



EUROPEAN
COMMISSION

HIGH REPRESENTATIVE OF THE
EUROPEAN UNION FOR
FOREIGN AFFAIRS AND
SECURITY POLICY

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ANNEXES 1 to 2

ANNEXES

to the

Joint Proposal for a

COUNCIL DECISION

on the Union position within the Association Council established by the Association Agreement between the European Union, the European Atomic Energy Community and its Member States, of the one part and Ukraine, of the other part with regard to the adoption of a Recommendation on the implementation of the EU-Ukraine Association Agenda

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ANNEX 1

Draft

RECOMMENDATION

On the implementation of the EU-Ukraine Association Agenda

THE EU-UKRAINE COOPERATION COUNCIL,

Having regard to the Association Agreement between the European Union, the European Atomic Energy Community and its Member States, of the one part and Ukraine, of the other part (the 'Association Agreement'), in particular Article 463 thereof,

Whereas:

- (1) Pursuant to Article 463 of the Association Agreement, the Association Council shall have the power to make appropriate recommendations for the purpose of attaining the objectives therein.
- (2) Pursuant to Article 476 of the Association Agreement, the Parties shall take any general or specific measures required to fulfil their obligations under the Association Agreement.
- (3) Pending its entry into force, the Association Agreement is applied provisionally in accordance with the Council Decision 2014/294/EU¹ of 17 March 2014, Council Decision 2014/668/EU² of 23 June 2014 and Council Decision 2014/691/EU of 29 September 2014³.
- (4) The Parties to the Association Agreement have agreed on the text of the Association Agenda which aims to prepare and facilitate the implementation of the Association Agreement through creating a practical framework to realise their overriding objectives of political association and economic integration.
- (5) The Association Agenda serves the dual purpose of setting out concrete steps in bringing the fulfilment of the Parties' obligations set out in the Association Agreement, and of providing a broader framework for further strengthening EU-Ukraine relations to involve a significant measure of economic integration and a deepening of political cooperation, in accordance with the overall objective of the Association Agreement.

HAS ADOPTED THE FOLLOWING RECOMENDATION

Sole Article

The Association Council recommends that the Parties implement the EU-Ukraine Association Agenda set out in the Annex, insofar as such implementation is directed towards attainment of the objectives of the Association Agreement between the European Union, the European Atomic Energy Community and its Member States, of the one part and Ukraine, of the other part.

Done at [...]

For the Association Council

¹ OJ L161/1, 29.5.2014, p. 1

² OJ L 278/1, 20.09.2014, p. 1

³ OJ L289/1, 3.10.2014, p. 1

The President

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

I. STRATEGIC PART

The European Union and Ukraine ('the Parties') recognise that the context of their relations has changed in a significant and positive way. Relations between the EU and Ukraine are currently based on those parts of the Association Agreement which are provisionally applied, on the parts of the Partnership and Co-operation Agreement (PCA) remaining in force, as well as on the European Neighborhood Policy framework. The Parties have also developed and launched a Visa Liberalisation Action Plan, the successful implementation of which is a fundamental element underpinning the political association and economic integration of Ukraine with the European Union set out in the Association Agreement, namely regarding the substantial enhancement of mobility and people-to-people contacts.

The Parties began negotiations of an Association Agreement in 2007, and of a Deep and Comprehensive Free Trade Area (DCFTA), to form an integral part of that Agreement, in 2008. The negotiations of the Association Agreement were finalised on 19 December 2011, and the Agreement was initialled on 30 March 2012, followed by the DCFTA-part of the Agreement on 19 July 2012. After signing the political chapters of the EU-Ukraine Association Agreement at the EU summit of 21 March 2014, both parties signed the remaining sections of the Agreement - including the Deep and Comprehensive Free Trade Area (DCFTA) - in the margins of the EU summit of 27 June 2014.

On 16 September 2014, the Association Agreement was ratified by the Ukrainian Parliament and consent was given by the European Parliament, enabling the provisional application of the relevant provisions of the Association Agreement on 1 November 2014, and the DCFTA-part on 1 January 2016.

Action is needed to ensure that the Parties are able to enjoy the full benefits of the Agreement starting with its partial provisional application. The aim of the present Association Agenda is to prepare and facilitate the implementation of the Association Agreement, by creating a practical framework through which the overall objectives of political association and economic integration can be realised and by providing a list of priorities for joint work on sector by sector basis. The fact that it focuses on a limited number of priorities should not affect the scope or the mandate of existing dialogues under the Partnership and Cooperation Agreement, other relevant Agreements or under the multilateral track of the Eastern Partnership, as well as scope and mandate of future dialogues under the Association

Agreement, in particular should not prejudge implementation of commitments made in the AA/DCFTA once it enters into force or is provisionally applied.

II. PRINCIPLES, INSTRUMENTS AND RESOURCES FOR IMPLEMENTING THE ASSOCIATION AGENDA

The following common principles will guide the implementation of the Association Agenda:

- The Association Agenda is a practical instrument aimed to prepare and facilitate the full implementation of the EU-Ukraine Association Agreement as well as the achievement of the overall objectives of political association and economic integration;
- The priorities for action of the Association Agenda complement the responsibilities of the Parties to implement the provisionally applied parts of the EU-Ukraine Association Agreement and to implement all its provisions once it enters into force, as well as to consolidate the Parties' common understanding of actions needed for further deepening of political association and economic integration;
- The priorities for action of the Association Agenda should be defined taking into account the structure of the institutional framework as set out in the EU-Ukraine Association Agreement acknowledging the respective duties and responsibilities of each body, namely as regards Parliamentary Association Committee and Civil Society Platform;
- The Association Agenda should be implemented in full respect of the principles of transparency, accountability and inclusiveness;
- The Association Agenda involves an engagement from both sides in its implementation;
- The Association Agenda aims to achieve tangible and defined results through the progressive implementation of practical measures;
- The Parties recognise the importance of supporting the agreed priorities through appropriate and sufficient political, technical and financial means; and
- This Association Agenda is the principal vehicle for the monitoring and assessment of Ukraine's progress in the implementation of the EU-Ukraine Association Agreement as well as for the monitoring and assessment of the achievement of the overall objectives of political association and economic integration in general, in particular regarding Ukraine's track record in ensuring respect for common values, and progress in achieving convergence with the EU in political, economic and legal areas. The implementation of the Association Agenda will be subject to and part of annual reporting, monitoring and assessment. Progress made will be reviewed within the structures created under the Association Agreement, the Partnership and Cooperation Agreement or other relevant Agreements. In this process the Parties will aim to reach, so far as is possible, an overall common assessment of annual progress made.

