

 <p>МІНІСТЕРСТВО АГРАРНОЇ ПОЛІТИКИ УКРАЇНИ</p>	 <p>Проект фінансується Європейським Союзом</p>	 <p>Проект впроваджується консорціумом на чолі з WYG International</p>
<p><i>Implementation of Ukrainian's Commitments under WTO and ENP Frameworks in the Rural sector EuropeAid/126205/C/SER/UA</i></p>		

Overview of Latest Rural Developments

26 May – 1 June 2011

WTO and Neighbourhood Policy

The EU proposes more aid and opportunities to its neighbouring countries in exchange for reforms and democratization. This was announced in Brussels by the EU High Representative of the Common Foreign and Security Policy Catherine Ashton and the EU Commissioner for Enlargement and European Neighbourhood Policy Stefan Fuele, when they were presenting the Communication "New response to the changing neighbourhood", which is a revision of the European Neighbourhood Policy. "We want to offer the support. We can give more resources to those who will advance faster and further in reforms", Ms. Ashton said. The Communication expands the EU's proposals to neighbouring countries in the following three areas: financial assistance, market access and increasing mobility of citizens. In his turn, Mr. Fuele said that the EU's proposals aim at helping partners so that they could strive "for democracy and better life." According to the Commissioner, proposals to increase support for neighbours contain clear terms. They also contain a number of specific initiatives to develop collaboration with civil society organizations, strengthen sectoral integration and generate new employment.

www.liga.net, 26.05.2011

The agricultural sector is the most promising sector for Spanish investments in Ukraine, Ukrainian Vice Prime Minister, Minister of Economic Development and Trade Andriy Klyuyev said at a meeting with State Secretary for European Affairs of the Spanish Foreign Ministry Diego López Garrido. The press office of First Vice Prime Minister said that Ukrainian agriculture has the greatest potential for development among other sectors. It becomes particularly apparent if one takes to consideration the forecasts concerning aggravating food crisis. Mr. Klyuyev said that there are great opportunities to build greenhouses, vegetable stores, elevators, and various processing facilities.

LIGABusinessInform, 26.05.2011.

Ukraine will be able to modernize its economy through investments and access to EU markets under the FTA. This was announced during online communication with Brussels by the head of one of the units of the EU Directorate General for Trade Philippe Kuyisson. "After Ukraine becomes bound to the EU under the FTA, we will make proposals on how to upgrade its economy and increase trade flows by opening the EU markets for Ukrainian products. But this is not the most important point... Ukraine will be involved in what is happening in Europe. It will be able to import economic principles and receive investments which will be the best argument and method for economic development", he said.

RBC-Ukraine, 27.05.2011

Ukraine is ready to renounce the use of geographical product names for the period of ten years in

order to sign the agreement on Free Trade Area (FTA) with the European Union. This was announced by the Ukrainian Prime Minister Mykola Azarov at a meeting with the Greek Foreign Minister Dimitris Drutsas. "Ukraine is taking a flexible compromise position", the Prime said. On April 8 after the 16th round of FTA negotiations, Deputy Economics Minister of Ukraine Valeriy Pyatnitsky said that both parties agreed to sign bilateral obligations according to which Ukraine will protect geographical names, and the European Union will assist Ukrainian companies with rebranding and market promotion. Earlier, however, Ukraine expected to maintain the right to use such geographical product names as cognac, madeira, etc. within its national market and for exporting its products to non-EU countries.

<http://www.unian.net>, 31.05.2011

May 31 Brussels - After meeting with First Vice Prime Minister of Ukraine Andriy Kluyev, the European Commissioner for Enlargement and European Neighbourhood Policy Stefan Fuele signed a financing agreement to support local development in Ukraine. Under this agreement, Ukraine will receive 17 million for community-based local development programs. Commenting on the event, Mr. Fuele said: "Today we have allocated another 17 million euros of EU aid, supplementing those 12 million euro which have already been invested. The overall objective of the program will be to maintain a sustainable and harmonious social and economic development at local level throughout Ukraine. The program will include strengthening those management models which involve the widest possible range of people and initiatives that apply community-based approach."

<http://ec.europa.eu/commission>, 31.05.2011

Food Safety

The Environmental Ministry introduces European Environmental Labelling scheme for goods and services to be sold on the Ukrainian market. The Cabinet of Ministers adopted the resolution # 529 On approval of the Technical Regulations for Environmental Labelling from 18.05.2011.

The Technical Regulation establishes the requirements for assigning and applying eco-labels in Ukraine, identifies environmental labelling authorities, establishes the procedure for developing, revising and introducing the environmental criteria. The document was elaborated according to the Eco-label Regulation № 66/2010/EC of the European Parliament and Council from 25.10.2010.

