

Chapter 15: Challenges and Opportunities for Ukraine

Janez Kopač, Daryna Kulaga, Susanne Nies

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Key points

- **Negotiation process**
- **Governance and institutional capacity**
- **Content of acquis; selected examples**
- **Derogations**
- **Recommendations**

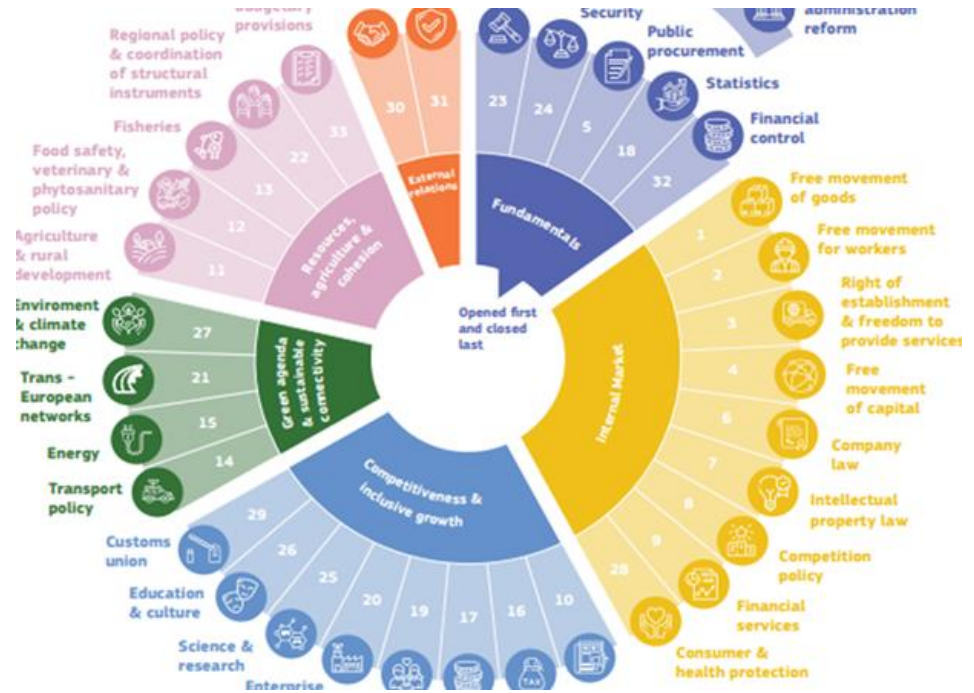


Negotiation process recap

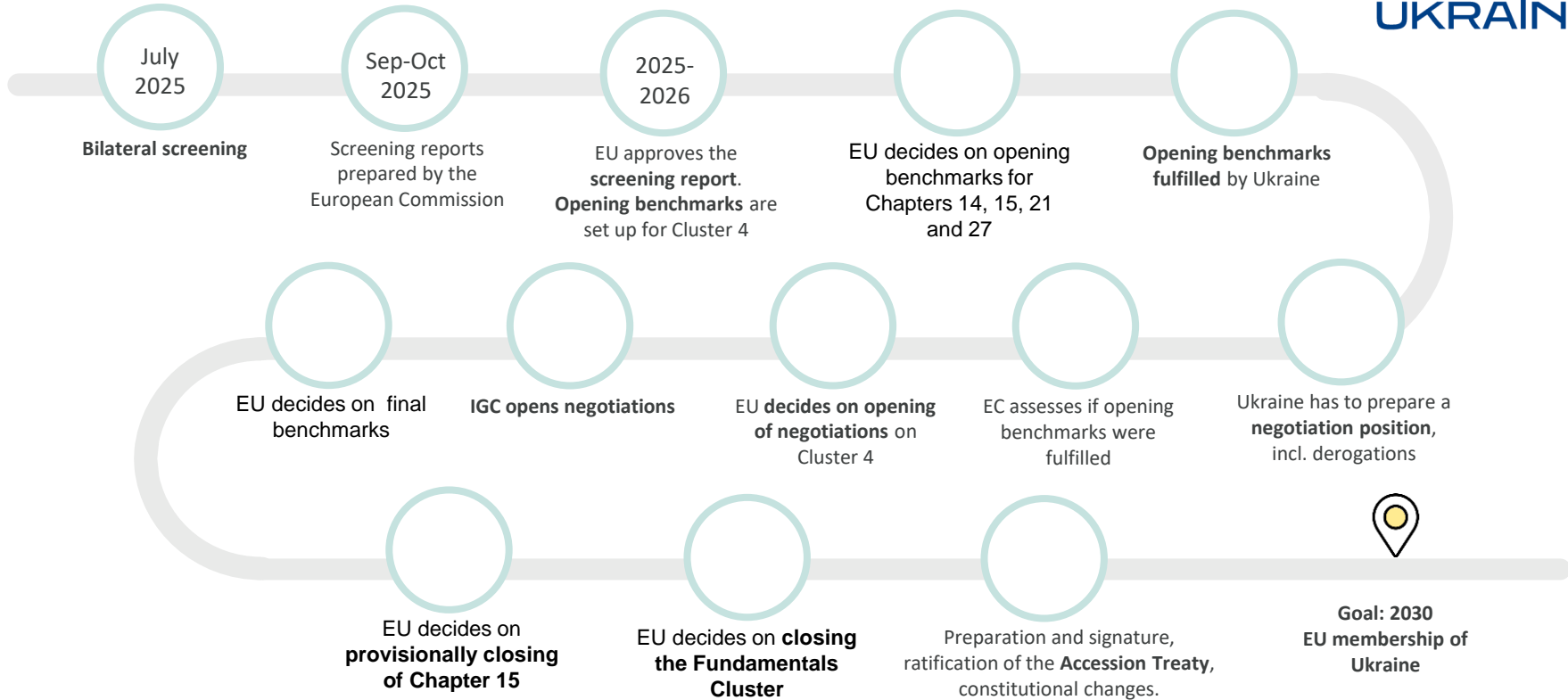
EU membership negotiation process

Revised enlargement methodology 2020

- Not chapter by chapter anymore, but in 6 thematic clusters;
- Never tested before;
- Negotiation in clusters is encouraging candidate countries to adopt a strategic approach, e.g. energy/climate policy



Steps in the negotiation process



Being a Member State by 1 January 2030 means the negotiations on all clusters must be finalized by January – June 2028

Examples of negotiation time on energy chapter

Country	Negotiations period
Bulgaria 	1999-2002
Croatia 	2008-2009
Estonia 	1999-2002
Latvia 	2001-2002
Lithuania 	2001-2002
Montenegro 	2015-2020
Poland 	1999-2002
Romania 	2002-2004
Serbia 	2021-until now

Average time of negotiating the energy chapter is **2-3 years**. However, it may take longer now, as EU acquis has expanded, especially with CEP and the EU Green Deal.



Governance and Institutional capacity



Internal organisation for negotiations

e.g. Serbia, Albania

Leading ministry (for EU integration)	Coordination, overview of reforms, alignment with EU policies
Negotiating team	Sector experts responsible for direct negotiation
Inter-Ministerial Committee for European Integration	Policy coordination across government sectors and monitors reform implementation
Parliament's European Integration Committee	Monitors the accession process and aligns legislation with EU standards
National Council for European Integration	A consultative body that includes political parties, civil society, and experts to provide recommendations on EU-related reforms
Sectoral working groups	Work on specific EU acquis chapters to ensure compliance.

Cluster-based approach –requires matrix coordination



Internal Organisation: Ukraine

Deputy Prime Minister for European and Euro-Atlantic Integration	Oversees EU integration policies and reforms, represents Ukraine in negotiations with EU institutions
Informal Cluster coordinators of Deputy PM	Coordinate /facilitate work of ministries and stakeholders on clusters/ chapters in the cluster
Ministry working groups	Chapter responsibility?
Governmental Commission on European Integration	Overall coordination of EU-related reforms
Office of the President (EU Affairs Department)	Advises President, ensures political coordination on EU matters
Committee on European Integration in Verkhovna Rada	Responsible for the harmonization of Ukrainian laws with the EU acquis