The European Union will support Ukraine in implementing the objectives and priorities set out in the Association Agenda. It will do so through using all available sources of EU support, as well as expertise and advice, best practices and know how, the sharing of information,

including the provision of advice and a structured process of approximation to EU acquis, support to capacity-building and institutional strengthening. In this context, Ukraine is to make full use of the role of the EU Advisory Mission for Civilian Security Sector Reform as part of the overall EU contribution to the reform process. It will also encourage and seek coordination of support from other partners of Ukraine. The relevant EU financial instruments will also be available to help in the implementation of the Association Agenda. Notwithstanding this, the latter is not in itself a financial programming document and does not substitute for the programming or formulation exercises undertaken by the Parties.

EU support will be provided in the context of the overall priorities for assistance in favour of Ukraine, as outlined in the multi-year programming under the European Neighbourhood Instrument (ENI) as part of the overall funding available for Ukraine and in full respect of the relevant implementation rules and procedures of EU external assistance.

In the period 2007 - 2013, the EU committed EUR 1.0056 billion for bilateral assistance to Ukraine, focusing mainly on Support for democratic development and good governance, Support for regulatory reform and administrative capacity building, Support for infrastructure development (National Indicative Programme 2007-2010) and on Good governance and the rule of law, Facilitation of the entry into force of the EU-Ukraine Association Agreement including DCFTA, Sustainable development (National Indicative Programme 2011-2013). Several project funded under this framework are still under implementation.

The indicative financial allocation for bilateral assistance to Ukraine in the period 2014-2020 is between EUR 828 million to EUR 1.013 billion. As the other ENI countries, Ukraine can also benefit from additional allocations from the umbrella programme.

In 2014, in response to the fast moving events in Ukraine and the urgent need to mobilise considerable assistance to contribute to the stabilisation and development of the country, the EU adopted a EUR 365 million Special Measure, including a EUR 355 million State Building Contract and a EUR 10 million support programme to civil society.

For 2015, a possible Special Measure could focus on private sector development and recovery actions. EU bilateral assistance should be included in the Single Support Framework (SSF) as a/the result of the forthcoming multi-annual programming exercise for the period 2016-2017, depending on the situation on the ground.

Civil society, in particular the EU-Ukraine Civil Society Platform, as well as the Parliamentary Association Committee, will also be encouraged to focus their monitoring activities on the Association Agenda. This Association Agenda may be amended or updated at any time as necessary by agreement of the EU-Ukraine Association Council.

III. OPERATIONAL PART

1. Short-term Priorities for Action

The Association Committee as set up by the Association Agreement 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 8 below.

Among the priorities in the Association Agenda, the following short-term reform actions should be addressed as a matter of priority:

- **Constitutional reform**

Re-start constitutional reform through an inclusive and participatory process including active consultations with civil society and in line with the Venice Commission recommendations, including legislative steps towards amending the constitution, enabling decentralisation reform and the reform of the judiciary;

- **Election reform**

Take steps towards harmonisation of electoral legislation through its unification and reform of political party financing, including state financing. This should be prepared through an inclusive and participatory process in line with the OSCE/ODIHR, GRECO and Venice Commission recommendations, with a first priority given to revision of the law on local elections in view of local elections planned for second half of 2015;

- **Preventing and combating Corruption**

Demonstrate serious progress in the fight against corruption, including through the implementation of the comprehensive anti-corruption legal package adopted on 14 October 2014, starting with the setting up and ensuring effective functioning of both the National Anti-Corruption Bureau and the National Agency for the Prevention of corruption;

- **Judicial reform**

Take further steps on judicial reform, in particular by adopting, in line with European standards and in close consultation with the Council of Europe/ Venice Commission, a Justice Reform Strategy including a detailed, comprehensive implementation plan;

- **Public administration reform**

Start a comprehensive reform of the public administration, and in particular the civil service and service in local self-government bodies focusing on European principles of public administration, including through the finalisation and adoption of the draft Law on Civil Service Reform;

- **Deregulation**

Reduce the regulatory burden for business and in particular of SMEs, through reduction of the number of permits and licences;

- Public procurement reform

Improve transparency and competitiveness in public procurement. Bring the list of exceptions from the sphere of public procurement in line with the EU public procurement directives. Ensuring competitive procurement and access to information related to public procurement, in particular by public enterprises;

- Taxation reform, including VAT refunds

Take steps to improve the efficiency of the tax administration, including when dealing with VAT refund claims, to ensure timely settlement of all recognised VAT refund claims, avoiding any form of discrimination;

- External audit

Based on recent reforms, continue to develop the external audit function to strengthen the system of checks and balances;

- Energy Sector Reform

In line with the Third Energy Package, accelerate the unbundling and restructuring of Naftogaz, adopt the law on the new regulatory body for gas, electricity and utilities and submit, for consultation with the EU side, draft laws on the gas and electricity market.

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:

- conducting and completing an inclusive and transparent constitutional reform process, including active consultations with civil society and other stakeholders, designed to further develop a constitutional system of effective checks and balances between state institutions, as well as to enable the decentralisation reform and the reform of judiciary, in the light of the relevant recommendations of the Venice Commission;
- strengthening of the functioning of local and regional self-government, and legal status of the service in local self-government bodies, including through a decentralisation reform devolving substantial competences and related financial allocations to them, in line with the relevant standards contained in the European Charter on Local Self-Government;
- improvement and harmonisation of all electoral legislation through its unification, improvement of other election-related legislation, notably laws on referenda and on the Central Election Commission and of legislation on

political party financing (including on state financing) through an inclusive and participatory process in line with OSCE/ODIHR, Venice Commission and GRECO recommendations;

- work closely together in aligning the legal framework of Ukraine's civil service with European principles of public administration and enhancing the capacity of the public administration in Ukraine on the basis of an assessment by SIGMA, including effective public finance management, effective fight against corruption and public service reform;
- helping to ensure the full achievement of the Ombudsperson's mandate, including implementation of his/her action in the regions and promoting his/her cooperation with European Human Rights institutions and networks . The Principles relating to the status of national institutions (the Paris Principles)⁴ will be relevant for this priority.

(ii.) Ensure the independence, impartiality, professionalism and efficiency, of the judiciary, of the prosecution as well as of law enforcement agencies, which should be free from corruption and political or any other undue interference:

- taking additional steps on judicial reform, in particular by adopting, in line with European standards and in close consultation with the Council of Europe/ Venice Commission, a Justice Reform Strategy including a detailed, comprehensive implementation plan, in particular with a view to:
 - implement the Law of Ukraine “On Public prosecution” and to take all necessary organizational and legal measures to ensure compliance of the prosecutorial activity with the European standards;
 - ensure the effective functioning of the High Council of Justice;
 - adopt and implement the laws on the Judicial System and the Status of Judges;
- taking relevant actions on reform of the Police, including amendments to the Criminal Code and other legislative acts related to the adoption of framework legislation on the functioning of police, in close consultation with the Council of Europe/ Venice Commission 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, economic and administrative codes and their corresponding procedural codes, based on European standards;
- providing the necessary resources to implement effectively the Criminal Procedure Code and the legislation on the Bar;
- developing and conducting civilian security sector reform based on the rule of law, democratic governance, accountability and respect for human rights, with

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

the assistance of and in full interaction with the EU Advisory Mission to Ukraine (EUAM), inter alia by developing an accessible, accountable, efficient, transparent and professional police force, introducing a rights-based approach to policing, the use of intelligence-led policing, and fighting crime, including cybercrime.

