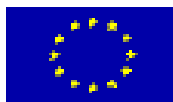




Ministry of Agrarian Policy of Ukraine



The Project is funded by the
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The Project is implemented by a
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**Implementation of Ukraine's Commitments under WTO and ENP Frameworks in the Rural Sector (Sector Wide Approach), Ukraine
(Europeaid/126205/C/SER/UA)**

Overview of Latest Rural Developments between December 23, 2010 and December 29, 2010

▪ WTO and ENP Frameworks

Andriy Klyuev, the First Vice Prime Minister and the Minister of Economic Development and Trade of Ukraine, signed agreements between Ukraine and European Commission on funding three EU-funded programmes of assistance to Ukraine.

The general objectives of the "Support for the Implementation of the Transport Strategy of Ukraine" Programme is to assist Ukraine in accomplishment of strategic priority tasks of the transport sector, implementation of the institutional reform in the transport sector, and improvement of the transport infrastructure.

The "Support for Implementation of the Strategy for Ukraine's National Environmental Policies" is intended to harmonise Ukraine's environmental strategy with EU standards and priorities as agreed on under the EU-Ukraine Action Plan and EU-Ukraine Association Agenda.

The "Twinning and Technical Assistance to Support the European Neighbourhood Policy" Programme aims at building capacities of major Ukrainian institutions and organizations so that Ukraine is able to fulfil its commitments under the EU-Ukraine Association Agenda. The goals of the Programme include preparation of Ukraine for the Agreement on creation of a comprehensive free trade area with the European Union. The assistance will be provided primarily in high priority area of the Agreement (sanitary and phytosanitary measures under the WTO framework, quality assurance, market infrastructure).

The said agreements envisage provision of resources to Ukraine on a free of charge and irrevocable basis.

Source: Press Service of the Economy Ministry; December 24, 2010

▪ Food Safety

Ukraine lifted the ban on importing cattle from France following Decision of the State Veterinary Medicine Committee #15-2-23/11274 dated December 22, 2010 on removing Ban #15-2/197 dated May 14, 1996.

Decision of the Chief State Veterinary Medicine Inspector # 15-2/53 dated February 18, 1997 will be amended accordingly.

Source: APK-INFORM; December 23, 2010

Staff members of the Veterinary Police Service in Luhansk Oblast, acting within their statutory authorities, inspected local business operators to check compliance with existing veterinary-

and-sanitary rules for trading in products of animal origin at shops, supermarkets, warehouses, markets and adjacent areas during holiday fairs and bazaars. The inspections focused on sales of animal products in regions bordering with Russian territories with an unfavourable epizootic situation. Staff members of the Veterinary Policy inspected 345 businesses whose operations were associated with flows of animal products and detected 257 violations.

Following the inspections, 241 people including 63 officials were called to account under the Administrative Violations Code. The fees imposed totalled UAH 23,203 including UAH 13,713 collected from officials. The inspectors issued and enforced 83 writs requiring elimination of detected violations. Besides, they suspended operations of five businesses.

Source: <http://www.agroua.net>; December 29, 2010

▪ **Market Infrastructure**

As part of implementation of the National Programme for Wholesale Agriculture Markets Development initiated by the Government of Ukraine, a grand capsule laying ceremony was held at the site of the new wholesale agriculture market "Stolychny". There are plans to develop a chain of wholesale agriculture markets in Ukraine. Six markets will be constructed at the first stage. To this end, a contraction plan has been already prepared and sources of funding have been identified. One of these markets will be constructed in Kyiv-Svyatoshyn raion in Kyiv oblast. The market will be developed on a phased basis. The first phase will be completed in the summer of 2011 to enable Ukrainian agriculture producers from Kyiv oblast and other regions to sell their produce at the new market. Operation of "Stolychny" Wholesale Market will make it possible to satisfy the demand of the entire central region for fruit, vegetables; meat, dairy and fish products; and flowers. The grand ceremony was conducted on the territory of the Sofia-Borshchahivka Village Council.

