

## Degradation of state institutions

The problems are caused by Ukraine's unwillingness to implement the envisaged reforms, as well as by the political elite's largely persistent resistance to change, as institutions are used by insiders to extract benefits rather than to provide public goods for society as a whole



## Failure to fulfill obligations

Ukraine's ban on timber exports, which was recognized as incompatible with the DCFTA under the bilateral dispute settlement procedure in December 2020, has not been canceled by Ukraine. Ukraine's wholesale electricity market also shows signs of market distortion and manipulation



## Corruption

While steps have been taken to reform anti-corruption institutional framework, urgent reform of the Constitutional Court and the Asset Recovery and Management Agency, as well as the effective functioning of the newly created Bureau of Economic Security, are still needed. Money laundering is also a concern, as the anti-money laundering legislation is not fully operational pending the adoption of secondary legislation



# Key challenges for Ukraine in the context of DCFTA implementation

The main challenges Ukraine faces in the context of the DCFTA implementation are the decline of state institutions and economic difficulties, exacerbated by Russia's coercive actions, as well as a peculiar mismatch between formal laws and informal practices, namely the inhibiting influence of an oligarchic, monopolistic and predatory business culture that hinders competition and hampers the development of small and medium-sized enterprises (SMEs)

## Reforms in the field of environmental protection and climate change

Negotiations on amendments to Annex XXX of Chapter 6 to the Association Agreement are progressing slowly. Ukraine has adopted and submitted the Nationally Determined Contribution to the Paris Agreement and the National Climate Change Adaptation Strategy, but the Integrated Energy and Climate Plan is still under development.





Джерела

## References

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