(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:

- adoption and implementation of a National Human Rights Strategy and Action Plan to ensure coherence of Ukraine's actions in addressing its international commitments and policy priorities in the area of on human rights.

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

- early implementation of all 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, as well as strengthening of the preventive and supervisory functions of the Government Agent for the European Court of Human Rights to ensure the effective implementation of the judgments of this Court;
- implementing the recommendations of the Council of Europe related to detention conditions and medical assistance to persons in detention;
- 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;
- continue implementing the UN Convention on the Rights of Persons with Disabilities and its Optional Protocol;
- ensure the full application of the legislative framework on anti-discrimination on all grounds, including implementation of the Anti-Discrimination Law and strengthen the capacity of the Ombudsman in line with the progress reports on the Visa Liberalisation Action Plan.

(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 and implementation 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;
- taking further steps to establish clear rules for balanced media access for electoral competitors;

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- cooperating to preserve 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:
- taking concrete actions towards adoption and full implementation of legislation for freedom of peaceful assembly in close cooperation with the Ukrainian civil society, OSCE-ODIHR and the Venice Commission and in line with best European practices;
- 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:

Establishing favourable legal and institutional conditions for civil society institutions, notably to promote the involvement of citizens and their participation in public decision-shaping processes:

(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, homophobia, xenophobia or anti-Semitism).

(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, as well as while escorting, 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;
- providing the necessary resources to implement effectively the National Preventive Mechanism against Torture;
- establish an effective complaints mechanism on the actions of law enforcement officials and their investigation by an independent body (State Bureau of Investigation).

(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*

- implement measures to protect children against all forms of violence and address the situation of vulnerable children and children's poverty, including the measures in the context of the commitments under the Optional Protocol on the Sale of Children, Child Prostitution and Child Pornography in order to strengthen cooperation on preventing the sale, trafficking and exploitation of children;
- provide adequate resources and strengthen the role of the Ombudsman to undertake the necessary measure and monitor the situation;
- 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.

2.2. Preventing and combating Corruption

- implement the relevant recommendations of the Council of Europe Group against Corruption (GRECO) and OECD;
- ensure adequate follow-up on the recommendations on combating corruption outlined in Progress Reports on the implementation of the Action Plan on Visa Liberalisation;
- engage in a comprehensive anti-corruption reform process with tangible results in the prevention and fight against corruption with clear responsibilities allocated to specialized bodies and allocated budget for the implementation of particular actions;
- ensure the implementation of the anti-corruption laws adopted on 14 October 2014, in particular the swift and efficient setting up of both Agencies foreseen under the Anti-corruption legislation and the development of a comprehensive implementation plan for the 2014-2017 National Anti-corruption Strategy;
- ensure the efficient functioning of the Anti-corruption Bureau as a specialised anti-corruption investigative agency for detection and pre-trial investigation of serious corruption crime;
- address the prevention and fight against corruption at all levels of society, especially high-level corruption, in law enforcement bodies, customs, and tax-systems, and the transparency of funding through the development of ethical codes and specialized training;

- implement legislation which introduces a new regime of confiscation and seizure of proceeds of crime in line with European standards;
- ensure transparency with regards to declaration of assets and implementation of a system for transparency and verification of politicians and public officials assets;
- ensure the disclosure of information on final beneficiaries of legal entities and on registered rights to immovable property and their encumbrances contained in the State Register of rights to immovable property;
- envisage the protection of whistle blowers and ensure adequate protection against adverse effects;
- take necessary steps for the conclusion of the Agreement on cooperation with Eurojust as initialled on 8 December 2011, and the Agreement on operational cooperation with Europol;
- ensure transparency and accountability at all levels, creating the conditions for civil society actors and independent media to monitor corruption;
- reform the rules on political party financing in line with GRECO recommendations and immunity removal procedures of members of parliament from criminal investigations.

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.) Enhancing the cooperation within the CFSP area:

- consult and coordinate on actions taken at bilateral and multilateral levels in the framework of international efforts with the joint aim of finding a sustainable political solution to the situation in some regions of Donetsk and Luhansk Oblasts of Ukraine, caused by the illegal activities of the Russian Federation;
- support the work of the OSCE Special Monitoring Mission, the OSCE Observer Mission and any other OSCE mission with a view to support cease-fire and border monitoring.

(ii.) 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;
- continue regular EU–Ukraine consultations on crisis management;

- continue the practice of jointly identifying opportunities for Ukraine to participate in current and future CSDP operations, building on the good experience of Ukraine's participation in EU operations in the Balkans, as well as other EU operations (e.g. 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 CSDP-related training activities;
- increase interoperability where appropriate between Ukrainian peacekeeping units and EU Member States forces through lessons learned from relevant EU crisis management operations to which Ukraine participated, and through 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, notably through EU-funded interventions such as the EU Border Assistance Mission to Moldova and Ukraine (EUBAM);
- continue consultations on sanctions applied by the EU;
- explore further concrete ways of achieving higher convergence in the field of foreign and security policy;
- take measures to foster military cooperation and cooperation of technical character between the EU and Ukraine;
- encourage and facilitate direct cooperation on concrete activities, jointly identified by both sides, between relevant Ukrainian institutions and CFSP/CSDP 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.

(iii.) 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 area of non-proliferation of weapons of mass destruction, including on aspects related to the national implementation of relevant international instruments, such as CWC, BTWC and NPT, and export control regimes;
- further improve of the national system of export control, controlling of international transfers of WMD related goods, including end use control on dual use goods, in light of the relevant EU regulations, 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 against breaches of export control legislation, and outreach to industry;

- continue cooperation in the fight against the trafficking of nuclear materials;
- continue cooperation in achieving the objectives of the G7 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;
- 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 ratifying and implementing the Arms Trade Treaty which was adopted at the UN General Assembly on 2 April 2013 and which entered into force on 24 December 2014;
- 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 old ammunition, including anti-personnel land mines; implement project on the elimination of anti-personnel land mines according to the provisions of the 1997 Convention on the Prohibition of the Use, Stockpiling, Production and Transfer of Anti-Personnel Mines and on their Destruction (Ottawa Convention), with the financial assistance of the EU.

2.4 *International Criminal Court*

- enhance cooperation to promote peace, international justice and fight impunity, including through the ratification and implementation of the Rome Statute of the International Criminal Court (ICC) of 1998 and its related instruments.

