



IMPROVING REGULATION BY ESTABLISHING PARTNERSHIP BETWEEN GOVERNMENT AND BUSINESS



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BACK TO THE FUTURE: ORGANIC FARMING AND NEW HORIZONS FOR THE OLDEST UKRAINIAN INDUSTRY



Organic production has been developing in Ukraine for the last 15 years. Ukraine is among the twenty countries in the world that have the largest land bank certified for organic production. In spite of being in this group of countries, the area of certified organic land is only 1% of the total amount of agricultural lands in Ukraine. For comparison, the Ukrainian index of lands certified for organic production is only 20% of the same index in Spain.

Interestingly, the sector of organic products has been developing with no state regulation. In spite the fact that the Law of Ukraine "On production and circulation of organic agricultural products and raw materials" came into force in 2014, this law largely remained on a paper and (luckily) didn't have any impact on the market. That is, on the one hand, Ukraine has a dynamic organic market developing in accordance with international/foreign organic standards, and on the other hand, it faces with the absolute ineffectiveness of special legislation in organic production.

Moreover, Ukraine does not have reliable statistics on the organic market, since the national statistics system doesn't take into account the organic production. No state agency is not duly authorized to carry out state control (supervision) measures in the organic food production. Should we consider free zone regulation to be appropriate for organic food? The answer is [here](#).



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LOST IN TRANSLATION: THE CASE OF IMPORT OF PROTOTYPES AND R&D DEFINITION



Transposition of EU Directives into the Ukrainian laws and regulations proved to be a difficult area for both regulators and lawyers. The role of other actors (particularly translators) in the harmonization agenda remained unfairly modest and underestimated. This became particularly evident when our attention was brought to the issue of proper translation of EU laws and regulations.

For instance, the Ukrainian Technical regulation has been harmonized with a number of EU Directives, i.a.: 2014/53/EU (radio equipment) was a basis for Ukrainian Technical Regulation of 24/05/2017 No 355, 2014/30/EU (electromagnetic compatibility) – for Ukrainian Technical Regulation of 16/12/2015 No 1077, 2014/35/EU (equipment designed for use within certain voltage limits) – for Ukrainian Technical Regulation of 16/12/2015 No 1067.

All three Directives stipulate that "Custom built evaluation kits destined for professionals to be used solely at research and development facilities for such purposes" are outside of their scope. In practice, this means that equipment for R&D activities doesn't need any conformity assessment.

However, the words 'research and development' contained in the Directives have three different translations into Ukrainian: each Technical Regulation provides its own version of translation.

As a result, pursuant to Ukrainian Technical Regulations, 'R&D' is often narrowed down to purely scientific activities only. Thus, private companies can't import prototypes for R&D without conformity assessment which caused lots of problems for Ukrainian IT-outsourcing and IT R&D centers. More information on the topic is available [here](#) on software development market in Ukraine EN.



Oleksiy Orzhel
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THE KING IS DEAD. LONG LIVE THE KING: ENSURING A SMOOTH TRANSITION FROM CONVENTIONAL TO ELECTRIC CARS



In 2017, Ukraine was among world leaders in terms of growths of electric vehicle sales. The expectations for the next year are even higher, given that the Parliament has recently cancelled all taxes (duty and VAT) collected during EV import.

However, the infrastructure needed for further development is dramatically lagging behind. In fact, Ukraine still doesn't have a market of electric charging stations that significantly restrains the development of the segment of environmentally friendly transport modes. The operation of electric cars requires to resolve a number of issues related to their maintenance and service, the product itself is not defined in the market, the status of charging units and electric charging stations is not regulated and so on. A separate set of problematic points is related to the development of infrastructure, in particular the conditions to connect to electricity networks. The market of electric charging stations should be systematized and integrated with the electricity market.

BRDO Energy Sector experts conducted a detailed study of the regulation of energy efficiency and retail electricity markets. Based on its results, we developed the Concept for development of the market of electric charging stations. Details are available [here](#).



Olena Shulyak
Construction
Sector Head

WAITING FOR THE BARBARIANS: HOW TO SAVE HISTORICAL HERITAGE WITH NO HARM TO BUSINESS ENVIRONMENT



Ukraine has a long and interesting history that left us more than 130,000 heritage sites, 7 of which are included into the UNESCO World Heritage List. Apart from cultural importance, such sites could be attractive for both internal and foreign tourists. However, existing regulations do not provide sufficient protection for historical and cultural heritage and oftentimes are rather tools for promotion of vested interests and corruption.

An owner of any construction project in the territory of cultural sites has to appeal to the same cultural heritage protection bodies from 4 to 10 times, which does not guarantee their preservation.

The state is using 8 regulatory tools when regulating new construction in the territories of cultural heritage sites. Our [expert analysis](#) of these tools and related procedures has revealed that the current regulatory framework does not provide adequate protection of the cultural heritage and creates a significant burden on business. According to the BRDO study, at least 10 of 18 acts regulating the market should be revised. [Read more](#)

IMPROVING REGULATION IN UKRAINE

BRDO is an independent think tank. Our mission is to promote effective regulation and economic freedoms in Ukraine with a focus on small and medium sized enterprises as important drivers of growth.

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