Key events of the EU-Ukraine cooperation. December, 2014

ANDREJ PLENKOVIĆ: ASSOCIATION IS THE PREPARATION FOR EU MEMBERSHIP

Andrej Plenković, a Croatian Member of the European Parliament, is the Head of the European Parliament's delegation to the EU-Ukraine Parliamentary Association Committee. This new body has been established under the EU-Ukraine Association Agreement and provides a forum for communication between the European Parliament (EP) and the Verkhovna Rada.

In the coming years, Plenković will become one of the key points of contact between Ukrainian MPs and the EP. The European Parliament's delegation to the Committee will closely follow the Ukrainian parliament's progress on pro-European reforms, including the adoption of relevant laws.

This year Plenković was already the head of the EP's election observation mission during the early Ukrainian parliamentary elections on October 26.

We briefly talked with Mr. Plenković about the future work of the new Parliamentary Association Committee.

- Has the Parliamentary Association Committee, which you will co-chair already been established?

Andrej Plenković, the Croatian Member of the European Parliament and Head of the European Parliament's delegation to the EU-Ukraine Parliamentary Association Committee

- Yes. Until recently, EU-Ukraine relations have been governed by the EU-Ukraine Partnership and Cooperation Agreement, and the EP delegation to Ukraine was called the EP delegation to the EU-Ukraine Parliamentary Cooperation Committee. Now, after the signature of the Association Agreement and its provisional application since November 1, 2014, the Cooperation Committee is evolving into the "Parliamentary Association Committee." I am the head of the delegation of the European Parliament to the EU-Ukraine Parliamentary Association Committee.

We have already had informal meetings with newly-elected MPs from the Verkhovna Rada to discuss preparations for the Committee's first meeting, which we hope to host in Brussels either at the end of January or at the beginning of February.

- What will the Committee focus on? Will it help the Ukrainian parliament adopt necessary laws?

- The objective of a parliamentary body is to follow, from a parliamentary political point of view, the overall relationship between the EU and Ukraine. Firstly, we will discuss political criteria – the human rights situation, rule of law, decentralisation, the electoral process, reintegration of the territories, the security situation, etc. Secondly, we will closely follow the economic situation – public finances, budget, macro-financial assistance, tax reform, and other issues. We will also accompany the entire exercise of the harmonisation of Ukrainian laws with the EU acquis as well as reforms in specific sectors. The Committee is treaty-based [i.e. based on the Association Agreement]; it will meet twice a year: once in Brussels or Strasbourg and once in Kyiv or another Ukrainian city on the suggestion of Ukrainian Committee members.

Read the full text at http://euukrainecoop.com/2014/12/22/andrej-plenkovic/

EXPERT: EU SUGGESTS A STATE BUILDING FORMULA FOR UKRAINE

For the first time Ukraine commemorated the International Anti-corruption day on December 9 with a number of important achievements: the parliament approved an anti-corruption package of laws and the National Anti-Corruption Bureau is to be created next soon. The EU was one lobbying these changes providing substantial financial support for reforms implementation. In her interview Tatiana Kovtun, sector manager of the EU Delegation to Ukraine, is sharing views on how the EU is evaluating these steps.

Tatiana Kovtun, sector manager of the EU Delegation to Ukraine

- In addition to the Association Agreement, the EU and Ukraine signed another momentous, though less publicised document: a State-Building Contract. Why is it so important? Does it fill the gaps present in the Association Agreement, i.e. public administration reform?

- **The State-Building Contract** is a grant of untargeted budget assistance to Ukraine. Totalling €355 million, this is the largest budget support grants ever provided by the EU. The first tranche of €250 million was provided in May 2014 and the second is scheduled for June 2015.

This grant is unique in its ambitious conditionalities. By accepting this budget support from the EU, Ukraine commits to fulfilling **eight sets of conditionalities** before it will receive the second tranche of €105 million. These requirements focus on the *fight against corruption, transparency and increasing the integrity and accountability of public service and judiciary*, which is explained in detail in the contract. Other conditionalities include *reform of verification of asset declarations of public officials, transparency of constitutional reform, sound public financial management, electoral legislation, improved access to information and public registers, civil service and administrative procedure reform, and public procurement*. The grant essentially aims at institutional and procedural state-building. In this context, state-building means, for example, stabilising the public service and human resource practices in line with EU best practices, and ensuring that systems of public procurement meet European norms.

- What are the key points of the anti-corruption part of the state-building contract?

- The section of the contract concerning the fight against corruption outlines detailed mechanisms that will help reduce corruption. Conditionalities will be assessed against certain criteria defined in the contract. In particular, the contract envisions the creation of an *Anti-corruption Bureau*, to ensure all the standards of independence (i.e., competitive selection of a director and employees, sufficient remuneration etc). But more importantly, the bureau must be able to provide some statistics on its investigations by mid-2015. The Bureau's responsibility is to investigate corruption in the highest ranks of government or if the level of damage is substantial. For example, the anti-corruption law is targeted at ministers, prime-ministers and theirs deputies, governors, judges, and members of parliament.

Another contract requirement is the verification of an open access to asset declarations of public officials and criminalisation of illicit enrichment. This is a difficult problem for Ukraine to tackle, because corruption crimes are not easy to prove. A public servant with a fixed salary may suddenly acquire expensive property, like cars, houses or yachts. This unexplained increase in wealth is illicit enrichment, and due to changes to the law, is now considered a crime.

A shortened version of this interview was published in Ukrainian on **European Pravda website**.