3. Co-operation on Justice, Freedom and Security

3.1 *Data protection*

- support in strengthening a Ukrainian system of Protection of Personal Data;
- implement the legislative framework and ensure a high level of protection of personal data, in accordance with European instruments and standards;
- strengthen the capacity of the data protection authority (Ombudsman) and follow up on the application of data protection standards in all sectors, especially regarding law enforcement.

3.2 *Legal Cooperation*

- continue strengthening judicial cooperation in civil and commercial matters by acceding to and implementing multilateral conventions in particular the Conventions of the Hague Conference on Private International Law in the field of international Legal Cooperation and Litigation' and protection of children;
- continue strengthening judicial cooperation in criminal matters by acceding to and implementing the relevant conventions, especially those of the Council of Europe;

- take necessary steps for the conclusion of Agreement on cooperation with Eurojust initialled on 8 December 2011.

3.3. *Cooperation on border management, migration and asylum*

(i.) Border management

- further strengthen border management and maintain the high level of border checks and border surveillance, and extend and upgrade fixed-and mobile video surveillance facilities;
- improve efficiency of border control by implementing common border checks and border surveillance, as well as operational exchange of information in contact points;
- continue developing and implementing a common risk analysis methodology, intelligence and data flow managements and improve implementation based on risk analysis products;
- increase inter-agency cooperation and ensure access of the State Border Guard Service to different databases containing statistical data, as well to the INTERPOL databases;
- pursue cooperation on 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 Union 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 adapting Mission mandate to reflect the evolution of the needs of this cooperation;
- ensure the development and implementation of the next generation of Integrated Border Management Strategy (IBM) from 2016 onwards;
- implement logistic strategies to ensure the adequate use of infrastructure, technical equipment, IT systems, financial and human resources.

(ii.) Migration:

- continue the effective implementation of the EU-Ukraine Readmission agreement and measures for the reintegration of Ukrainian citizens (returning voluntarily or readmitted);
- enforce the practical activities and measures that will raise the effectiveness and the importance of the readmission agreements in general;

- provide the financial and human resources for the State Migration Service to implement necessary measures and tasks within the legal framework for migration management;
- develop additional forms and modules of training as well as training in foreign language training of the officials;
- strengthen interagency cooperation in the field of migration and forms and mechanisms of cooperation should be developed and established in all migration related issues;
- provision of adequate infrastructure (including detention centres) and strengthening of responsible bodies to ensure effective expulsion of illegally residing and/ or transiting third country nationals from Ukraine territory;
- ensure respect for the human rights in administrative detention and develop the integration framework.

3.4. Asylum

- 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;
- ensure effective implementation of asylum legislation, including provision of adequate infrastructure (including temporary accommodation centres) and respect for fundamental rights of asylum seekers and beneficiaries of international protection;
- streamline the decision-making process in the asylum proceedings and strengthen the capacity of the responsible bodies, in particular in the area of asylum procedures and reception of asylum seekers and beneficiaries of international protection in order to ensure effective access to their rights;
- ensure effective access to procedures and rights for asylum seekers and beneficiaries of international protection, including interpretation at border entry points, reception facilities and regional offices where asylum proceedings are conducted;
- ensure ongoing training of professionals in the area of asylum and migration, including judges and magistrates, government and administration officials, police, state border guard service, psychologists, social workers.

3.5. Police cooperation, organised crime and money laundering

(i.) Police cooperation:

- strengthen international operational police cooperation, including by setting up joint bi- or multilateral teams for (inter alia) investigations, and strengthen cross-border cooperation by carrying out joint operations.

(ii.) Organised crime:

- ensure the implementation of the Strategy and Action Plan to fight against organised crime including effective coordination between relevant authorities;

- strengthen the protection of witnesses through effective application of mechanisms envisaged by the legislation in force as well as provisions on cooperation of former members of criminal groups with law enforcement authorities, including discussing the issue as for setting up specific programmes for subsidizing and rewarding their cooperation.

(iii.) Trafficking of human beings:

- implementation of the State Targeted Social Programme for Combating a trafficking in human beings, including effective coordination between responsible bodies;
- ensure effective protection of victims of trafficking and strengthen procedural rights through a system of a provision of precautionary measures;
- ensure sufficient budget allocation for assistance for campaigns on prevention and other awareness and advanced training programmes for government personnel, including frontline officials;
- ensure prevention of trafficking, including by reducing demand that fosters all forms of exploitation.

(iv.) Tackling illicit drugs:

- pursue cooperation on adoption and implementing the National Strategy of Ukraine on Drugs (until 2020) and relevant Action Plan based on the principles of the EU DRUGS Strategy (2013-2020), particularly on balanced approach to reduction of supply and demand of illegal drugs;
- provide financial allocation for measures targeting the implementation of Strategy of the State Policy on Drugs;
- ensure implementation of relevant UN and Council of Europe Conventions;
- ensure effective prevention and work towards reducing the supply of, trafficking in and demand for illicit drugs;
- strengthen the investigation pursued through the General Prosecutor Office, through training of police officers and undercover agents;
- continue the cooperation on developing the scientific base and independent drug monitoring system and the exchange of info on new types of drugs with EMCDDA;
- to elaborate the possibilities for Ukraine to participate in the REITOX drug monitoring network, organized by EMCDDA and to develop the appropriate Road map to include Ukraine into the REITOX drug monitoring network;
- to increase the capacity of drug monitoring system in Ukraine as the independent body according to the EMCDDA requirements;
- pursue cooperation on fighting against transnational organised crime including fight against trafficking in human beings, fight against drugs, fight against money laundering, and cybercrime by promoting effective internal and external coordination, cooperation, conducting joint operations and exchanging statistical information, sharing best practices.

(v.) Money laundering:

- effective implementation of preventing and combating money laundering and the financing of terrorism, in particular by: implementing EU legislation in these areas; strengthening cooperation with the Financial Action Task Force (FATF), the Council of Europe, in particular the latter's Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism (MONEYVAL), any other relevant authorities in EU Member States;
- strengthening cooperation between the State Financial Monitoring Service of Ukraine (SFMS) with the Financial Intelligence Units (FIUs) and explore to that end the possibility of connecting the SFMS of Ukraine to EU FIUs' information exchange platforms (currently FIU.Net) in order to increase cross-border information exchange in the fight against money laundering and terrorist financing.

3.6 *Visa facilitation and liberalisation*

- ensure full implementation of the amended Agreement between Ukraine and the EU on the Facilitation of the Issuance of Visas and of the Agreement between Ukraine and the EC on the Readmission of Persons;
- encourage the EU Member States to use the flexibilities existing under the EU acquis to reduce or waive visa fees in individual cases as to as well as to encourage issuing multiple-entry visas with long term validity in line with the provisions of the Visa Facilitation Agreement in force;
- actively pursue the visa dialogue with the aim to establish a visa-free regime between the EU and Ukraine, on the basis of the EU-Ukraine Action Plan on Visa Liberalisation, presented at the EU-Ukraine Summit of 22 November 2010 and the Ukrainian National plan on its implementation which was approved by the President of Ukraine on 22 April 2011.

