

Main Department of Civil Service of Ukraine  
Center for Adaptation of the Civil Service to the Standards of the European Union  
Center of Social Expertise of the Institute of Sociology, NAS of Ukraine

*Development of a Network of Policy Analysis Groups  
in the System of Central Executive Bodies in Ukraine*

## **A Policy on Overcoming Technical Trade Barriers: Standartization and Conformity Assessment**

Kyiv  
2009

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**Project Research Supervisor** – Gulbarshyn Chepurko, PhD.

**Project Manager** – Andriy Bega.

**Project Coordinator** – Olga Zakharchenko.

**Ukrainian experts:** Ivanna Ibragimova, Inna Goliuk, Lidiya Amdzhadin, Oleksandr Goncharuk, Yuriy Sapelkin.

**International experts:** Martins Krievins, Kaspars Berzins, Sandra Brigsa, Baiba Petersone.

This document was prepared by the policy analysis group composed of: head of the group – L. Vitkin (Deputy Head of State Committee of Ukraine for Technical Regulation and Consumer Policy); group members – O. Andriychuk (State Committee of Ukraine for Technical Regulation and Consumer Policy), G. Dushenko (Ministry of Industrial Policy of Ukraine), V. Jovtuha (Ministry of Economy of Ukraine), T. Zakalska (State Committee of Ukraine for Technical Regulation and Consumer Policy), V. Mykhaylov (State Committee of Ukraine for Technical Regulation and Consumer Policy), A. Nelepov (State Committee of Ukraine for Technical Regulation and Consumer Policy), O. Serdyukov (State Committee of Ukraine for Technical Regulation and Consumer Policy), S. Sidnenko (Ministry of Industrial Policy of Ukraine), V. Feschenko (Secretariat of the Cabinet of Ministers of Ukraine).

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# Foreword

Development of the Ukrainian State and its movement towards the European community requires establishment of modern, professional civil service that would function in accordance with the requirements of democratic governance. Civil servants of Ukraine must be politically neutral and professional, armed with modern knowledge and skills in public administration.

Among the key functions of public officials in democratic countries is the development of policy recommendations and policy alternatives to solve the existing problems in specific sectors. Civil servants also hold consultations with stakeholders and carry out monitoring and evaluation of the policy efficiency and effectiveness.

Comparing with EU practice, the system of policy coordination and development in Ukraine is not sufficiently transparent and is too centralized. Requirements to analyze policy alternatives and hold consultations with stakeholders are not always fulfilled. The Ukrainian officials often lack practical skills to analyze policy problems and their causes, possible consequences and obstacles to implementation of various options for problem solution.

In order to strengthen the capacity of civil servants to analytical support of the strategic government decisions, the Main Department of Civil Service of Ukraine during 2005–2008 supported a number of initiatives dealing with activities of a network of the policy analysis groups in the central executive bodies in Ukraine. Around 130 civil servants of top and middle managerial levels from the Secretariat of the President of Ukraine, Secretariat of the Cabinet of Ministers of Ukraine, National Bank of Ukraine, ministries and other central executive bodies received training and acquired relevant public policy skills and knowledge needed for application of democratic procedures to the decision-making process.

Results of the policy analysis groups' activities include publication of green and white policy papers. This is an effective tool used in the EU member states and other developed countries to ensure efficiency, transparency, consistency and predictability of work of public authorities.

Requirements to the quality of public policy development and implementation become even more exacerbated in the context of preparation of the EU – Ukraine Association Agreement. Success of the relevant negotiation process largely depends on the capacity of the Ukrainian officials to formulate a coherent, effective and far-sighted strategy of mutual relationships.

Given the magnitude of the obligations of Ukraine in the framework of the future Association Agreement with the European Union, in 2008 the Main Department of Civil Service of Ukraine put forward an initiative, which was supported by the Government, to expand the network of policy analysis groups and to focus their work on the issues of implementation of Ukraine's commitments under the future Free Trade Agreement with the EU.

In December 2008 the initiative on “Development of a Network of Policy Analysis Groups in the Central Executive Bodies in Ukraine” was launched by the Center for Adaptation of the Civil Service to the Standards of the European Union. It was implemented by the Center of Social Expertise of the Institute of Sociology of the National Academy of Sciences of Ukraine. 10 cross-sectoral groups were created to deal with the sectoral issue of the EU–Ukraine Free Trade Agreement and 3 policy analysis groups—to deal with issues of the civil service reform. Each of the groups consisted of 7–10 top-level civil servants (II–IV categories).

**Policy analysis groups dealing with priority issues of the EU-Ukraine Free Trade Agreement:**

- Development of a strategy to overcome technical barriers to trade: standardization and compliance assessment.
- Development of a strategy in the field of financial services.
- Development of a strategy in the field of trade in services: the movement of capital.
- Development of a strategy in the field of public procurement.
- Development of a strategy in the field of sanitary and phytosanitary regulations.
- Development of a strategy in the field of protection of intellectual property.
- Development of a strategy in the transport sector.
- Development of a strategy in the environment sector.
- Development of a strategy in the energy sector.
- Development of a strategy in the field of taxation.

**Policy analysis groups dealing with priority issues of the civil service reform:**

- Reform of the classification system in connection with the civil service compensation system.
- Introduction of new approaches for the annual performance evaluation of civil servants’ activities.
- Reform of the system of professional development for civil servants.

In 2008–2009 the main task of policy analysis groups was the development of the sectoral strategies to meet the obligations imposed by the future Association Agreement with the EU. These strategies defined objectives and steps of implementation of the Agreement, as well as resources needed to implement a strategy (financial, human, and institutional). The draft strategies, discussed with all stakeholders, will enable to prepare for implementation of future Agreement and strengthen the position of the Ukrainian party at the currently running negotiations with the EU.

Public discussions of policy options for solving sectoral problems will promote better understanding and support by the stakeholders of the government policy and provide a feedback for the government.

This year, the policy analysis groups have had a number of innovations. First of all, it is their inter-ministerial structure: representatives of the Ministry of Justice, the Ministry of Economy and the Secretariat of the Cabinet of Ministers participated in almost all policy analysis groups. Secondly, the number of involved public officials and authorities significantly increased comparing to previous years—130 civil servants from 20 central executive bodies as well as from the Secretariat of the Cabinet of Ministers and the National Bank of Ukraine took part in policy analysis groups. In addition, analytical support to members of policy analysis groups was provided by both international and local sectoral experts from the International Center for Policy Studies (ICPS) and the Ukrainian-European Policy and Legal Advice Centre (UEPLAC).

During the year members of policy analysis groups participated in trainings and seminars guided by the EU and Ukrainian experts. They mastered the methodology of development of policy documents and decision-making procedures according to the European standards. The groups organized public consultations aimed at discussion of proposed drafts strategic documents with representatives of NGOs, business community and experts. Considerable number of received comments and suggestions greatly improved the quality of the policy documents.

The key to successful implementation of this initiative was a permanent monitoring and evaluation of the results of policy analysis group's work. According to the survey, most participants consider such trainings in policy analysis as very useful and effective because they provided opportunity to get equipped with skills in policy analysis, cost-benefit analysis and effective communication in the context of the requirements posed by the process of adaptation of the Ukrainian legislation and norms to the EU norms and standards, taking into account national interests of Ukraine.

Moreover, activities of policy analysis groups generate a multiplication effect; they become a basis for the new quality civil service and new administrative capacity of the central executive bodies. Despite the fact that only about ten civil servants are official participants of the policy analysis group, the practice shows that the number of public officials involved into the process of development of strategic policy documents is actually bigger.

In 2008, the School of Senior Civil Service was established, the task of which is to create institutional conditions for developing leadership in the civil service and public administration reform. Given the fact that policy analysis groups have proved their effectiveness as a progressive form of the civil servants' on-the-job training, the follow-up initiatives relating to policy analysis groups are planned to be carried out on the basis of the School of Senior Civil Service. This will contribute to further development of both policy analysis groups' network and strengthening of the in-service training system of the civil servants.