Working Group for Chapter 15

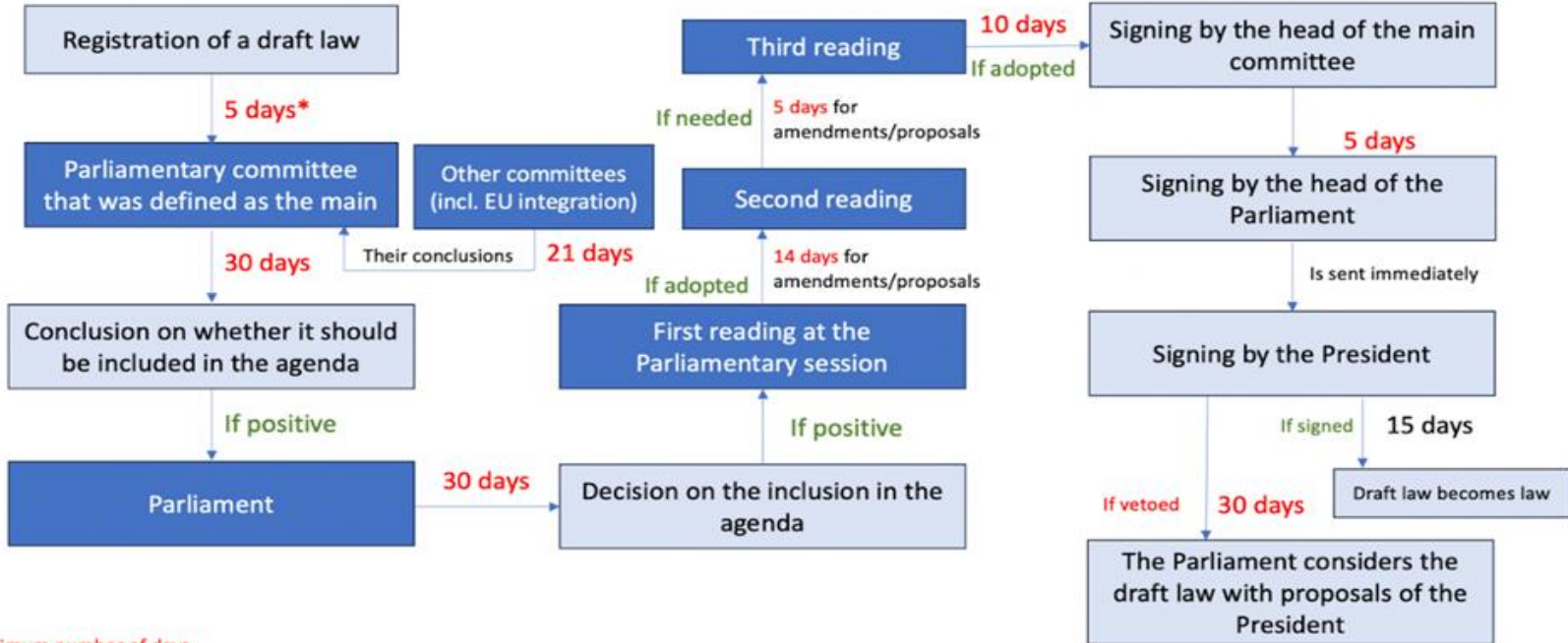
- Deputy Minister of Energy, Head of the Working (Negotiation) Group on Energy
- Representative of the Government Office for Coordination of European and Euro-Atlantic Integration of the Secretariat of the Cabinet of Ministers of Ukraine
- Secretary of the working (negotiating) group on energy issues
- Representative of the Ministry of Energy
- Representative of the Ministry of Environment
- Representative of the Ministry of Infrastructure
- Representative of the Ministry of Health
- Representative of the Ministry of Economy
- Representative of the Ministry of Finance
- Representative of the National Energy and Utilities Regulatory Commission
- Representative of the State Agency on Energy Efficiency and Energy Saving
- Representative of the State Statistics Service
- Representative of the National Agency for the Prevention of Corruption
- Representative of the Nuclear Regulatory Inspectorate
- Representative of the State Energy Inspection Office
- Members of the Parliament (members of the Committee on EU Integration, members of committees of the Verkhovna Rada of Ukraine, who are in charge of issues related to energy)
- Representative of the Office of the President of Ukraine
- Representative of the Secretariat of the Verkhovna Rada of Ukraine
- Representative of the Secretariat of the Cabinet of Ministers of Ukraine
- Representative of the Service of the Deputy Prime Minister for European and Euro-Atlantic Integration of Ukraine
- Representatives of business associations
- Representatives of public associations.

Nota bene:
who ensures
coordination in
cluster 4?