Read the full article at: http://euukrainecoop.com/2014/12/16/eu-state-building-contract/

EU EXPERT: SOCIAL POLICY SHOULD BE BASED ON REAL NEEDS

Ukraine's system of social services remains among the most critical issues of public policy in the country. More social challenges have arisen as a result of the military conflict in Eastern Ukraine and volunteers, despite their huge effort, are not always enough to tackle these complex problems.

Андрій Третяк, радник проекту Twinning та експерт з питань соціальної політики

The experts of the EU-funded project on social services development in Ukraine analyse and discuss European practices with their Ukrainian counterparts. To make the lives of vulnerable people easier, the experts suggest concrete steps to improve the efficiency of social services in Ukraine. We sat down with **Andrey Tretyak**, the EU twinning advisor and expert on social policies, to try to understand what social reforms are needed in Ukraine.

- What are the key differences between the Ukrainian and European systems of social services?

The first and foremost difference is that the system of social services in Ukraine is a descendant of the Soviet model. In itself, there is nothing wrong with it: the Soviet Union was a pioneer in implementing some innovative social policies in the early 1920s. Some of these policies have even influenced the development of European social services systems.

But the two systems used different paradigms as their foundations. The **Soviet system** developed its social policies based on the concept of **full employment**, the belief that everyone able to work should be integrated into a productive system. Those not willing to work could even be forced to work and unjustified inactivity was perceived very badly. Hence, the majority of Soviet citizens were employed and therefore safe from extreme poverty. The social protection system targeted the people who **could not be integrated** into normal working activity (children, elderly, disabled) as well as social groups who have earned privileges (outstanding working results) or have suffered (war, catastrophes). Poverty was not targeted by this social system and was perceived as the responsibility, or even the fault, of the poor people.

By contrast, **Western European countries** developed within the market economy, where unemployment cannot be avoided. That's why European countries have oriented their social protection systems to support people who find themselves temporarily in **difficult situations** (unemployment, disability, etc.) with the aim of **helping them reintegrate into normal life as quickly as possible**. It is cheaper to support these people immediately following a life change and to help them reintegrate than to support them continuously afterwards.

Here is the fundamental difference. The main differences between the systems are illustrated in the treatment of homeless and unemployed people. In the Ukrainian post-Soviet system, such people tend to be treated as lazy and responsible for their own situation.

- What does this mean in practice?

It means that in Ukraine **people receive state support only if they are seen to deserve it**, like war veterans, or people suffered from the Chernobyl disaster. In Europe, support is given to those in poverty to help them reintegrate into society.

Read the full text at http://euukrainecoop.com/2014/12/19/eu-social-policy/

Find the official video of the Project here

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Web-page of the Project: www.facebook.com/TwinningSocialServices

EU FUNDS A MANUAL ON PUBLIC PROCUREMENT RULES

The Ukrainian public procurement sector requires immediate and substantial reforms. A significant amount of Ukrainian taxpayers' money has been wasted on non-transparent and unjust public procurement tenders. Changes inspired by EU standards can introduce more transparency in the sector and can radically reduce the impact of conflicts of interest, privileged players, and overpricing in tender procedures.

The EU-Ukraine Association Agreement pays special attention to the approximation of Ukraine's public procurement system to EU legislation. A new Ukrainian law on public procurement adopted in April 2014 aims to meet EU standards, thereby making Ukrainian public procurement procedures transparent, fair and efficient.

To explain the new legislation, experts with the EU-funded project, "Harmonisation of Public Procurement System in Ukraine with EU Standards" presented a **manual on public procurement legislation** during a workshop held on November 11 at the Ukrainian Department of public procurement. A full text of the document is available to **download here**.

The manual's main purpose is "*to provide practical advice to public purchasers and tender participants on public procurement procedures*," says **Valentin Derevyankin,** deputy team leader of the EU project. He notes that the document contains a comprehensive analysis of Ukrainian public procurement legislation and advice for stakeholders on how to interpret specific provisions set out in these laws.

Though some of the provisions still require amendments, Ukrainian public procurement legislation is now much closer to EU standards than the previous version. For example, the new law is closer to EU norms on exemptions from general tender procedures, an issue that had been a concern for both the EU and Ukrainian society in the past. *"Up to 90% of exemptions now meet the EU standards,"* notes **Serhii Yaremenko**, the project's expert on public procurement.

Yaremenko says that the manual's target audiences are regulatory agencies, public purchasers, and tender participants. He believes that a key shortcoming of the Ukrainian public procurement system is a lack of professionalism and competency among public officials involved in procurement procedures. "*The [Ukrainian state] budget does not provide funds for training public officials,"* he explained. Under the current system, public servants must learn about procurement procedures independently, without the help of the government.

Background information: The EU-funded project, "Harmonisation of Public Procurement System in Ukraine with EU Standards" commenced work in Kiev on November 11 2013. The project is being implemented by a consortium led by Crown Agents Ltd and will operate until November 2016. The other members of the consortium are the Chartered Institute of Purchasing and Supply (CIPS) and BDO LLP.

The project consists of five Components covering both the reform of the public procurement system and specific support for the development of the Ukrainian state aid system. Accordingly, the project is contributing to the development of a solid and consistent system of public sector financial management through promoting a comprehensive and transparent regulatory framework for public procurement, an efficient institutional infrastructure for public procurement, the accountability and integrity of public authorities in regard to public procurement, and the development of the Ukrainian state aid system.

More information: http://eupublicprocurement.org.ua/

Manual on public procurement legislation

Read the full article at: http://euukrainecoop.com/2014/12/02/eu-procurement/

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/