# Introduction

The relevance of reviewing of issue associated with removal of technical trade barriers is stipulated by the desire of Ukraine to integrate into the world economy that requires harmonization of the current system of technical regulation and consumer policy of Ukraine in accordance with the norms and rules of the European Union.

Existence of unjustified technical barriers for trade is incompatible with the principle of free movement of goods in EU. European neighborhood policy opens new possibilities for partnership, economic integration and cooperation for Ukraine. The negotiation process concerning establishment of Free Trade Zone with EU, the provisions of which will be integral constituent of the Agreement on Association between Ukraine and EU, still goes on.

Policy analysis document on elimination of technical trade barriers was developed with the purpose to hold consultations with all stakeholders including general public, business community and professional organizations dealing with the issues of standardization, metrology, conformity assessment and consumers protection as well as trade partners, scientific community and government bodies (Ministry of Economy of Ukraine, Ministry of Industrial Policy, Ministry of Transport and Communications, Ministry of Agricultural Policy, Ministry of Environment Protection, Ministry of Health Protection, Ministry on Emergency Situations and Population Protection from Consequence of Chernobyl Catastrophe of Ukraine (State Department of Fire Safety), State Committee of Health and Labour Safety, State Committee on Regulatory Policy and Entrepreneurship of Ukraine, National Accreditation Agency of Ukraine, Verkhovna Rada Committees on European Integration, Industrial and Regulatory Policy and Entrepreneurship. Another objective was also to define the attitude of the Ukrainian people to proposed solutions of the problems.

The policy analysis group, which developed this document, consisted of the following members: head of the group – Deputy Chairman of the State Committee of Technical Regulation and Consumer Policy (hereinafter – the Committee) L. Vitkin; members of the group – Director of the Department on Strategic Planning, Forecast and International Cooperation of the Committee V. Mykhaylov, Director of the Standardization and Metrology Department of the Committee A. Nelepov, Head of the Technical Regulation Department of the Committee Í. Serdyukov, Head of the Section on WTO and European Integration of the Committee Ö. Zakalska, Chief Specialist of Section on WTO and European Integration of the Committee Í. Ándriychuk, Head of the Sector on Chernobyl NPS and Standardization of the Department of Examination and Analysis of Development of Anthropogenic, Ecological and Nuclear Security and Nature of the Cabinet of Ministers of Ukraine V. Feschenko, Director of the Regulatory Policy Department of the Ministry of Economy of Ukraine V. Jovtuha, Deputy Director of the Department and Head of the Department of Technical Regulation, Metrology and Quality of the Ministry of Industrial Policy of Ukraine G.Dushenko, Chief Specialist of the Department of Technical Regulation, Metrology and Quality of the Ministry of Industrial Policy of Ukraine S. Sidnenko.

The policy analysis group was created according to the Order of the Cabinet of Ministers of Ukraine “On Ensuring Functioning of the Policy Analysis Groups in Central Executive Bodies and the Secretariat of the Cabinet of Ministers of Ukraine”, dated February 7, 2007 <sup>1</sup> 32-p.

Please, send your comments and suggestions concerning policy alternatives and planned activities set-out under the project to the following e-mail address: [julia@dssu.gov.ua](mailto:julia@dssu.gov.ua).

Electronic version of the policy document can be found at the official web-site of the State Committee on Technical Regulation and Consumer Policy of Ukraine: [www.dssu.gov.ua](http://www.dssu.gov.ua).



# 1. Current Situation

Agreement on Technical Barriers to Trade defines general requirements to the system of standardization and conformity assessment of the member-states of the WTO and candidates for membership in this organization.

According to the Agreement on Technical Barriers to Trade, use of standards is voluntary. As for obligatory requirements to the safety of products and services for health and life of people, plants, animals, environment, national security and fight against fraudulent practice they are set in the relevant technical regulations or by the national legal acts and norms.

Under the framework of the European Neighborhood Policy, European Union and Ukraine approved the EU–Ukraine Action Plan. In 2008 Ukraine joined WTO.

Implementation of the EU–Ukraine Action Plan and Ukrainian obligations within WTO requires adaptation of the Ukrainian legislation to the EU legislation; adoption of national standards as much as possible and their voluntary use; annulment of non-relevant and old standards of the former USSR; adoption and implementation of technical regulations on the basis of the European directives, mainly dealing with New and Global Approaches; gradual shortening of the List of products which must be certificated. Realization of the above-mentioned measures will provide a strong base for further economic integration and, particularly, for creation of the Free Trade Zone between Ukraine and EU.

## **Current legislative framework, standardization and conformity assessment.**

Legal acts as well as White and Green policy books formulate the policy on standardization, technical regulation, conformity assessment, quality management, state supervision and consumers' protection.

*The Decree of the Cabinet of Ministers of Ukraine “On Standardization and Certification”* defines the legal and economic base of standardization and certification systems as well as determines organizational forms of their functioning in Ukraine.

*The Decree of the President of Ukraine “On Approaches to Improvement of Activity in the Sphere of Technical Regulation and Consumer Policy”* in which the President of Ukraine obliged the Cabinet of Ministers of Ukraine, other central executive bodies to take actions directed to the development of technical regulation and consumer policy, and, in particular:

- to develop and adopt the Conception of Development of Technical Regulation and Consumer Policy and the strategic plan of its realization for 2006–2010; Special State Program on Consumers Protection for 2006–2010; Special State Standardization Program for 2006–2010;
- to examine measures aimed at acceleration of implementation of technical regulations worked out according to the European Directives;

- to implement declaration of conformity for products with low risk level for consumers life and health;
- to prepare and introduce, draft Laws for consideration by the Verkhovna Rada of Ukraine in the established order. These laws include the draft laws on state market supervision for conformity with requirements concerning products and services safety; stimulation of domestic companies to establish quality management systems, environment protection, foodstuffs safety;
- to apply appropriate measures in order to conclude agreements on cooperation and mutual recognition of conformity assessment with the States which are trade partners of Ukraine, and to make more active participation and representation in the international and European organizations dealing with standardization, metrology, conformity assessment and consumers protection;
- to envisage financing of actions to improve activity in the sphere of technical regulation and custom policy during preparation of draft Laws on State Budget of Ukraine from the beginning of 2006;
- to apply measures aimed at attraction of international technical assistance for introduction and application of the European Directives and Standards and establishment of the modern infrastructure in the sphere of technical regulation and consumer policy in 2005.

To execute the Decree of the President of Ukraine mentioned above, the following activities were undertaken:

Preparation of the *Concept of Development of Technical Regulation and Consumer Policy in 2006–2010* which envisages global adaptation of legislation, normative base and infrastructure of the system of technical regulation to the European standards, norms and rules.

*The Law of Ukraine “On standardization”*, adopted in 2001, stipulates application of standards on voluntary basis, with the exception when application of these standards is required by technical regulations. Priority is also given to direct implementation of international and regional standards.

According to the Article 9 of the Law of Ukraine “On Standardization” the central executive body in the sphere of standardization (State Committee of Ukraine for Technical Regulation and Consumer Policy) establishes technical committees the function of which is development of examination and approval of standards.

By July 1, 2009, 153 technical committees dealing with different issues were established in Ukraine on the basis of scientific and research institutions, engineering design institutions, scientific and production unions, higher educational institutions and other organisations in Ukraine.

**Sectoral technical reglaments.**

After approval of the framework *Law of Ukraine “On Conformity Assessment”* the development of sector-related legislation has been started consisting of elaboration and adoption of technical reglaments which accompany European legislation acts.

Reformation of the obligatory certification system and considerable shortening of the List of production which is the subject of obligatory certification will be realized through implementation of technical reglaments worked out on the basis of the European Directives of the New Approach and those standards, the voluntary application of which could be considered as evidence of production conformity to the technical reglaments and also by implementation of the declaration of production conformity by producer and importer.

In 2005 with the purpose of establishment of favorable business conditions the Temporary Procedure of Declaration of Production Conformity with the Low Risk for Life and Health of Consumers was adopted. Also, the List of Products the conformity of which could be verified by the conformity declaration was prepared. The implementation of this declaration gives possibility to businessmen to choose the procedure of conformity evaluation either by means of certification or declaration.