Internal organisation of negotiations

- Chapter 15 working group (WG) consists of some 40-50 people (currently the new composition is being approved - state enterprises are now included).
- Unclear role of working group as yet
- Is there a separate negotiations team (apart from the WG)?
- Example Montenegro had three negotiators (chief negotiator plus 2)

Long Parliamentary Procedure



*maximum number of days



Learning from others on internal organisation

- Lead with government institutions that have to have **sufficient experts**.
- Consultants are needed, **as support** to public bodies
- Legal technique – **general laws**, more in secondary legislation.
- Special **parliamentary procedure** for the laws that are transposing the acquis.
- Awareness campaigns beneficial
- Nota bene: EU accession structures are the basis for membership first years post-accession

Example: Poland's number of EU team

Office for EU integration ca 400
Chief negotiator 30
EU departments ministries ca 500
Agencies ca 200

Total ca 1200 staff



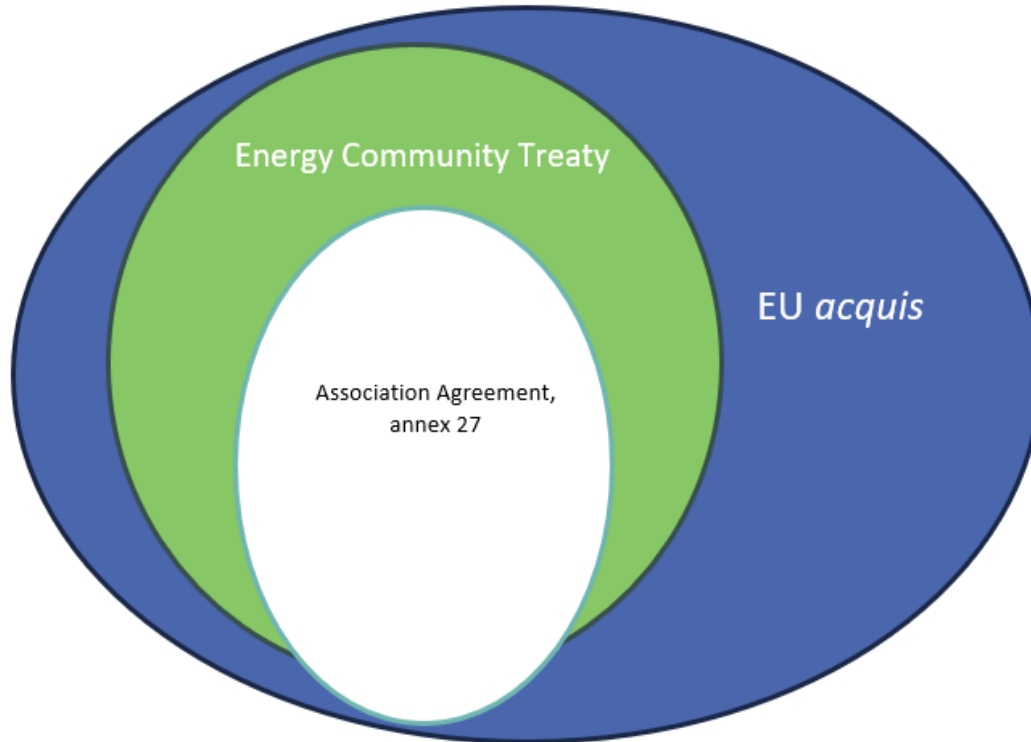
Challenges for Ukraine on institutional set up

- Human resources in war times and salaries (Dedicated HR program for EU accession, e.g. solutions such as Kosovo approach?)
- Interministerial collaboration through clusters
- Awareness campaign/ stakeholder involvement



