers. However, a negative effect of this effort is that recipients of governmental aid often become reluctant to implement measures to improve energy efficiency, such as installing meters, heat regulators, and insulation.

This problem was discussed during a round-table on, “*Energy efficiency – how to support vulnerable consumers*” held in Verkhovna Rada on June 15, 2015.



1. House equipped with apartment meters and regulators



2. House without regulators and heat meters



Photos taken by *Sviatoslav Pavlyuk, a key expert with the EU project, “Covenant of Mayors – East,”* show two neighbouring buildings. The first one is equipped with apartment metres and regulators while the other lacks such equipment. According to Pavlyuk, apartment metres guarantee economical energy consumption while information shortages and lack of consumption management are the main barriers to improving energy efficiency in the public and housing sectors.

Ukrainians are using more energy than any other European country. But at the same time, low-income citizens are not willing to pay market price for energy. According to *Thomas Frellesen, deputy head of the EU Delegation to Ukraine,* subsidies will not solve the problems of energy efficiency but will only mask them. He believes the first step to solving this problem is raising gas tariffs to their real value. *“This is a painful but also a very necessary process... At the same time, the EU provides technical and advisory support to Ukraine in reforming its energy sector,”* stressed Mr. Frellesen.

According to *Krzysztof Gierulski, an expert from the European Commission, and a member of the Support Group for Ukraine (SGUA),* financial aid to vulnerable consumers should be only a short-term measure. In the long-term, perspective energy efficiency measures must be introduced, such as overarching individual metering and insulation of buildings. According to Gierulski, Ukraine should adopt a law on metering in order to make energy consumption more responsible.

“The draft law that we are working on will target raising the awareness of the population on ways to save energy resources,” says *Oleksiy Ryabchyn, head of the subcommittee on energy saving and energy efficiency.*

Noting the successful awareness-raising campaigns on energy-efficiency held in Kosovo, *Yadviga Semikolenova, economist with the World Bank,* recommends conducting public opinion research and adapting governmental communication measures to the needs of particular social groups.

In EU countries (for example, in Ireland, Great Britain, and the Netherlands) energy efficiency policies are targeted at particular social groups, such as consumers, energy suppliers etc.

Background

The round-table on “Energy efficiency – how to support vulnerable consumers” was held within the framework of the “RADA za EUROPU” project, launched by the European Union and implemented by the Agency for Legislative Initiatives. Through a series of six roundtable discussions, the project aims at raising awareness about the EU, particularly regarding the implementation of the Association Agreement and EU-Ukraine cooperation, among Ukrainian Members of Parliament and local politicians.

Read the full text at <http://euukrainecoop.com/2015/07/07/energy-efficiency/>

EUSEW KICKED-OFF IN VINNYTSIA WITH ANNOUNCEMENT OF €15 MILLION FOR ENERGY-SAVING PROJECTS

For the fifth year in a row, Ukrainian cities joined in the celebration of European Sustainable Energy Week (EUSEW) to raise public awareness on energy efficiency and renewable energy. This year’s EUSEW was officially launched with outdoor events held in Vinnytsia.



Walter Tretton, head of the EU Delegation’s infrastructure and transport section

Five years ago, Vinnytsia joined the EU *Covenant of Mayors* environmental programme, taking on a voluntary commitment to implement energy-efficient measures.

“This year Vinnytsia became the first Ukrainian city and the first city in all the CIS countries to receive the European energy award for its ecological efforts,” announced *Serhyi Morhunov, the acting mayor of Vinnytsia.*

Walter Tretton, head of the EU Delegation’s infrastructure and transport section, applauded Vinnytsia’s citizens’ efforts in adopting and promoting sustainable energy practices, saying, “Making this sustainable energy choice is making a European choice.”



“Sustainable energy is not a luxury,” says Tretton, “it is a must. It will be a cornerstone of the prosperous future of Ukraine and will help to reduce dependence on imported energy, which costs so much.”

At the same time, Tretton stressed that sustainable energy is not cheap; developing energy-saving technology and finding alternative energy sources requires a lot of money. The EU, together with the European Bank for Reconstruction and Development, announced it will contribute 15 million over the next few months for Ukraine’s energy-efficiency projects within the [Eastern Europe Energy Efficiency and Environmental Partnership \(“E5P”\)](#).

Tretton also pointed out that, in addition to the hard work of everyday Ukrainians, an important component of developing sustainable energy practices in Ukraine rests with the government, which must implement *changes to Ukrainian legislation*.

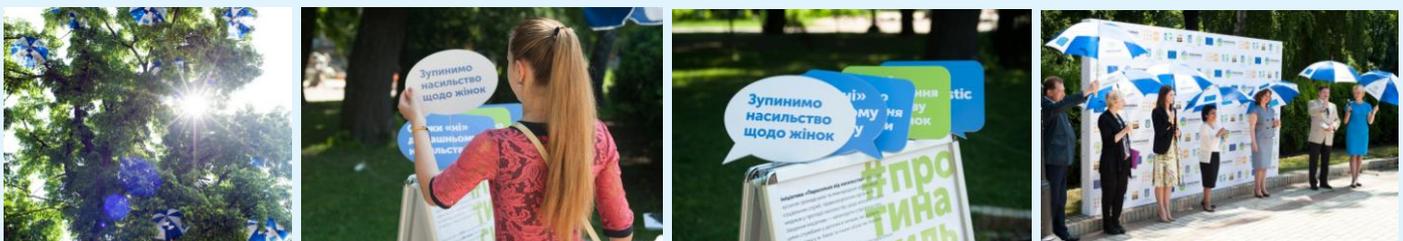
Take a look at [the images](#) to see how Ukrainians celebrated EU Sustainable Energy Week in Vinnytsia.



"UMBRELLA FROM VIOLENCE" INSTALLATION LAUNCHES EU PROJECT ON COMBATING VIOLENCE IN UKRAINE

On June 2, with the opening of the symbolic installation, “Umbrella from Violence,” at the Taras Shevchenko Park, the project “Against Violence: Improving Access to Social Services in Ukraine” was launched.

A tree near the Taras Shevchenko monument in the park was decorated with dozens of lighted umbrellas, which, over the course of the following week, were illuminated for 1386 seconds. This is the number of Ukrainian women who suffer from domestic violence every day, according to surveys and expert estimates.



Background

The EU-funded project “Against Violence: Improving Access to Social Services in Ukraine,” which is being implemented from 2014 to 2016, is aimed at establishing intersectoral collaboration between the Ministry of Social Policy of Ukraine, the Ministry of Internal Affairs, and the Ministry of Health. The project’s total budget amounts to €340,000, including €221,000 allocated by the European Union. This initiative is intended to create policies for cooperation between social services, healthcare and police in identifying cases of violence, providing services, and allowing for intersectoral referrals to survivors. The system will be launched in Kyiv, and then expanded to 10 Ukrainian regions.

See more pictures at <http://euukrainecoop.com/2015/06/12/umbrella/>



Useful links:

For more information on EU-Ukraine relations, consult the following resources

<http://euukrainecoop.com/useful-links/>

Calendar of past and future events:

<http://euukrainecoop.com/calendar/>