During 2003–2005 there were adopted 16 technical reglaments that were developed on the basis of the European Directives – mainly New and Global Approaches, in which obligatory requirements to the safety of certain types of production are determined.

By July 1, 2009 the Ukrainian Government passed resolutions approving 23 technical reglaments, the schedule of adoption of which is set below.

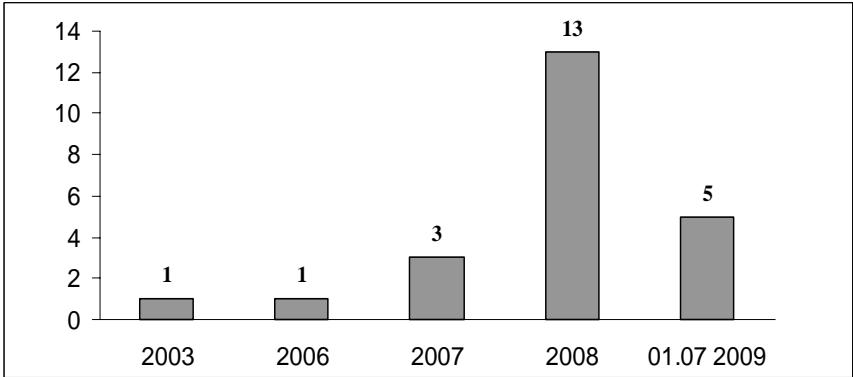


Figure 1. Adoption of technical reglaments approved by the Government Resolutions.

*Source: the State Committee of Ukraine for Technical Regulation and Consumer Policy.*

The important step, within the process of transposition from the obligatory production certification to the evaluation of its conformity according to international requirements, was the establishment of infrastructure for performing conformity evaluation according to the technical regulations and creation of government bodies dealing with the evaluation of conformity of production, processes and services with the requirements of the relevant technical regulations.

### State of the legal base harmonization.

*The Law of Ukraine “On Standards, Technical Regulations and Procedures of Conformity”* (2005) was adopted with the purpose of ensuring of the maximum conformity with the provisions of the Agreement on Technical Barriers to Trade and EU legislation. This Law determines legal and organizational provisions of elaboration and application of national standards, technical regulations and regulates procedures of conformity evaluation and basic principles of the state policy in the field of standardization, technical regulation and conformity evaluation. The Final provisions of this Law make corresponding changes to the Laws of Ukraine “On Standardization” and “On Conformity Assessment”.

In May 2007 and April 2008, there were adopted changes to the above-mentioned Law which envisage priority application of the international standards, instructions and recommendations as the basis for development of national standards, technical regulations. It also requires that part of the Ukrainian obligations concerning procedures of the evaluation of production conformity should be brought in full compliance with provisions of the Article 6.1 of the Agreement on Technical Barriers to Trade.

To ensure development of national standardization and its conformity with the provisions of the Agreement on Technical Barriers to Trade and harmonization with the EU standardization system, the Government approved a State Program on Standardization for 2006–2010. This Program envisages adoption of 8,570 standards which should be worked out as standards harmonized with the international and European standards for respective sectors of the economy (Figure 2).

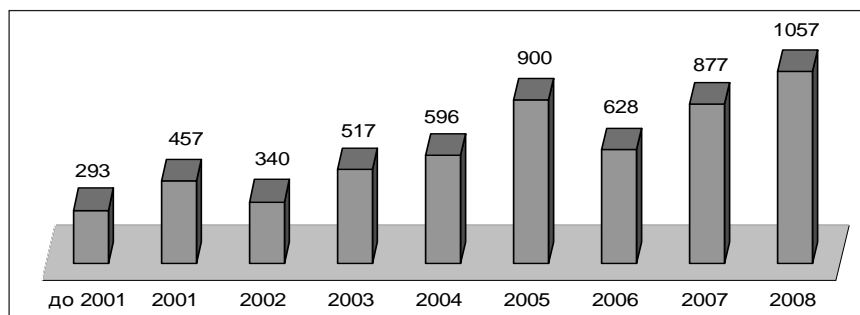


Figure 2. Dynamic of adoption of the national standards harmonized with the international and European ones.

**Source:** the State Committee of Ukraine for Technical Regulation and Consumer Policy.

By July 1, 2009 5,717 national standards harmonized with the European and international standards were applied in Ukraine. The level of standards harmonization have reached 25%, but the status of association with EU requires adoption of 80% of the European standards to serve as the national ones.

The important component of this Program is the Program of revision of those inter-state standards (GOST) which are still in force in Ukraine being developed before 1992 in order to make these standards compatible with the Agreement on Technical Barriers to Trade.

In 1992 the Government of Ukraine together with the Governments of ex-republics of the former USSR signed an Agreement on carrying out coordinated policy in the field of standardization, metrology and certification. According to this Agreement, State Standards of the former USSR got status of inter-state standards and got in force in Ukraine and other ex-USSR Republics which signed the Agreement. As of September 1, 2006, the number of inter-state standards (GOSTs), which are currently in force in Ukraine and were developed by 1992, made up 16,765 standards. The principal ways of the Program implementation are:

- examination of the inter-state standards conformity with requirements of the legislation, interests of state, consumer needs, level of development of science and technology, their compliance with international and other domestic standards, and provisions of the Agreement on Technical Barriers to Trade;
- revision of the inter-state standards and introduction of relevant changes to them, their adaptation to the correspondent international or national standards;
- abolishment of inter-state standards which lost their relevancy, are not used anymore and don't correspond to the provisions of the legislation currently in force.

Within the framework of measures on implementation of the Program of standards revision in Ukraine, 3,287 standards of the former USSR were abolished by 2006.

On January 15, 2009 the Verkhovna Rada of Ukraine adopted the Law of Ukraine “*On Changes to Some Laws of Ukraine concerning Establishment of Quality Management Systems, Ecological Management Systems and other Management Systems*”.

### **Preparation to the conclusion of the Agreement on Conformity Assessment and Acceptability of Industrial Products (ACCA).**

The important step, within the process of Eurointegration is preparation of Ukraine to join the Agreement on Conformity Assessment and Acceptability of Industrial Products (ACCA).

The work at this direction started in 2005 after adoption of the Resolution on consolidation of principle ways of cooperation on the basis of the Action Plan on Free Movement of Industrial Products. It is necessary to implement under the set of measures on preparation for signing the ACCA Agreement with EU and for reaching

the principal agreement on provision by the European side of technical assistance to Ukraine aimed at approximation of the Ukrainian technology-related legislation to relevant international and European norms.

In 2006 under the framework of realization of one of the first steps of the Action Plan concerning the Free Movement of Industrial Products with the participation of the central executive bodies and business structures, the priority sectors of the Ukrainian industry, such as low voltage equipment, machine-building production, simple pressure vessels and electromagnetic compatibility were identified, approved and agreed upon with the European side.

Broadening of the list of Ukrainian production will be realized by means of additional agreements to the ACCA Agreement in accordance with the provisions of the Annex on “Directives based upon New and Global Approaches” of this document (Annex 1).

Conclusion of bi-lateral agreements in respect to additional economy sectors will facilitate mutual assessment of industrial production between the partner-state and EU without additional test and procedures of conformity assessment. The conclusion of such agreements includes full adaptation of national legislation to the EU legislation which regulates production issues in the economy sectors covered by these agreements.

Cooperation with the European party concerning preparation to the conclusion of the ACAA agreement will facilitate negotiation process between Ukraine and EU concerning establishment of the Free Trade Zone and conclusion of the Association Agreement between Ukraine and EU.

Currently, the negotiation process on establishment of the Free Trade Zone between Ukraine and EU goes on alongside with the discussion of issues relating to possible content of the Article “Alignment of Rules and Elimination of Non-tariff Measures” which includes the list of the European Directives, provisions of which should be implemented according to the terms mentioned above (Annex 2).

### **Previous experience on the development of policy documents.**

With the purpose to work out the ways of realization of the Concept of Development of Technical Regulation and Consumer Policy System for the period of 2006–2010 in details, a working group was established in the State Committee of Ukraine for Technical Regulation and Consumer Policy, which developed Green and White books in 2006.

