

## Harmonisation of Competition and Public Procurement Systems in Ukraine with EU Standards



**Project Budget:**  
€4.4 million

**Duration:**  
January 2009 – July 2011

**Funded by:**  
European Union

**Country of Implementation:**  
Ukraine

**Project is implemented by:**  
Consortium led by GTZ GmbH, Germany

**Key Project Partners and Beneficiaries:**

- Antimonopoly Committee of Ukraine (AMCU)
- Ministry of Economy of Ukraine

### Project's Objectives and Tasks:

#### Overall objective:

To facilitate the functioning of the market economy in Ukraine by contributing to the development of the following sectors:

- Competition
- State aid
- Public Procurement

The Project will help the Ukrainian Government to strengthen competition as a driving factor in a functioning market economy and ensure compatibility of the legal framework and enforcement mechanisms with the EU standards. Harmonisation of the rules in these three sectors with the EU standards is viewed as a precondition for effective implementation of the future Association Agreement and Free Trade Agreement between the EU and Ukraine.

#### Project purpose:

##### 1) Competition

- Further approximation of the Ukrainian competition legislation to the EU competition rules;
- Improvement of competition law enforcement;
- Strengthening the autonomy, enforcement powers, institutional capacities and skills of the AMCU;
- Improvement of the competition advocacy and public awareness functions.

##### 2) State Aid

- Development of a State aid legislation compatible with EU standards;
- Establishment of an adequate institutional infrastructure for monitoring of State aid in Ukraine;
- Raising public awareness and knowledge of the functions and effects of the State aid rules.

##### 3) Public Procurement

- Establishment of a transparent, non-discriminatory and efficient public procurement system in Ukraine;
- Approximation of the Ukrainian public procurement rules to the international, in particular, to the EU standards;
- Strengthening of competition in the public procurement sector thus ensuring benefits to the consumers and efficient use of public funds.

#### Expected results:

##### 1) Competition

- A comprehensive programme for competition protection policy developed;
- Legal certainty in the application of competition rules increased;
- International obligations of Ukraine in the sphere of competition policy and law are met;
- Transparency of the AMCU decisions and procedural rules increased;
- A training programme for the AMCU officers delivered.

##### 2) State Aid

- A concept of a State Aid system in Ukraine developed;
- An adequate institutional capacity and a coordinating mechanism for monitoring of State aid activities in Ukraine established;
- A State aid inventory and a model Annual Report prepared according to the EU standards;
- Knowledge of State aid rules within the ministries, local administrations and self-governance bodies has improved, relevant civil servants trained;
- International commitments of Ukraine in the sphere of State aid are met.

##### 3) Public Procurement

- Regulatory, monitoring, review and remedies functions within the Ukrainian public procurement system streamlined to comply with international standards;
- Methodological support to the implementation and enforcement of the public procurement law is provided;
- International obligations of Ukraine concerning effective functioning of the public procurement system are met;
- Civil servants, members of review bodies, and the judiciary handling public procurement cases trained;
- Awareness raising campaign is implemented to address the importance of an efficient public procurement system in Ukraine.

### ENPI - European Neighbourhood and Partnership Instrument

The European Union is the largest donor to Ukraine. EU assistance to Ukraine over 2007-2013 will principally be provided under the new European Neighbourhood and Partnership Instrument (ENPI) which is being established to promote the development of an area of prosperity and good neighbourliness between the EU and the partner countries covered by the European Neighbourhood Policy.

ENPI envelope for Ukraine will focus on the following three priority areas:

#### Support for Democratic Development and Good Governance

- Public administration reform and public finance management
- Rule of law and judicial reform
- Human rights, civil society development and local government
- Education, science and people-to-people contacts/exchanges

#### Support for Regulatory Reform and Administrative Capacity Building

- Promoting mutual trade, improving the investment climate and strengthening social reform
- Sector-specific regulatory aspects

#### Support for Infrastructure Development

- Energy
- Transport
- Environment
- Border management and migration including re-admission related issues

Indicative budget for Ukraine for the period 2007-2010 is €494 million:

**Support for Democratic Development and Good Governance:** €148.2 million (30%)

**Support for Regulatory Reform and Administrative Capacity Building:** €148.2 million (30%)

**Support for Infrastructure Development:** €197.6 million (40%)



**Delegation of the European Commission to Ukraine**  
10 Kruhouniversytetska St.  
Kyiv, 01024 Ukraine  
Telephone: +380 (44) 390 8010  
Fax: +380 (44) 253 4547  
E-mail: [delegation-ukraine@ec.europa.eu](mailto:delegation-ukraine@ec.europa.eu)  
<http://ec.europa.eu/delegations/ukraine>



The process of gradual alignment of Ukraine with the EU's internal market rules requires major efforts on approximation of Ukrainian legislation, norms and standards with those of the EU, also bearing in mind the challenges Ukraine will face with a view to the deep and comprehensive Free Trade Area under negotiation with the EU.

The EC is uniquely well-equipped to support this process as it can build on extensive experience gained in the context of EU enlargement in respect of the new EU Member States. The new EU-Ukraine Association Agreement will include a very wide range of priority areas for regulatory reform including: trade facilitation and market access, customs legislation and procedures, conformity assessment, sanitary and phytosanitary issues, consumer protection, establishment and company law, financial services and markets, taxation, competition policy, enterprise and SME policy, intellectual and industrial property rights, public procurement and statistics.

In Partnership and Cooperation Agreement (PCA) of 1994 Ukraine has committed to approximate its legislation in 16 key sectors, banking law, company accounting, taxation, energy, labour protection, health care, freedom and security. The EU is continuing to assist Ukraine with public administration reform, improved public finance management, legal approximation which are crucial elements in enhancing institutional capacity and improving the transparency and public accountability of state and administrative structures at all levels.

The Ukrainian-European Policy and Legal Advice Centre (UEPLAC) is one of the key projects in this area. It supports the process of legal approximation that will help Ukraine integrate into European structures. The first UEPLAC, with a budget of €5.3 million, ran from 1997 to 1999. The second phase ran from 1999 to 2002 (a further €5.6 million) and the third phase (€4.7 million) from 2002 to 2005. The latest UEPLAC IV Project was implemented from 2006 to 2009. A new phase, UEPLAC V, will start in August 2009 for a two years project duration.

Reliable statistics and statistical information have a central role in market economies, and in particular when the transition from central planning to market economy is taking place. Ukraine has received assistance in this field from the EU since 1993. The signature of the PCA has enhanced statistical cooperation. The latest EU project to support the State Statistics Committee of Ukraine called "Statistics 10" ending in August 2009, will be followed by a 'Twinning Light' project aimed at further harmonisation of the Ukrainian Statistics with the EU and international best practice.