Content of acquis

Acquis means ALL acquis

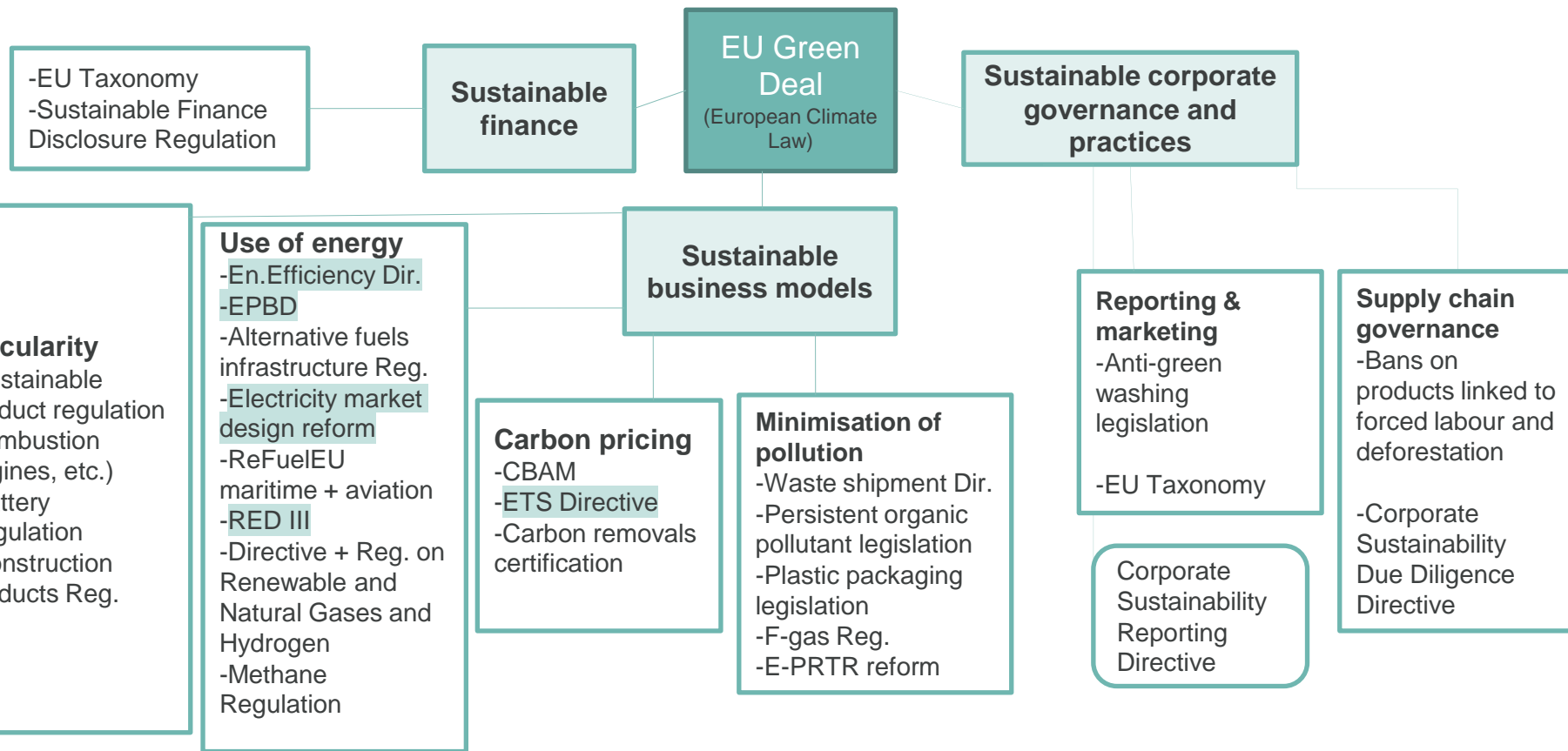


Examples:

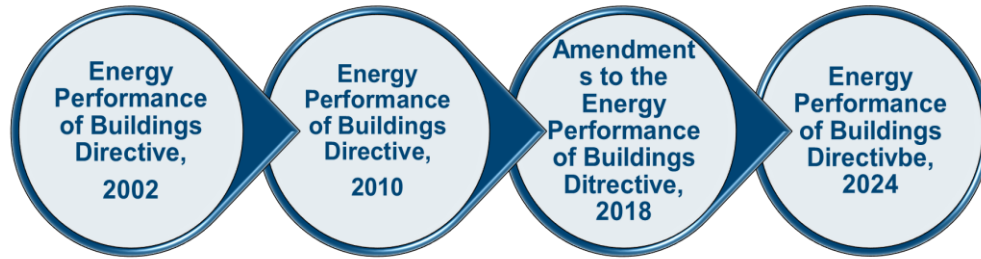
- Renewables III Directive
- Energy Performance of Buildings Directive 2024
- Energy Efficiency Directive 2023
- REMIT Regulation – full version.
- New Electricity Market Design from 2024 (Directive and Regulation) etc.