3.7 *Situation in Eastern Ukraine and Crimea*

- effective implementation of the Action Plan on organising border control at Ukrainian-Russian border sector and at the administrative line with Crimea;
- in view of the current conflict, increase measures to build the capacity of Ukrainian authorities both at central and regional level to (i) speed up the registration of Internally Displaced People and enhance the coordination for the swift delivery of emergency and longer term assistance to IDPs (ii) adapt the legal and regulatory framework dealing with IDPs, humanitarian access and assistance delivery (iii) ensure the prevention and protection of vulnerable trafficked human beings, including children.

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 EU 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 by improving the methodology of elaboration of development scenarios, and

monitoring of economic processes, by improving the quality of analysis of the factors of impact and by exchanging best practices;

- ensure the independence of the National Bank of Ukraine in line with best EU practice, including with the support of EU expertise, also from the European Central Bank;
- share the experience of the EU, including of the ECB, in exchange rate and financial and banking sector regulation and supervision policies, and help Ukraine develop and strengthen its capabilities in those areas;
- strengthen the sustainability and governance of public finances, by implementing fiscal and expenditure reforms and by reinforcing the budgetary planning process, in particular by:
 - exchanging information, experience, and best practice and taking other measures with a view to developing a medium-term system for forecasting/planning and improving the accuracy of macroeconomic and budgetary medium-term forecasting;
 - exchanging information, experience and best practice for streamlining and strengthening the process of budgetary planning, execution and oversight, developing programme-based budgeting and the possible introduction of fiscal rules including by introducing limitations on the number of budgetary revisions.
 - introducing measures to improve tax compliance and reduce tax fraud;
 - improving the efficiency of the tax administration, including when dealing with VAT refund claims;
 - implementation of the National Public Financial Management Strategy and related Action Plan approved by the Ukrainian government in August 2013 with the joint support of the EU and OECD SIGMA, and development of a 2015 Public Expenditures and Financial Accountability (PEFA) assessment financed by World Bank;
 - ensure a sustainable pension system including by exchange of best expertise from the EU and the EU Member States on pension system reforms;
 - exchanging information, experience on enhancing public debt management and improving management in this field in line with the EU best practices, including developing a medium-term strategy of debt management.
- reduce the involvement of the State in setting prices and introducing procedures for full cost recovery in line with EU best practices, in particular adjust utility tariffs while developing a social safety net to protect the most vulnerable from the price increases;
- further develop open, competitive and transparent privatisation rules and procedures and their implementation in line with best EU practices;
- strengthen corporate governance, in particular in state-owned enterprises, including restructuring of state-owned enterprises, strengthening of public property management and reviewing the state subsidy system.

5. Trade and trade related matters

In line with the need to continue the process of reforms and modernisation in accordance with the Ukraine's international commitments, adequate preparation for the implementation of Title IV of the Association Agreement in due time will continue, accompanied by EU support as appropriate. In view of these preparations and of the necessary improvement of the business climate, the authorities of Ukraine will work in close consultation with the business community at large.

5.1 Trade in goods

The Parties shall cooperate in preparing the proper implementation in due time of the provisions “National Treatment and Market Access for Goods” of the Association Agreement, in particular through joint consultations, with a view to:

- develop a mechanism for defining an entry price for worn clothing and other second hand items which are classified according to the Ukrainian customs code 6309 00 00;
- identify mechanisms for implementing in due time the specific measures to be applied by the Parties as set forth in the Agreement, including:
 - safeguard measures for export duty to be applied by Ukraine;
 - safeguard measures on passenger cars to be applied by Ukraine;
 - management of tariff quotas on specific goods.

5.2 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 acquis in order to progressively remove trade barriers between the Parties;
- establish a bilateral dialogue on technical regulations with a view to promote and encourage:
 - the exchange of information and experience in view to improving the quality infrastructure for technical regulations, standards, conformity assessment, accreditation and market surveillance;
 - the cooperation between their respective organisations for standardisation, metrology, accreditation, conformity assessment and market surveillance;
 - the development of the quality infrastructure for standardisation, metrology, accreditation, conformity assessment and market surveillance;
 - the participation of Ukraine organisations in the work of related European organisations;
- take actions in line with the Strategy of technical regulation system development until 2020.

5.3 Sanitary and phytosanitary measures

In view of a gradual approximation of the Ukrainian SPS food and feed, plant health as well as animal health, and welfare legislation and practice to that of the European Union, the EU will support Ukraine inter alia through the relevant available instruments, to implement the corresponding institutional reform program (IRP) and:

- develop a comprehensive food safety strategy aiming to reform all measures laid down in annexes of the SPS Chapter of the Association Agreement;
- introduction of proposals to the Ukrainian legislations remaining to be approximated;
- strengthen administrative capacity in these areas by:
 - reviewing the functions of the current state governmental authorities responsible for the SPS matters considering the EU legislation;
 - training of specialists of the Ukrainian competent authorities responsible for the SPS matters, in particular on the implementation of approximated legislation;
 - align the food safety, animal health and phytosanitary laboratories with the EU requirements.
- set-up an early warning system for the food and feed, animal health and plant health safety;
- support food business operators in implementing own control systems;
- organize information campaigns with relevant agencies and NGOs on the requirements accessing the EU market.

5.4 Trade in services, freedom of establishment and investment

Continue the effective dialogue on trade in services according to provisions of the Association Agreement.

5.5 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 set out in the Association Agreement.

5.6 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;
- ensure that the independent review body (Anti-Monopoly Committee) has sufficient administrative capacity to provide effective remedies in line with Directive 89/665 and 92/13;
- begin preparation of the comprehensive roadmap on public procurement set out by Article 152 of the Association Agreement, making use of existing

arrangement for technical assistance, including where necessary through meetings at expert level;

- work towards further harmonisation of the Ukrainian public procurement legislation with the latest EU acquis on the basis of a strategy on public procurement.

5.7 Competition

(i.) State aid:

The Parties shall cooperate in the establishment of an effective system of State aid control and monitoring in Ukraine and implement the corresponding institutional reform program (IRP).

(ii.) 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 EU acquis, notably in the areas of merger control rules and in the principles used in the implementation and enforcement of competition laws;
- implement the provisions set out in the Competition Chapter of the Association Agreement (DCFTA part).

5.8 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:

- proper implement standards embedded in the Enforcement Directive 2004/48/EC and the regulation No 608/2013 concerning customs enforcement of intellectual property rights;
- take effective measures against counterfeiting and piracy and ensure effective implementation of the enforcement legislation and of sanctions for infringements of intellectual property rights on the basis of an IPR enforcement strategy;
- strengthen coherent and comprehensive enforcement capacity at public authorities level (administrative, judicial and operational authorities), in particular increasing the enforcement resources regarding internet piracy within the Ministry of Interior.