The working group identified problems and new possibilities which arised in the sphere of technical regulation and consumer policy within entry of Ukraine to EU in the Green book “On Policy of Adaptation of National Legislation in Sphere of Technical Regulation and Consumer Policy to European Requirements”.

The White Book “Policy of Adaptation of National Legislation in Sphere of Norms and Standards to European Requirements” contains concrete proposals concerning problem-solving in the sphere of adaptation of the national legislation norms and standards to the European requirements.

This policy document is directed to the harmonization of the modern system of technical regulation of Ukraine according to the EU norms and rules, preparation of Ukraine to join the AFTA Agreement in respect to those separate sectors of industrial production which have priority for the Ukrainian economy, facilitation of the negotiation process between Ukraine and EU concerning establishment of the Free Trade Zone.

Considering the fact that currently financial situation in Ukraine has been under the impact of the world financial crisis, the process of harmonization of the modern technical regulation system and consumer policy of Ukraine could become slower due to the lack of essential resources.

### **Main target groups (target parties).**

Any activity in the society needs to be supported by the legislative framework which could reflect in a well-balanced way interests of state, individual and consumer.

To remove technical trade barriers and to secure coordination of the national technical regulation system with the EU norms and standards, it is necessary to ensure involvement and active participation of the representatives of all stakeholders, including:

- Government;
- central executive bodies, such as Ministry of Economy of Ukraine, the Ministry of Industrial Policy, the Ministry of Transport and Communication, the Ministry of Agriculture Policy, the Ministry of Environment Protection, the Ministry of Health Protection, the Ministry on Emergency Situations and Population Protection from Consequence of Chernobyl Catastrophe of Ukraine (State Department of Fire Safety), the State Committee of Industrial Safety, Labor Protection and Mining Oversight, the State Committee of Regulatory Policy and Entrepreneurship, the National Accreditation Agency of Ukraine;
- Committees of the Verkhovna Rada of Ukraine on European Integration, Industrial and Regulatory Policy and Entrepreneurship;
- associations (unions) of industrialists, businessmen and consumers;
- professional organizations dealing with issues of standardization, metrology, Conformity Assessment, consumers' rights protection;
- trade partners of Ukraine.

## 2. Problem Definition

Ukraine's aspiration to integrate to the world economy, particularly the European one, needs harmonization of the modern technical regulation system and consumer policy of Ukraine with corresponding systems of the EU Member-States.

In order to turn new possibilities into reality it is necessary to solve problems which delay achievement of the identified goal.

Today the key problem in the analysed sphere is **existence of trade technical barriers between Ukraine and EU**.

### Causes of the problem:

- non-conformity of sector-related legislation and the national legal base to the European requirements;
- non-conformity of the Ukrainian quality infrastructure with the European principles and approaches;
- insufficient competitiveness and export capability of the Ukrainian production due to inadequate technological and innovation level of industry;
- use of old management methods;
- insufficient external assistance;
- unstable political and economic situation in the state;
- insufficient pace of reforms in economy, particularly in the sphere of technical regulation.

### Possible negative impact.

**Political:** delay of acceptance of Ukraine to EU.

Section dealing with issues of free movement of goods is one of the fundamental integral parts of the EU–Ukraine Association Agreement. Existence of technical trade barriers is incompatible with the EU principle of free movement of goods.

Due to this fact, delay of euro-integration processes may become a negative consequence affecting the political sphere.

**Economic:** increase of negative trade balance of Ukraine; limitation of Ukrainian products access to the world and the European markets because of non-recognition of Ukrainian Conformity Assessment; existence of low-quality and unsafe products at the internal markets; decrease of investment attractiveness; slowing down of entrepreneurship development; existence of unfair competition.

**Social:** negative influence on the quality of life, people's health, environment, level of consumers' rights protection.



Such negative consequences could arise because specific weight of low-quality and unsafe production will not decrease at the Ukrainian market. Low competitiveness of the domestic production at the market will provoke price fixation at unjustified, high level that will impact consumers.

### 3. Policy Objectives

Currently Ukraine needs application of standards, technical regulations and procedures of conformity assessment which would facilitate international exchange of goods and services, improvement of quality, productivity, effectiveness and reliability at all production and trade levels.

**The goal of the chosen policy** – removal of technical trade barriers between Ukraine and EU (*indicator*: increase of volume of export of the Ukrainian industrial products to EU by 3% which is stipulated by the Agreement, *the period of implementation* – by 2014).

**Objective**: to secure mutual recognition of the results of assessment of production conformity according to the established priorities (*indicator*: 4 types of production: low voltage equipment, machinery, simple, high pressure vessels, electromagnetic compatibility items, *and the period of implementation* – by 2012).

#### Tasks:

- to adopt and implement technical regulations concerning low voltage equipment; machines and machinery; simple high pressure vessels (the Resolution of the Cabinet of Ministers of Ukraine, dated 25.03.2009 <sup>1</sup> 268); electromagnetic compatibility (*Indicator*: 4 technical regulations, *the period of implementation* – 2012);
- to adopt and implement those standards, adherence to which is considered as the evidence of conformity with the provisions of the European Directives for production which is under the ACCA Agreement (*indicator* - 900 standards, *the period of implementation* – by 2012);
- to establish a network of authorities responsible for the conformity assessment, accredited in accordance with the requirements of the DSTUs (hereinafter – the Ukrainian national standardization system), such as EN 45011, DSTU ISO/2017021, DSTU ISO/2017025, specifically for the priority sectors of economy and with results of assessment, performed by these authorities and been recognized by the EU authorities (*indicator*: at least one authority on conformity assessment for each priority sector under the ACCA Agreement, *the period of implementation* - by 2012);
- National accreditation agency of Ukraine should gain a membership in the

European accreditation organization or to conclude the Agreement on Cooperation with some European and International Accreditation organizations ( indicator : membership or the Agreement on Cooperation with some European and International Accreditation organization, *the period of implementation* – by 2012).

### **Indicators of the effectiveness.**

Achievement of these goals will make it possible to reach the following objectives:

**In short-term period:** annual increase of export volume of the Ukrainian industrial production, which is included into the ACAA Agreement, to EU by 3%, comparing with the previous period, the *period of implementation* – 2012 - 2013;

**In medium-term period:** increase of export volume of the Ukrainian industrial production, which is included into the ACAA Agreement, to EU by 3%, comparing with the year 2012, the *period of implementation* – by 2016;

**In long-term period:** decrease of low-quality industrial production volume at the Ukrainian market by 10% by 2016, comparing with 2012.

## **4. Policy Alternatives**

There are two alternatives for achieving the objective described in this document.

### **Alternative 1. Conclusion of the ACAA Agreement on the priority sectors between Ukraine and EU.**

After the conclusion of the ACAA Agreement the Ukrainian industrial products, covered by this Agreement, could be supplied to the EU states market and also to other states of the European Free Trade Association (Norway, Island, Switzerland and, in perspective, to the Mediterranean States) without additional tests and procedures of conformity assessment.

For implementation of this alternative it is necessary to implement the following:

- to adopt Laws of Ukraine on market supervision, on general production safety and on responsibility for faulty production, all of which should correspond to the EU practice;
- to adopt and implement technical regulations in respect to the priority economy sectors. There also should be adopted such standards adherence to which would be considered as an evidence of conformity with the European Directives requirements in respect to industrial production which is covered by the ACAA Agreement;
- to establish independent authorities responsible for the conformity assessment in Ukraine according to provisions of the ACAA;

- to accredit authorities dealing with the issues of conformity assessment in Ukraine according to the requirements of ACAA.

**Implementation of this alternative requires :**

- qualified specialists in Ukraine;
- financial resources for development of standards and establishment of model base, raising the level of specialists skills, elaboration of a procedure for conclusion of the relevant agreement using resources of the State Budget of Ukraine (to cover salaries of personnel) and resources provided by the European technical assistance programmes.

According to the results of the multi-criteria analysis this alternative got 98 points (Annex 3).