The new market is expected to create some five thousand new jobs. The development is planned for 2011 through 2014. The total investments in this project will exceed UAH 1.3 billion.

Source: <http://delo.ua>; December 23, 2010

By its Resolution # 1182 dated December 06, 2010, the Cabinet of Ministers of Ukraine extended the validity period of quotas for exporting grain until March 31, 2011. The quotas for exporting wheat and maize are increased up to one million tons and three million tons, respectively. Besides, the quotas will be distributed within seven rather than 15 calendar days of the date of posting the request for registering applications on the web site of the Economy Ministry.

Source: LIGABusinessInform; December 28, 2010

The August-September rise of prices for vegetables, which was caused formally by decreased production and ensuing decrease in the offer at the market, keeps prices for vegetables in Ukraine at a higher level than in EU member countries. In the future, this problem could be prevented by improving the production efficiency and enhancing the infrastructure, experts of the "Ukrainian Agrarian Business Club" Association believe.

According to the State Statistics Committee of Ukraine, production of potato dropped by 6.2 per cent and production of vegetable grown in the fields was reduced by 3.3 percent in January through October 2010 as compared to the same period of 2009. Such seemingly small decrease in production was accompanied by a rather significant growth of prices: for example, the procurement prices for potato rose by 29.6 per cent, and the prices for cabbage went up by 46.7 per cent. Today's Ukrainian prices exceed European ones. T. Gagalyuk, an expert of the "Ukrainian Agrarian Business Club" Association, believes that such situation is caused by inefficient vegetable production in Ukraine and undeveloped local storage, transportation, and distribution infrastructure.

Source: <http://www.agroua.net>; December 29, 2010

▪ **Rural Development**

Three out of planned 100 tourist routes have been developed and presented in Rivne oblast. They are intended to familiarize tourists with the history and everyday life of the historic Volyn. According to an UNIAN correspondent, the news was communicated by Deputy Head of the Volyn Oblast State Administration Olexy Hubanov at a press conference. According to Mr. Hubanov, the first three tourist routes were developed by "Ostroh Academy" National University. They will begin at Volyn Maidan Ethnopark which will appear close to Rivne soon. Tourism is a very important component of the sustainable development concept "Zakhidna Brama" (the West Gate) which was developed on the initiative of the oblast state administration. A number of projects were launched in Rivne oblast this year with the intention to exclude Rivne oblast from the list of depressed and subsidized regions.

Source: www.unian.net; December 23, 2010

Kherson oblast authorities are planning to develop green tourism as part of the "Tavriya's Green Homesteads" Project. According to an UNIAN correspondent, the plan was unveiled by Mykola Kostiak, the Head of Kherson Oblast State Administration at the project presentation in Kherson. The project, whose implementation has already begun, envisages development of a whole tourist complex in Hola Prystan raion on the territory of Velykakardashynska Village Council in the Kardashynsky lakes area.

It is planned that a proper infrastructure (roads, canals, bridges, water- and electricity supply systems) will be developed on one third of the islands. 60 new jobs will be created (17 jobs have been already created so far). At the beginning of the 2011 tourist season, the new complex will be able to accommodate up to 500 tourists per day, and all homesteads will be able to serve up to 22,000 tourists during a year (10,000 tourists visited available facilities in 2010). The complex paid UAH 99,600 in taxes in the year of 2010.

In addition, the project envisages organization of tourist routes from the "Tavria's Green Homesteads" complex to other tourist facilities, namely, "Askania-Nova" Biosphere Reserve, "Berkuty" Reserve, the Black Sea Biosphere Reserve etc. According to Mr. Kostiak, this is the first project of such sort which is being implemented in the oblast. Should the project prove to be successful similar green tourism projects will be developed in other raions as well.

Source: <http://economics.unian.net>; December 29, 2010