5.9 Customs and trade facilitation

The Parties shall implement of the Strategic Framework for EU-Ukraine Customs Cooperation in line with its Roadmap 2012-2014 which defines concrete priorities and activities. The Parties attach importance to the following measures:

(i.) Safe and fluid trade lanes:

- 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; Border cooperation between EU and Ukraine is one of the indicators of developing customs relationship as it has immediate influence on traders, freight forwarders and passengers;
- development by Ukraine of Authorized Economic Operator system for trade facilitation with the prospect of mutual recognition; the EU may provide adequate assistance upon request.

(ii.) Risk management and fight against fraud:

- 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; mutual familiarization with risk management systems of both sides may take form of study trips or workshops;
- investigating the establishment of inter-agency and international mechanisms (including on-line-based platforms) for exchange of data, inter alia on goods and vehicles, in line with relevant data protection standards and regulations in the framework of the working group set up between EU and Eastern Neighbours;
- strengthening dialogue on the fight against fraud to prevent and enforce illegal trade, including in excisable products, in particular cigarettes, which may include exchanges of practical experience and organization of joint actions.

(iii.) Investment in customs modernisation:

- elaborate and implement a comprehensive strategic plan with EU support upon Ukraine's request for the Customs administration, 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, WTO, UN;
- 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;
- ensure the highest standards of integrity at the Customs administration, and in particular at the border, with the application of measures reflecting the principles of the WCO Arusha Declaration;
- 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;
- 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 EU/EFTA working group and ECG (Electronic Customs Group) – NCTS;

- elaborate, with EU support upon Ukraine's request, and implement a comprehensive strategic plan for the Customs administration, to align its transit legislation, operational procedures, and IT system on the EU/EFTA 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; provide relevant assistance or twinning project to the Ukrainian Customs administration on application of common transit and NCTS system upon Ukrainian initiative;
- ensure ad hoc participation, taking into account financial restrictions which exist in Ukrainian legislation, of Ukrainian customs experts in the EU Customs 2020 Programme (Regulation No 1294/2013), which requires changes in the national legislation as a next step, conclusion of a bilateral agreement on the regular participation in the Programme once Ukraine have reached a sufficient level of approximation of the relevant legislation and administrative methods to those of the EU.

(iv.) 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:

- provide relevant assistance to the Ukrainian Customs authority in the form of study visits or workshops on application of rules of origin upon Ukrainian initiative;
- supporting Ukraine in preparation of the comprehensive analysis regarding future accession to the pan-Euro-Med Convention on rules of origin, which, by extending cumulation area, will create new benefits to the Ukrainian economic operators;
- transferring responsibility for issuing EUR 1 certificates from the Ukrainian Chamber of Commerce to the Ukrainian Customs authority;
- develop a mechanism to ensure effective application of the rules of origin to goods imported from the temporarily occupied territory of Crimea;
- exchange best practice between customs authorities on granting the status of approved exporter.

5.10 Trade and sustainable development

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

5.11 Transparency of regulations

The Parties shall pay special attention to cooperation in following:

- ensuring compliance of the measures of general application including internal regulations on the implementation of the regulatory policy in the spheres covered by provisions of Title “Trade and trade related matters” of the Association Agreement with the requirements of the principle of transparency;
- establishing a Contact point and a mechanism of processing of requests of any persons concerned on any valid or proposed measures of general application

and on practice of such measures implementation that can influence on issues under the Agreement.

5.12 Trade and Regulatory Co-operation

The Parties shall pay special attention to cooperation on further harmonization of Ukrainian legislation with the EU acquis acts in the sphere of:

- distance selling advertising;
- ensuring the safety of food products and informing consumers of products properties;
- implementation of the EU budgetary support program in the sector of removal of technical barriers to trade (TBT).

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 EU acquis mentioned in the relevant annex of the Association Agreement, on the commitments of Ukraine as a Contracting Party to the Energy Community Treaty and consistent with relevant multilateral agreements, the Parties shall pay particular attention to cooperation in taking the following steps:

6.1 Integration of Energy Markets

- adopt a new Energy Strategy and Action Plan for its implementation;
- implementation of the Third Energy Package as per obligations under the Energy Community Treaty;
- further strengthening of the capacity and independence of the National Energy and Utilities Regulation Commission (NEURC);
- continue reform of electricity tariff and gas pricing and measures to ensure full payments for providing electricity and gas;
- continue to cooperate, in close cooperation with the International Financial Institutions, towards the full implementation of the Joint Declaration of the investment conference on the rehabilitation and modernisation of the Ukrainian gas transit network of 23 March 2009, in particular the reform of the gas sector and restructuring of the state-owned Naftogaz;
- cooperate efficiently on the implementation of the feasibility study on the integration of the united power system of Ukraine into the Union of Central European electricity networks, in accordance with the requirements of ENTSO-E (European Network of Transmission System Operators for Electricity) and jointly analyse the costs and benefits to such integration compared with possible alternatives to full synchronisation;
- provide EU expert assistance in elaborating the legislation necessary for fulfilment of Ukraine's obligations under the Energy Community Treaty.

6.2 Energy Security

- adopt and implement the measures to be identified in a Government Action Plan on National Energy Contingency;
- implement the recommendations made in the EU stress test report of October 2014;
- draft and implement a decision on strategic oil stocks;
- support Ukraine in strengthening its energy security.

6.3 Energy Efficiency, Renewable Energy and Environmental Aspects

- implement the EU Directives in the area of energy efficiency and renewable sources of energy under the Energy Community Treaty and the decisions of the Council of Ministers of the Community Treaty;
- establish and adopt by the end of 2015 a National Emission Reduction Plan and cooperate on the swift implementation of the plan in view of meeting the obligations under the Energy Community Treaty and respective EU targets.

6.4 Coal Sector Reform

- implement recommendations from the Coal Sector Reform programme, in view of phasing out subsidies to state owned mining sector which are a heavy burden on the state budget while improving safety and environmental standards and taking into account the social aspects.

6.5 Nuclear Safety

The Parties shall continue cooperation on:

- projects related to the decommissioning of the Chernobyl Nuclear Power Plant and the Shelter Implementation Plan to restore the Chernobyl site to an environmentally safe situation following the accident which destroyed the 4th power unit (under the international fund managed by the EBRD);
- projects under the Instrument for Nuclear Safety Cooperation (INSC) supporting in particular the Nuclear Regulator and nuclear waste management;
- implementation of actions in accordance with “National Action Plan based on the results of the Stress-tests”, which was developed following the stress-tests at Ukrainian NPPs and includes the recommendations of ENSREG.