Chapter 15 is strongly interlinked with several other chapters

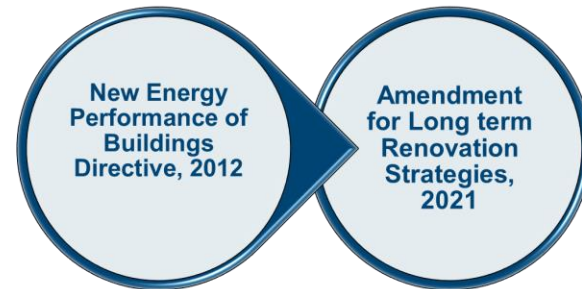
Regulation and initiatives under the EU Green Deal



Example-Energy Performance of Buildings Directive



EU Acquis versus
Energy Community : efficient?

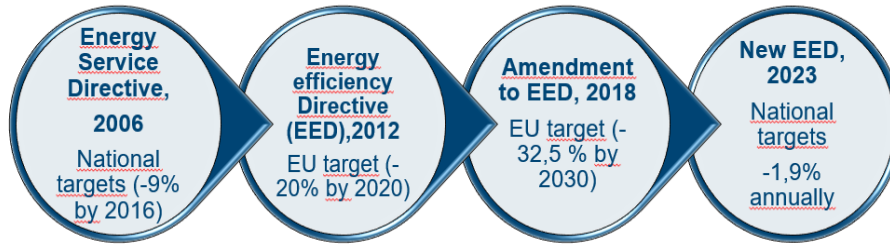


Missing Elements Energy Community vs EU Acquis

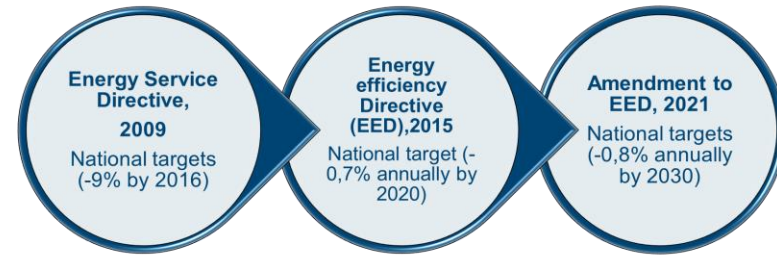
Energy Performance of Buildings Directive

1. Electromobility and Smart Charging Infrastructure
2. Smart Readiness Indicator
3. Indoor Environmental Quality
4. Phasing Out Fossil Fuel Heating Systems
5. Mandatory Minimum Energy Performance Standards for existing buildings
6. New Zero-Emission Building Standard - from 2027/2030

EU Energy Efficiency Directives



EU Acquis versus
Energy Community





Example Market Coupling

Adoption of Electricity Integration Law- when?

Roadmap for Market Coupling?

Example DSOs

- crucial role of DSOs for decentralised energy system/Renewables integration (included in EU CEP)
- incompatible, with new role of DSOs, distribution tariff network methodology (the distribution tariff should be primarily capacity-based, not flow-based) for all DSOs. But: capacity-based tariffs could be politically sensitive and are not possible without 15 minute metering (typically through smart meters)

!Needed roadmap of smart-meter roll-out, and new methodology prepared for next regulatory period.



Derogations



Requests for derogations (for up to 3 years typically)

Justify with **high costs of implementation**, e.g.:

- Emission Trading Scheme Directive (Chapter 27)
- Renewables Directive – biofuels in transport
- Oil stocks Directive
- Energy Efficiency Directive – Art 26 on cogenerations, % of renovated public buildings, etc.

or due to the **situation where fulfillment of obligations is not possible in the short or medium term.**

Strategy around derogations

- Elaborate justification (e.g. costs)
- No influence on a single European market
- Only some provisions – never the whole act
- Convincing detailed implementation plan
- Don't copy-paste of derogation from other countries (Croatia) as backfires
- Closely monitor the emerging acquis
- Think about backfiring of derogations (for example Poland's quality standards of agricultural products)



Recommendations



Recommendations for Ukraine

- **Effective internal organization of the negotiation process**
- **Stable team of experts – public officials**
- **Duration of parliamentary procedure**
- **Legal technique**
- **Capacity to follow the new emerging acquis**

Read more in our paper.

Thank you for your attention!