**Alternative 2. Conclusion of a sub-contract agreement between the Ukrainian authorized organizations responsible for the conformity assessment and certified European organizations dealing with the conformity assessment for production included into the priority list agreed upon under the ACAA Agreement.**

Implementation of this alternative requires:

- training of the personnel of the authorities responsible for the conformity assessment for the work under conditions stipulated by subcontracts;
- establishing of cooperation between certified European and Ukrainian authorities responsible for the conformity assessment, which would facilitate employment of the Ukrainian specialists on the sub-contract basis with the European authorized organizations.

The above Alternative can be implemented at the expense allocated for the certification and carrying out accreditation procedure of the authorities responsible for the conformity assessment and by means of training of the Ukrainian specialists.

According to the results of the multi-criteria analysis this alternative received 75 points (Annex 3).

**Comparative table of two alternative solutions**

	<b>Alternative 1</b>	<b>Alternative 2</b>
<b>Advantages</b>	<ul style="list-style-type: none"> <li>• the increase of volume of export to EU of the Ukrainian industrial production which is covered by the ACAA Agreement by 3 %;</li> <li>• securing production of competitive products;</li> <li>• mutual recognition of the certification results and testing;</li> <li>• removal of duplication;</li> <li>• reduction of money and time costs related to issuance of certificates by 50%;</li> <li>• reduction of volume of low-quality production at the Ukrainian and EU markets.</li> </ul>	<ul style="list-style-type: none"> <li>• removal of duplication;</li> <li>• reduction of money and time costs related to issuance of certificates by 20%;</li> <li>• in-flow of additional financial resources due to the conclusion of subcontracts;</li> <li>• the possibility to increase volume of export</li> </ul>
<b>Disadvantages</b>	<ul style="list-style-type: none"> <li>• the possibility of worsening of the mutual trade balance due to possible considerable increase of imports to Ukraine caused by shortage in production which meets the requirements of the European norms;</li> <li>• considerable expenses needed for preparation and signing of the ACAA Agreement.</li> </ul>	<ul style="list-style-type: none"> <li>• failure to sign Agreements on Association, Free Trade Zone and ACAA between Ukraine and EU;</li> <li>• slowing down the process of accession of Ukraine to EU.</li> </ul>

Results of the comparison of these two alternatives show that it would be more efficient to choose the first alternative: “Conclusion of the ACAA Agreement in respect of the agreed upon the priority sectors between Ukraine and EU” which is needed for policy implementation.

## **5. Analysis of Policy Impact in Case of Implementation of the Alternative 1**

### **Åconomic.**

Positive impact:

- increase of export of Ukrainian production (by 2013 – 3%);
- reduction of volume of low-quality products at the market (by 2016– 10%);
- increase of investment attraction (by 2016 – from 3% to 5%);

- facilitation of entrepreneurship development (by 2016 – increase of number of subjects of business activity from 1% to 3%);
- reduction of unfair competition (by 2016 – decrease from 5 % to 3 % of the volume of counterfeit products).

### **Financial.**

Positive impact:

- reduction of financial costs and time needed for implementation of production certification procedures (by 2013 – 50%);
- increase of budget in-flows due to increase of exports volume (by 2016 – 3%);
- reduction of expenses associated with hospital and insurance repayments (by 2016 – 0, 1%).

Negative impact:

- expenses for carrying out certification, development of standards, technical reglaments and relevant legal basis (by 2003 – about 27 million UAH);
- expenses for training of staff (by 2011 – 70,000 UAH, 100,000 Euro);
- increase of expenses for re-equipment of production facilities for them to be able to produce new types of products according to the new standards (by 2016 – increase from 20% to 30%).

### **Social.**

Positive impact:

- improvement of the quality of life by reducing availability of low-quality products at domestic markets (by 2016 – 5%);
- increase the number of the certified specialists by 2016 to secure recognition by EU of a professional level of the specialists from the authorities dealing with conformity assessment in EU (50% from total number of certification specialists);
- improvement of state of environment (by 2016 – reduce expenses for wastes utilization by 3%);
- increase of the level of consumers rights protection (by 2016 to reduce number of claims from citizens by 5%);
- reduction in number of cases of poisoning and injuries of citizens (by 2016 – by 5%).

## Action plan for policy implementation

Task	Period	Result	Resources	Responsible authority
1) To work out draft Laws and to submit them for consideration of the Government and to support them in the Verkhovna Rada of Ukraine	by 2012	Adoption of legislative acts: <ul style="list-style-type: none"> <li>• Law of Ukraine on market supervision;</li> <li>• Law of Ukraine on general safety of production;</li> <li>• Law of Ukraine on responsibility for defective production</li> </ul>	Costs for development to be covered by the budgets of central bodies of executive power (hereinafter – CBEP)	State Committee of Ukraine for Technical Regulation and Consumer Policy
2) To work out, adopt and implement technical reglaments on low voltage equipment; machinery; simple high pressure vessels; (the resolution of the Cabinet of Ministers of Ukraine dated 25.03.2009, <sup>1</sup> 268); technical reglament in respect of electromagnetic compatibility	by 2012	To develop and adopt 4 technical reglaments on low voltage equipment; machinery; simple high pressure vessels; electromanetic compatibility	1) To bring the number of qualified specialists to carry out certification, namely at: <ul style="list-style-type: none"> <li>• CBEP - up to 20 persons;</li> <li>• authorities in charge of Conformity Assessment - up to 100 persons;</li> <li>• individual economy sectors - up to 1, 000 persons;</li> </ul> Required expenses: <ul style="list-style-type: none"> <li>• for reimbursement of work of standards developers, representatives of CBEP (to be covered by the budgets of CBEP);</li> <li>• for training of qualified specialists (to be covered at the expense of technical assistance of EU) - 50,000 Euro</li> </ul>	CBEP which are in charge of functions of technical regulation in the specified spheres of production and development of technical reglaments; State Committee of Ukraine for Technical Regulation and Consumer Policy, Cabinet of Ministers of Ukraine

<p>3) To adopt and implement standards, adherence to which is considered as evidence of conformity with the provisions of the European Directives for that production type which is covered by ACCA Agreement</p>	<p>by 2012</p>	<p>About 900 standards were adopted as the national standards, they are identical to the international and European standards and are used as the reference for the assessment of the production conformity and compliance with the requirements of the relevant technical regulations</p>	<p>1) Increase of the number of qualified specialists: from three technical committees by 30 persons; 2) Costs for development of 900 standards: (200 standards at the expense of the State budget, 700 standards – at the expense of technical assistance – estimated at 27 mill.UAH). 3) Costs of raising of the level of specialists' skills - up to 70, 000 UAH</p>	<p>State Committee of Ukraine for Technical Regulation and Consumer Policy</p>
<p>4) To arrange Twinning programmes between the authorities responsible for the conformity assessment focusing on preparation, in accordance with the relevant directives of New and Global Approaches, in order to secure exchange of experience between involved certification authorities</p>	<p>by 2012</p>	<p>The contract was concluded</p>	<p>Funding is to be provided at the expense of the EU technical assistance program (up to 1 mill.Euro)</p>	<p>State Committee of Ukraine for Technical regulation and Consumer Policy</p>
<p>5) To arrange, on sub-contract basis, cooperation between certified European authorities and Ukrainian authorities responsible for the conformity assessment</p>	<p>by 2012</p>	<p>The subcontracts were concluded</p>	<p>Costs of procedures are to be covered by the operational budgets of the Ukrainian authorities in charge of conformity assessment</p>	<p>State Committee of Ukraine for Technical regulation and Consumer Policy</p>