7. Other sectorial issues

7.1 Public financial internal control and external audit and control

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

- ensuring further improvement of the internal control system, including functionally independent internal audit, 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.

7.2 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 EU acquis set out in the relevant annex of the Association Agreement, in particular by:

- improving and simplifying tax legislation including;
- 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.

7.3 Statistics

- prepare for implementation of EC statistical compendium as annexed to the Association Agreement;
- improve the coordinating role of the SSSU in the national statistical system through its appropriate and explicit reflection in the statistical law, through the conclusion of Memoranda of Understanding with the most important producers of official (state) statistics and introduction of preparation of a coordinated statistical work programme containing all official statistics;
- strengthen the professional independence of the SSSU in compliance with the European Statistics Code of Practice;
- bring the Law of Ukraine "On State Statistics" in compliance with the European requirements with regard to the establishment of the National Statistical Council and the implementation of the European Statistics Code of Practice;
- improve the dissemination of official (state) statistics including the appropriate metadata to all users including government, civil society, businesses, media and others through a modern and integrated dissemination tools, in particular websites and user-friendly databases etc.;
- enhance the quality of official (state) statistics in cooperation with other data producers and data users, development and implementation a quality assurance framework including the production and publication of quality reports.

7.4 Transport

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

(i.) Transport:

- enhancing regulatory convergence of the EU acquis into the national legislation across transport modes and strengthening the capacity of the national authorities to implement and enforce the legislation;
- further implementation of the national transport strategy of Ukraine until 2020;
- preparing and implementing reforms in transport sub-sectors (railways, maritime and inland waterways, road and air transport);
- improving the movement of passengers and goods, increasing fluidity of transport flows between Ukraine, the EU and third countries in the region, by removing obstacles (administrative, technical, cross-border etc.), including those related to the planning, implementation, operation and maintenance of transport infrastructures, and simplification of the procedures of international trade;
- development of a national transport traffic flow modelling system and of a programme for the implementation of the National (Priority) Transport Network of Ukraine consistent with the Eastern partnership transport network infrastructure and development of a pipeline of mature projects;
- development of intermodal and multimodal services through an efficient logistic system, and allowing solutions relating to the interoperability of different track gauge and other technical standards;
- update of the national strategy and programme for improving road safety and continue the implementation of actions.

(ii.) Aviation:

- signing of the Common Aviation Area Agreement in the course of 2015 and in concluding it in due time;
- pursuing activities to align the legislation of Ukraine in the field of aviation with the EU legislation;
- implementation of EU requirements and standards in the fields of aviation on the basis of the Common Aviation Area Agreement after its signing in 2015 and strengthening the administrative capacity of the aviation authorities;
- sustaining and further developing cooperation with EASA on EU aviation safety issues, including on the issues of convergence of the Ukrainian airworthiness certification system with the one of the EU.

7.5 Environment and climate change

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

- implementation by Ukraine of primary objectives (strategy) of the National Environment Strategy for the period till 2020 and the National Environment Action Plan for 2011-2015;
- 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, notably related to the Espoo and the Aarhus Conventions;
- closing legislative gaps in national law and development of national implementation instruments in line with multilateral environment agreements signed and ratified by Ukraine and the EU;
- strengthening the dialogue within the Joint EU-Ukraine Working Group on Climate Change on contributing to and signing a new global agreement on climate change, and on the development and implementation of a policy on climate change, in particular through a domestic emissions trading system and an action plan with long term measures, to mitigate and adapt to climate change;
- promoting sustainable development and greening of the economy, inter alia by implementing measures related to waste management, green public procurement, and by introducing resource efficiency principles and solutions;
- development of the Network of Protected Areas in Ukraine, based on the principles of the NATURA 2000 Network;
- improving the efficiency of measures to protect the ozone layer and to protect the environment by reducing emissions of fluorinated greenhouse gases;
- 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 and supported by the approximation and implementation of the EU water legislation;
- promoting the implementation of the Bucharest Convention and its Protocols, including the cooperation with riparian countries on implementation of the Marine Strategic Framework Directive, and working together with the Parties of this Convention to promote the accession of the European Union to the Convention;
- working on establishing the Shared Environmental Information System in the framework of Eastern Partnership;
- continue close cooperation with the Regional Environmental Center for Central and Eastern Europe, in particular respective work on establishment of REC office in Ukraine, inter alia to raise environmental awareness and promote the role of the civil society on environmental matters.

7.6 Civil Protection

The Parties cooperate to support Ukraine to:

- strengthen the dialogue and reinforce the capacity on the prevention of, preparation for and response to natural and man-made disasters and to implement the Administrative Arrangement on cooperation in the field of Civil Protection between Ukraine and the European Commission by establishing and implementing bi-annual Work Plans;

- progress with the development of a country-wide disaster risk assessment and mapping, and to advance the extension of the European early warning systems and monitoring tools to Ukraine;
- work towards the development of strategy for industrial risks reduction and prevention of man-made disasters, and to explore funding opportunities for its implementation;
- progress with the implementation of the "Hyogo Framework for Action: Building the Resilience of Nations and Communities to Disasters".

7.7 Industrial and enterprise policy

The Parties shall develop and strengthen their cooperation on industrial and enterprise policy, thereby improving the business environment for all economic operators, with particular emphasis on Small and Medium Sized Enterprises (SMEs). The Parties will cooperate on the implementation of an SME policy based on the ten principles of the Small Business Act for Europe (SBA) and EU best practices and maintain a regular dialogue on industrial and enterprise policy, in particular through:

- establishing a dedicated SME bilateral dialogue, with close involvement of both government and business associations' representatives, to exchange best practices with the objective to align the Ukrainian policies with EU legislation as well as to streamline SME friendly policies in recent Ukrainian legislation through application of the Think Small First Principle and the SME Test. The involvement in EU programmes would also be discussed in the context of the dialogue.

Additionally, within the framework of the SME Panel of the Eastern Partnership, the Parties will:

- cooperate to ensure the implementation of the recommendations outlined in the first SBA assessment "SME Policy Index: Eastern Partner Countries 2012 – Progress in the Implementation of the Small Business Act for Europe" undertaken by the OECD in cooperation with the European Commission, the European Training Foundation and the EBRD;
- cooperate on the second round of the SBA Assessment and use the assessment process as an opportunity to highlight the essential role of SMEs to improve the business environment in Ukraine;
- continue their cooperation within the framework of the implementation project of the SBA Assessment ("Eastern Partnership SME Competitiveness Strategies Phase II") to improve the business environment in Ukraine;
- continue cooperation to facilitate the participation of Ukraine in the Programme for the Competitiveness of Enterprises and SMEs (COSME).

7.8 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 EU 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 EU 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.