<http://economics.unian.net/>, 27.05.2011

The Veterinary Police departments are checking domestic food markets to detect illicit trafficking in animal products. According to the press service of the State Veterinary and Phytosanitary Service, 75 mobile teams were sent into the regions to implement these tasks. Such teams include employees of the veterinarian and traffic police and officials from the State Veterinary Service. 432 inspections of business entities were carried out during the last week and 86 vehicles transporting the livestock products were checked. 256 violations were found. 35 thousand 394 UAH worth of penalties were incurred. 77669 kg of animal products worth of 531 thousand UAH, whose quality had not meet veterinary requirements, were removed from circulation.

www.liga.net, 31.05.2011

Experts from the TEST consumer protection centre measured the quality and safety of butter produced by six Ukrainian, one Finnish and one French producers. Escherichia coli infection was found in two out of six butter samples of Ukrainian origin and in one of them the milk fat was substituted with a non-milk one. The two most expensive samples of butter from Finland

and France have received the excellent score. Another sample of tasty, real butter with an excellent score was Yagotinsky butter. Bilotserkivske and Tulchynka received medium scores, while Rud` and Kremlin received poor scores due to revealed microbiological failures. The very bad score was given to Aura products, which are not real butter at all.

<http://biz.liga.net/news>, 31.05.2011

Market Infrastructure

May 26, 2011 Kiev - Memorandum on Cooperation between the Cabinet of Ministers of Ukraine, National Bank of Ukraine and the Chicago Mercantile Exchange was signed within the IV International GAFTA Conference. Ukrainian Minister of Agrarian Policy and Food Mykola Prysyzhnyuk signed the Memorandum on the part of Ukrainian Government, while on the part of the Chicago Mercantile Exchange the memorandum was signed by its President Leo Melamed.

Mr. Prysyzhnyuk said that it is an important event for Ukraine. "Such collaboration will provide tools for financing the grain producers, primarily farmers. We understand that for an increase in grain production to be achieved, one needs money for quality seeds, organic fertilizers and plant protection products. Such an important financing instrument of international level certainly improves the image of our country", the Minister said.

MAPF Press Service, 26.05.2011

The second international agricultural investment forum entitled "World food security: challenges and investment opportunities for the agricultural sector" will be launched within the XXIII International Agricultural Exhibition AGRO-2011 on June 2. It will be attended by the Ministers of Agriculture of Latvia, Lithuania, Romania, Saudi Arabia, Sudan, the Republic of Estonia, Belarus, Bulgaria, Russian Federation, by the Director of the FAO Investment Centre, the Director of EBRD in Ukraine, World Bank Director for Ukraine, Belarus and Moldova, the President of American Chamber of Commerce in Ukraine, the Director of the EBA, and by representatives of foreign companies and banks.

www.agroua.net, 01.06.2011

Rural Development

This year local budgets have allocated only 9.09 million UAH for delimitation of state and municipal property, while 275.25 million UAH were planned to be allocated from local budgets and 1,5 million from the State Budget. During 2004-2011 the activities to delimitate state and municipal property were financed by only 0,5% so that only 165.91 thousands out of 29.12 million hectares had been delimited. The reason is that local authorities are not interested in delimitating state and municipal property and consequently provide low funding for such works at local level. The State Land Agency sent an appeal to the heads of regional administrations to assist in carrying out delimitation activities, and asked the Ministry of Finance to allocate the corresponding funds from the State Budget.

<http://myland.org.ua>, 31.05.2011

Most rural inhabitants do not want to grow products for sale. This shows the survey entitled Socio-economic Status of the Ukrainian Countryside that has been recently undertaken by the Gorshenin Institute. In particular, the majority of rural habitants (71.4%) do not grow products for sale. Only about one in five (18.7%) grows products intended for further sale. Less than a tenth (7.8%) of respondents would sell products but do not have such opportunity. For 2.1% of

respondents it was difficult to answer this question. The Institute emphasizes the fact that most rural residents have gardens (73.0%) and poultry (72.8%) in their backyard farms. A little less than one third peasants (31.8%) raise pigs and only one in four (25.6%) keeps cattle. 9.4% of rural inhabitants raise furry animals (rabbits, nutria, etc.) 5,2% raise horses and 2,9% have apiaries. 3,3% of respondents chose the "Other" option, while 3.4% of them were not able to answer the question. The nationwide survey was undertaken from March 28 to April 15, 2011. There were interviewed 2000 respondents from 123 villages located in 24 regions of Ukraine and Crimea representing adults aged 18 and over.

<http://economics.unian.net/>, 01.06.2011

June 2, village and town councils' forum entitled Rural Development as the Basis of the Ukrainian Agricultural Strategy will be launched within the XXIII International Agricultural Exhibition AGRO-2011. The forum is initiated by the Ministry of Agrarian Policy and Food together with the Ukrainian Village and Town Councils' Association. Some 3000 people will participate in the forum including: village heads, heads of regional and district administrations, representatives of NGOs, educational and research institutions. Following the forum, the Ministry and the Ukrainian Village and Town Councils' Association will sign the memorandum on cooperation.

www.agroua.net, 01.06.2011