<p>6) To gain membership at the European Accreditation Organization for the National Accreditation Agency of Ukraine or to conclude an Agreement on Cooperation with European and International accreditation organizations</p>	<p>by 2012</p>	<p>Established and accredited in Ukraine are independent organizations dealing with conformity assessment in accordance with provisions of the ACAA Agreement.</p>	<p>1) Number of qualified specialists in: - national accreditation bodies – up to 20 persons; - in CBEP – up to 10 persons; - in conformity assessment organizations – 100 persons; 2) Involved expenses: - costs of raising of qualification are to be covered at the expense of technical assistance – up to 50, 000 Euro; - development of standards for accreditation in order to ensure production flow monitoring according to the international reference models (they are to be covered at the expense of technical assistance – up to 200, 000 Euro); - development of reference model basis (at the expense of the state budget allocations – up to 7 mil.UAH)</p>	<p>National Accreditation Agency of Ukraine</p>
<p>7) To conclude the ACAA Agreement in respect to agreed upon priority sectors</p>	<p>by 2012</p>	<p>ACAA Agreement was signed with EU in respect to priority sectors of production, such as: low voltage equipment; machines and machinery; simple high pressure vessels; electromagnetic compatibility</p>	<p>1) Number of qualified specialists: - in CBEP–20 persons; - in economy sectors – 1,000 persons; 2) Costs related to arrangement of procedures needed for agreement conclusion are to be covered at the expense of the State Budget of Ukraine (salary for specialists) and at the expense of technical assistance of EU (up to 20, 000 Euro)</p>	<p>State Committee of Ukraine for Technical Regulation and Consumer Policy</p>



# 6. Monitoring and Evaluation of the Policy Implementation Effectiveness

In order to evaluate the effectiveness of policy implementation, it is crucial to carry out monitoring based upon indicators mentioned in the section ‘Policy Objectives’. Key sources of information for such monitoring are as following:

- annual review of the indicators of the economy effectiveness by the sectors of industry (Ministry of Economy of Ukraine);
- annual review of statistic data on export of the Ukrainian industrial products to the EU markets (State Committee for Statistics of Ukraine);
- systematic analysis of quality and safety of industrial products that are included into the ACAA Agreement at the consumer market of Ukraine (State Committee for Statistics of Ukraine).

It is necessary to conduct ongoing monitoring and evaluation of the degree of achievement of the planned indicators in order to secure their complete achievement. In case there is a negative tendency of non-achievement of indicators that were planned, some corrective and preventive actions aimed at elimination of the causes of delay or non-implementation should be worked out and performed.

It is feasible to assess the proposed policy according to the following criteria:

- 50% reduction of time and money expenses for certification procedures;
- 3% increase of volume of the Ukrainian industrial production export to EU which is envisaged by the ACAA Agreement (by the year 2013 in comparison with the year 2012);
- 10% decrease in the volume of counterfeit and defective production import to the Ukrainian market (by the year 2016 in comparison with the year 2012).

# Annex

## Annex 1

### Directives based on New and Global Approaches

#### I. New Approach Directives

1. Low Voltage Directive (73/23/ÅÅÑ with changes envisaged by the document 93/68/ÅÅÑ)
2. Simple Pressure Vessels (87/404/ÅÅÑ with changes envisaged by the documents 90/488/ÅÅÑ and 93/68/ÅÅÑ)
3. Safety of Toys (88/378/ÅÑ with changes envisaged by the document 93/68/ÅÅÑ)
4. Construction Products (89/106/ÅÅÑ with changes envisaged by the document 93/68/ÅÅÑ)
5. Electromagnetic Compatibility (89/336/ÅÅÑ with changes envisaged by the document 92/31/ÅÅÑ 93/68/ÅÅÑ)
6. Machinery Safety Directive (98/37/ÅÑ with changes envisaged by the document 98/79/ÅÑ)
7. Personal Protective Equipment (89/686/ÅÅÑ with changes envisaged by the documents 93/68/ÅÅÑ, 93/95/ÅÅÑ and 96/58/ÅÑ)
8. Non-automatic Weighing Instruments (90/384/ÅÅÑ with changes envisaged by the document 93/68/ÅÅÑ)
9. Active Implantable Medical Devices (90/385/ÅÅÑ with changes envisaged by the documents 93/42/ÅÅÑ and 93/68/ÅÅÑ)
10. Gas Equipment (90/396/ÅÅÑ with changes envisaged by the document 93/68 ÅÅÑ)
11. Establishing a Framework for the Setting of Eco-design Requirements for Energy-Using Products (92/42/ÅÅÑ with changes envisaged by the document 93/68/ÅÅÑ)
12. Explosives for Civil Uses (93/15/ÅÅÑ)
13. Medical Devices (93/42/ÅÅÑ with changes envisaged by the document 98/79/ÅÑ)
14. Explosive Atmospheres (94/9/ÅÑ)
15. Recreational Craft (94/25/ÅÑ)
16. Lifts (95/16/ÅÑ)
17. Energy Efficiency Requirements for Household Electric Refrigerators, Freezers and Combinations Thereof (96/57/ÅÑ)
18. Pressure Equipment (97/23/ÅÑ)

19. In original the number is absent
20. In Vitro Diagnostic Medical Devices (98/79/ÅÑ)
21. Radio Equipment and Telecommunications Terminal Equipment (99/5/ÅÑ)
22. Cableway Installations (2000/9/ÅÑ)

## II . Global Approach Directives

1. Transportable Pressure Equipment (1999/36/ÅÑ)
2. Noise Emission in the Environment by the Equipment for use Outdoors (2000/14 ÅÑ)
3. Fluorescent Lightning (2000/55/ÅÑ)

## III . Directives based on New and Global Approaches but not provided ÑÁ marking

1. Packaging and Packaging Waste (94/62/ÅÑ)
2. International Functioning of Trans-European High-Speed Rail System (96/48/ÅÑ)
3. Marine Equipment (96/98/ÅÑ)
4. Customary Railways (2001/16/ÅÑ)

## IV . Proposals related to principles based on New and Global Approaches

1. ÑÏ/93/322 Products of Precious Metals with changes ÑÏ/94/267
2. Marking of Packaging (ÑÏ/96/191)
3. Measuring Instruments (ÑÏ/2000/566)
4. Revision of Recreational Craft Directive (ÑÏ/2000/639 )
5. Revision of Machinery Directive (ÑÏ/2000/899)

#### **List of European Directives referred to the Section on “Alignment of Rules and Elimination of Non-Tariff Measures” of a Free Trade Zone Agreement between Ukraine and EU**

- Directive 2001/95/EC of the European Parliament and of the Council dated December 3, 2001 on general product safety.

Schedule: Provisions of Directive will be implemented by 2010.

- Directive 1999/34/EC of the European Parliament and of the Council dated May 10, 1999 amending Council Directive 85/374/EEC on the approximation of laws, regulations and administrative provisions of the Member States concerning liability for defective products.

Schedule: Provisions of Directive will be implemented by 2010.

- Directive 2006/95/EC of the European Parliament and of the Council dated December 12, 2006 on Harmonisation of the laws of Member States relating to electrical quipment designed for use within certain voltage limits.

Schedule: Provisions of Directive will be implemented by 2011.

- Directive 2006/42/EC the European Parliament and of the Council dated May 17, 2006 On Machinery, and amending Directive 95/16/EC.

Schedule: Provisions of Directive will be implemented by 2011.

- Directive 2004/108/EC of the European Parliament and of the Council dated December 15, 2004 on Approximation of the laws of the Member States relating to electromagnetic compatibility and repealing Directive 89/336/EEC.

Schedule: Provisions of Directive will be implemented by 2011.

- Directive 87/404/EEC of the European Parliament and of the Council dated June 25, 1987 on Harmonization of the laws of the Member States relating to simple pressure vessels.

Schedule: Provisions of Directive will be implemented by 2010.

- Directive 97/23/EC of the European Parliament and of the Council dated May 29, 1997 on Approximation of the laws of the Member States concerning pressure equipment.

Schedule: Provisions of Directive will be implemented by 2010.

- Directive 1999/36/EC of the European Parliament and of the Council dated April 29, 1999 On transportable pressure equipment.

Schedule: Provisions of Directive will be implemented by 2011.

- Directive 95/16/EC of European Parliament and Council dated June 29, 1995 on Approximation of the laws of the Member States relating to lifts.

Schedule: Provisions of Directive will be implemented by 2010.

- Council Directive 88/378/EEC dated May 3, 1988 on Approximation of the laws of the Member States concerning the safety of toys.

Schedule: Provisions of Directive will be implemented by 2010.

- Council Directive 92/42/EEC dated May 21, 1992 on Efficiency requirements for new hot-water boilers fired with liquid or gaseous fuels.