7.9 Financial services

The Parties shall:

- prepare for implementation of the EU acquis in the relevant financial services areas as determined in the Association Agreement through gradual and progressive approximation, on the basis of an updated list of legislation currently in force, before the relevant annexes of the Association Agreement can be updated officially; ;
- cooperate to ensure the effective implementation of a prudential regulatory frame-work and supervision equivalent to that existing in the EU for financial markets and activities ;
- 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 FATF Standards as well as the relevant EU anti-money laundering and combating the financing of terrorism legislation;
- 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.

7.10 Information society

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

- Ukraine to further work towards the approximation of the legislation in the field of electronic communications with the EU acquis;

- 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;
- developing and implementing the national Information Society / Digital Market strategies and elaborating the appropriate legislation, including the promotion of the broadband access, strengthening of the networks security and promoting the use of ICT for growth and jobs in the economy, in line with EU norms.

7.11 Tourism

The Parties will establish a regular dialogue on the issues covered by the Chapter on tourism of the Association Agreement. Within the framework of participation of Ukraine in the Programme for the Competitiveness of Enterprises and SMEs (COSME), specific actions will be implemented also on tourism, by focusing on the enhancement of the competitiveness and sustainable growth of the sector.

7.12 Agriculture and rural development

The Parties cooperate to support Ukraine in, and to prepare for implementation of EU 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;
- facilitate the development of an open and transparent agricultural land market to increase productivity and stability in the investment environment;
- 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.

7.13 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;
- promote an integrated approach to maritime affairs and ensure an exchange of best practices thereto, by strengthening bilateral dialogue and by identifying areas of mutual interest and benefit for future Black Sea cooperation in the context of the EU's Integrated Maritime Policy (Blue Growth Strategy).

7.14 Science, technology and innovations

The Parties shall cooperate in:

- strengthening cooperation in research and innovation notably through an effective association of Ukraine to the Horizon 2020 programme and a possible association to the Euratom programme complementing it, strengthening the institutional support related to such programme association in order to maximize its impact;
- ensuring exchange of best practices regarding the organisation and implementation of research and innovation policies as well as the management and review of related programmes and flagship initiatives;
- support the reinforcement of Ukrainian capacities in the research and innovation domain, notably in improving the framework conditions for facilitating research-industry partnerships and the market exploitation of research results;
- intensifying implementation of the provisions of the Agreement for scientific and technological cooperation between Ukraine and the EU.

7.15 Space

The Parties will cooperate on the issues covered by the Chapter on space of the Association Agreement, including participation in the EGNOS extension project and HORIZON 2020 Framework Programme.

7.16 Consumer protection

In view of the preparation for the implementation of the EU 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.

7.17 Social co-operation

The Parties cooperate in order to:

- prepare for the implementation of the EU 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, and labour law, of labour inspectorates and in particular of the state authority bodies dealing with the labour safety and health protection issues and public establishments responsible for labour safety;
 - enhance practical measures in the area of gender equality with the aim of reducing the gender pay gap as well as in the area of anti-discrimination;
 - learning best practices and experience on effective public administration of health protection at work;
- 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 including of public employment services;
 - 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.

7.18 Public Health

The Parties will cooperate in:

- implementing health sector reform;
- strengthening capacity in health governance, particularly in the field of public health;

- preparing for the implementation of EU 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 including through cooperation with the European Centre for Disease Prevention and Control;
- developing gradually a policy and regulatory dialogue on medical products;
- exchanging evidence on good practice for addressing risk factors such as tobacco use and passive smoking through the implementation of the Framework Convention for Tobacco Control;
- capacity building against cross-border health threats by implementing of the International Health Regulations, including the development of preparedness and response planning as well as training;
- participating in the EU public health related networks and working parties such as the HIV/AIDS Think Tank and the HIV/AIDS Civil Society Forum;
- introducing innovations in public health and fostering e-health.

7.19 Education, training and youth

The Parties shall cooperate in:

- supporting the reform and modernisation of higher education, in particularly implementation of the new Law «On Higher Education» with an aim of further integration into the European Higher Education Area;
- carrying out joint work and exchanges on quality assurance, with a view to promoting the implementation of international assessment criteria and monitoring practices; on the development of university autonomy; and on the professionalization of higher education management;
- raising awareness and promoting Ukraine's participation in EU programmes in the field of education such as Erasmus+ and Marie Skłodowska Curie for research training and mobility;
- working towards mutual academic and professional recognition of qualifications, diplomas and certificates on education;
- carrying out joint work and exchanges with a view to introducing in Ukraine the National Qualification Framework and its further alignment with the European Qualification Framework;
- carrying 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 education, distance education and lifelong learning;
- enhancing international exchanges and cooperation in the field of non-formal education for young people and youth workers as a means to promote young people's participation in democratic life and the labour market, the capacity of youth organisations and youth policy dialogue, inter alia through EU programmes in the field of youth, such as Erasmus+.

7.20 Culture

- the Parties will promote the implementation 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 cultural and natural heritage;
- promote the participation of Ukrainian cultural actors in cultural cooperation programmes and prepare Ukraine's participation in the EU Creative Europe-programme, including the Culture Sub-programme.

7.21 Sport and physical activity

The parties shall exchange information and good practices on the following topics: promotion of health-enhancing physical activity, national competence and qualification systems in the sport sector, integration of disadvantaged groups, the fight against doping, the fight against match-fixing.

7.22 Civil society cooperation

The Parties will cooperate in the familiarisation of the Ukrainian civil society institutions, including the EaP Civil Society Forum national platform 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.

7.23 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.
- strengthening cooperation under the EU Strategy for the Danube Region (EUSDR), including through participation in the political dialogue and implementation of actions and projects relevant for Ukraine, in cooperation with the EU Member States concerned.

7.24 Regional development

- implementation of the Memorandum of Understanding for the Establishment of a Dialogue on Regional Policy and Development of Regional Cooperation;
- implementation of the State Regional Development Strategy until 2020, adopted in 2014;
- definition of a Regional Development framework through the adoption of the Law on Fundamentals of State Regional Policy or amendments to regional development legislation;
- effective coordination mechanism in place, including a structured consultation procedure with Regional Development stakeholders (national and regional level, including civil society);
- full transparency and oversight of the budget for Regional Development, including State Regional Development Fund and subventions.

7.25 Audio-visual

- prepare for implementation of the EU 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 on the coordination of certain provisions laid down by law, regulation or administrative action in Member States concerning the pursuit of television broadcasting activities;
- prepare for Ukraine's participation in the EU Creative Europe programme, including cooperation between Ukraine and the EU in certain parts of the MEDIA Sub-programme.

7.26 Participation in Union Programmes and Agencies

The Parties will cooperate closely to implement the provisions of Chapter XXVIII of the Title V of the Association Agreement which enables Ukraine's participation in Union programmes.

8. Monitoring and reporting provisions

The Association Committee or other relevant bodies will review progress in implementing the Association Agenda as well as future priorities and any necessary adjustments to the Association Agenda. The Association 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 Association Committee.