Schedule: Provisions of Directive will be implemented by 2010.

- Council Directive 90/396/EEC dated June 29, 1990 on Approximation of the laws of the Member States relating to appliances burning gaseous fuels.

Schedule: Provisions of Directive will be implemented by 2010.

- Directive 89/686/EEC of European Parliament and Council dated December 21, 1989 on Approximation of the laws of the Member States relating to personal protective equipment.

Schedule: Provisions of Directive will be implemented by 2010.

- Directive 96/57/EEC of European Parliament and Council dated September 3, 1996 on energy efficiency requirements for household electric refrigerators, freezers and combinations thereof.

Schedule: Provisions of Directive will be implemented by 2010.

- Council Directive 90/384/EEC dated June 20, 1990 on Harmonization of the laws of the Member States relating to non-automatic weighing instruments.

Schedule: Provisions of Directive will be implemented by 2012.

- Decision <sup>1</sup> 768/2008/EC of the European Parliament and of the Council dated July 9, 2008 on a Common framework for the marketing of products, and repealing Council Decision 93/465/EEC.

Schedule: Provisions of Directive will be implemented by 2012.

- Regulation (EC) <sup>1</sup> 765/2008 of the European Parliament and of the Council dated July 9, 2008 setting out requirements for accreditation and market surveillance relating to the marketing of products and repealing Regulation (EEC) <sup>1</sup> 339/93.

Schedule: Provisions of Directive will be implemented by 2012.

- Regulation (EC) <sup>1</sup> 764/2008 of the European Parliament and of the Council dated July 9, 2008 laying down procedures relating to the application of the certain national technical rules to products lawfully marketed in another Member State and repealing Decision <sup>1</sup> 3052/95/EC.

Schedule: Provisions of Directive will be implemented by 2012.

Comparative table of Alternative Solutions based upon multi-criteria analysis

Components of analysis procedure			Alternative 1		Alternative 2	
Criterion	Scale	Weighting factor	Average index of expert assessment	Sum according to formula	Average index of expert assessment	Sum, according to formula
1	2	3	4	5	6	7
Costs	lin/ cost (0-100)	20	46	9	70	14
Period of implementation, in years	1-3	15	2	10	3	15
Production export dynamics	0-10	25	10	25	5	13
Level of consumer protection improvement	0-3	20	4	27	3	20
Possibility of full-scale certification services provision by the Ukrainian authorities in charge of conformity assessment	0-3	20	4	27	2	13
<b>Total</b>		100		<b>98</b>		<b>75</b>

In order to select Alternative that would be optimal for Ukraine, the group of experts (7 persons) established the following criteria: costs, the period of implementation (in years), production export dynamics, level of consumer protection improvement, possibility of full-scale services provision for certification by the Ukrainian authorities in charge of production conformity assessment.

The Criterion “Production export dynamics” has the highest weight coefficient due to the fact that Ukrainian production, which would be exported to the EU and other world markets, will be competitive, of high quality, and will influence the economy of this country.

The Criteria “Costs”, “Level of consumer protection improvement” and “Possibility of full-scale services provision for certification by Ukrainian authorities responsible for the conformity assessment” are also very important and have average weighting coefficients.

The Criterion “Period of Implementation” is also very important but in comparison with other criteria it possesses the minimal weighting coefficient.

Pre-defined criteria were tabulated into the Column 1.

Experts have established the scale (Column 2) and weighting coefficients (Column 3) for every applied criterion. After that, the experts put the mark and defined average value for every criterion (Columns 4, 6).

According to formula:

$$sum = \frac{\text{average value of expert assessment}}{\text{scale}} \times \text{weighting criterion}$$

The sum of obtained scores was calculated for each of these two Alternatives (Columns 5, 7).

After that, the total number of scores received by each Alternative was calculated.



# Glossary

**Declaration of conformity** – procedure that helps the producer or his authorized person to testify in written form that the production meets the requirement set by the legislation at his own responsibility.

**State supervision** – activities of specially authorized bodies of the state power for control over entrepreneurs' conformity with standards, norms and rules during the production and release (works performance, services provision) in order to present interests of society and consumers as they should meet requirements to safety for life, health, and property of persons, and environments.

**Conformity Assessment** – proofs that requirements established for production, process, system, person or authority are fulfilled via testing, control and certification.

**Confirmation of conformity** – issuing of document (declaration or certificate of conformity) on the basis of decision taken after relevant (necessary) procedures for conformity assessment which evidenced conformity with the established requirements.

**Procedure for conformity assessment** – any procedure which directly or indirectly is used for definition whether requirements set in technical regulations or standards are fulfilled. Procedures for conformity assessment to foresee procedures for samples selection, test, control, assessment, registration, accreditation, approval and its generalization.

**Market supervision** – continuous supervision over conformity of entered production to technical regulations, legacy of use of the National sign of conformity, fullness and reliability of information about it.

**Certification** – procedure envisaging provision of a documentary evidence of conformity of the production, quality systems, quality management systems, environment management systems, personnel management systems with requirements set in legislation by the authorized body.

**Standardization** – activity on establishment of provisions for general and multi performance of present or possible tasks in order to achieve optimal level of regulation in certain sphere. The result of such activity is the increase of the level of conformity of production, processes and services with their functions, eliminating of trading borders and assistance in science-technical cooperation.

**Standard** – document issued on the basis of consensus and approved by the authorized body which sets rules, instructions or characteristic features for general use and which are related to its activity or results including production, processes, and services, the conformity of which is not obligatory. Standard can include requirements to the terms, signs, package, marking used for certain production, process or service.

**Technical regulation** – legal regulation of relations in the sphere of establishment, implementation and fulfillment of obligatory requirements to products or related processes, systems and services, personnel and authorities, also inspection of its conformity via assessment of conformity and/or market supervision.

**Technical reglament** – a law of Ukraine or a legal act, approved by the Cabinet of Ministers of Ukraine, in which characteristic features of products or related processes or types of production are settled, as well as the requirements to services, including those relevant provisions, compliance with which is obligatory. It may also contain requirements relating to the terminology, signs, package, marking or labeling, which are to be used for certain products, process or the type of production.

**Agreement on Conformity Assessment and Acceptance of Industrial Products – ANA** – such agreements were concluded by the EU with the countries which were seeking EU membership and the Mediterranean region countries, and made it possible for products, covered by such agreements, to be freely exported to domestic markets of the EU without any additional testing and application of any conformity assessment procedure.

## Abbreviations:

EU – European Union.

WTO – **World Trade Organization.**

TTB **Agreement** – Agreement on Technical Trade Barriers.

TC – Technical committee.

ACA**A Agreement** – Agreement on Conformity Assessment and Acceptance of Industrial Products.

CBEP – Central body of executive power.

# Information about the Activities of Policy Analysis Groups

The project “Development of a Network of Policy Analysis Groups in the System of Central Executive Bodies in Ukraine” is aimed at:

- promoting the development of democratic governance in Ukraine;
- promoting the strengthening of institutional capacity of central bodies of executive power for policy making;
- improving the coordination of public policy development;
- strengthening the strategic character and analytical support of decisions and enhancing the quality of overall government planning; and
- enhancing civil servants’ professionalism in developing policy proposals.

The legal basis for policy analysis groups functioning includes:

1. Order of the Cabinet of Ministers of Ukraine on “Activities of Policy Analysis Groups”, dated December 30, 2008 <sup>1</sup> 43542/99/1-08.
2. Regulation of the Cabinet of Ministers of Ukraine “On approval of the year 2008 “EU – Ukraine Action Plan“, dated August 6, 2008 <sup>1</sup> 1072-p.
3. Memorandum of Understanding between the Government of Ukraine and the Government of Canada concerning Ukrainian Civil Service Human Resources Management Reform Project, signed on May 26, 2008.
4. Regulation of the Cabinet of Ministers of Ukraine “On Ensuring Functioning of the Policy Analysis Groups in Central Executive Bodies and the Secretariat of the Cabinet of Ministers of Ukraine”, dated February 7, 2007 <sup>1</sup> 32-p.
5. “Civil Service Development Program for 2005–2010”, approved by the Cabinet of Ministers of Ukraine on June 8, 2004 <sup>1</sup> 746, with changes approved by the Cabinet of Ministers of Ukraine on September 3, 2008 <sup>1</sup> 776.

The objectives of the project are the following:

- holding a series of practical target-oriented trainings and ensuring exchange of experience between the groups in respect to policy analysis, including methodology and practice of the comprehensive study of a situation and identification of a problem, assessment of its causes and implications, selection of alternative approaches to problem solution based on cost-benefit analysis and consideration of different stakeholders’ opinions;

- drafting policy documents relating to fulfillment of obligations imposed by the future EU – Ukraine Association Agreement with clear definition of tasks and steps for implementation of this Agreement;
- organizing public consultations aimed at discussion of proposed policy documents.

Policy documents developed by policy analysis groups in 2009:

- A policy on overcoming technical trade barriers: standardization and conformity assessment;
- Improvement of risk management in financial services sphere in Ukraine;
- Consultations on improving the investment climate of the agricultural sector of the Ukrainian economy;
- Dissemination of information on public procurement: adaptation of the Ukrainian legislation to the *acquis communautaire*;
- Strategy for the improvement of state sanitary and phytosanitary control and surveillance at state border crossing;
- Determination of optimal ways to reduce the level of piracy in Ukraine with respect to copyright and related rights in the course of circulation of copyright objects on tangible mediums;
- Harmonization of the national aviation safety system with European standards within the framework of the common aviation area Agreement. Participation of Ukraine in the European Aviation Safety Agency;
- Development of water resources management policy under the “Environment” Section of the EU Association Agreement;
- Priority efforts for the integration of unified power system of Ukraine into unified power systems of the European Union;
- Harmonization of Ukrainian legislation on the application of excise duty on alcohol and tobacco products in the context of the future Agreement on Association with the European Union.

# Previous Initiatives on Policy Analysis

This project is a logical follow-up of the previous policy analysis initiatives carried out by the Main Department of Civil Service of Ukraine and international donors:

- “Public Policy Capacity Building” (1999–2003);
- “Establishing Policy Analysis Groups and an Information Resource Centre in the Government of Ukraine” (2000–2001);
- “The Activity of Policy Analysis Groups (PAGs) in Government Bodies in Ukraine” (2005–2006);
- “Strengthening the Institutional Capacity of Central Executive Power Bodies for Policy Making in the Context of the Concept Development of a Training and Consultative Center for the Highest Corps of Civil Servants” (2007–2008).

Firstly, such initiatives were funded by foreign donors, in particular, by the Canadian International Development Agency (CIDA) and the Swedish International Development Agency (SIDA).

Within the framework of the first project “Public Policy Capacity Building” (1999–2003) students of the National Academy of Public Administration under the President of Ukraine (NAPA) were engaged in the policy analysis training. The training included the internship in Canada and drafting of policy papers. Based upon project results, a course on policy analysis was included into the Academy’s curriculum, with practical assignments in drafting policy papers on selected topics.

The next project “Establishing Policy Analysis Groups and an Information Resource Centre in the Government of Ukraine” (2000–2001) was implemented as a joint initiative of the Cabinet of Ministers of Ukraine, International Center for Policy Studies (ICPS), Open Society Institute (OSI) and International Renaissance Foundation (IRF) with financial support from IRF under the tripartite agreement on cooperation between the Secretariat of the Cabinet of Ministers of Ukraine, ICPS and the IRF. The participants of this project were 49 governmental officials of higher and middle rank from the Ministry of Economy, Ministry of Finance and the Secretariat of the Cabinet of Ministers.

The outcome of these projects was inclusion into Regulations of the Cabinet of Ministers of Ukraine of a section that set requirements to policy documents (“policy decisions”), in particular, with regard to analysis of alternative solutions.

Upon the initiative of the Main Department of Civil Service of Ukraine, the efforts towards creation of policy analysis groups in central bodies of executive power continued in 2005. The projects were implemented by the Center for Adaptation of the Civil Service to the Standards of the European Union (the former name – Center

for Civil Service Institutional Development under the Main Department of the Civil Service of Ukraine), and were financed from the State Budget. List of policy documents developed by policy analysis groups during 2005–2008, is presented in Table 1.

In 2005–2006 the International Centre for Policy Studies implemented a project “The Activity of Policy Analysis Groups in Government Bodies in Ukraine”. The Department for International Development of the United Kingdom (DFID) and the Delegation of the European Commission to Ukraine provided assistance in engaging foreign consultants and trainers. The project results demonstrated the need to modify the training programs, to create policy analysis groups in other governmental bodies and to develop the network of policy analysis groups as a permanent forum for the articulation of new policy priorities and discussion of trends and prospects of social development.

The project “Strengthening the Institutional Capacity of Central Executive Power Bodies for Policy Making in the Context of the Concept Development of a Training and Consultative Center for the High Corps of Civil Servants”, which was implemented during 2007–2008, showed the importance of enhancing professional capacity of top civil servants in policy analysis and democratic decisions-making process. The need to acquire more knowledge and skills is emphasized in the context of participation of the government bodies in the Twinning projects.

**Table 1. Analytical documents prepared by the policy analysis groups in 2005–2008**

<sup>1</sup>	<b>Central executive body</b>	<b>Period of activity of PA groups</b>	<b>Subject of study</b>
1.	Secretariat of the President of Ukraine	2005–2006	Strategy of democratic development of Ukraine and institutionalization of public policy tools in work of central bodies of executive government
2.	Secretariat of the Cabinet of Ministers of Ukraine	2005–2006	Democratization of decision-making process and compliance with the European requirements on applying democratic procedures in the decision-making process
3.	National Bank of Ukraine	2007–2008	Building the National Bank of Ukraine on the basis of independent, open and transparent activity
4.	Ministry of Economy of Ukraine	2005–2006	Policy and procedures for the preparation of state budget as the strategy for economic development of the country
5.	Ministry of Finance of Ukraine	2005–2006	State fiscal and taxation policy

6.	Ministry of Transport and Communication of Ukraine	2005–2006	State policy of Ukraine on integration of Ukraine to trans-European transport networks
7.	Ministry of Fuel and Energy of Ukraine	2007–2008	Creation of minimum supplies of oil and oil products
8.	Anti-Monopoly Committee of Ukraine	2005–2006	Policy in respect to liberalization of the domestic market and raise of competition at this market
9.	State Tax Administration	2007–2008	Improvements in tax information exchange
10.	State Committee of Ukraine on Technical Regulation and Consumer Policy	2005–2006	Policy of adaptation of the national legislation to norms and standards to requirements of the European Union
11.	State Nuclear Regulatory Committee of Ukraine	2007–2008	Increasing safety for resources of ionizing radiation in Ukraine
12.	State Agency of Ukraine for Investments and Innovations	2005–2006	Attracting foreign investments to Ukraine: problems and solutions
13.	State Commission on Securities and Stock Market	2007–2008	Increasing the level of corporate governance in joint-stock companies and ensuring of investors' rights
14.	National Electricity Regulatory Commission of Ukraine	2005–2006	Policy on regulation of the domestic electricity market
15.	National Space Agency of Ukraine	2005–2006	Policy on institutional development of the national space industry under market conditions
16.	Administration of State Border Service of Ukraine	2007–2008	Improvement of the system of border crossing in Ukraine for persons and transport vehicles
17.	State Department for the Execution of Punishment of Ukraine	2007–2008	Identification of the most optimal ways for minimizing the number of detainees in custody, and observance of norms for detention procedures in Ukraine

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L.M. Vitkin, O.M. Àndriychuk, G.O. Dushenko, V.O. Jovtuha,  
T.M. Zakalska, V.M. Mykhaylov, A.A. Nelepov, O.Y. Serdyukov,  
S.O. Sidnenko, V.P. Feschenko

**A Policy on Overcoming Technical Trade Barriers:  
Standartization and Conformity Assessment**

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Project Research Supervisor – Gulbarshyn Chepurko  
Translator – Volodymyr Kuznetsov  
Design – Olena Zarzhytska

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