

Joint press statement following the 5th Association Council meeting between the EU and Ukraine

The European Union and Ukraine held the fifth meeting of the Association Council on 17 December 2018 in Brussels. The Association Council took place after the first full year since the **entry into force of the EU-Ukraine Association Agreement** (including its Deep and Comprehensive Free Trade Area) on 1 September 2017, which has led to a positive development in bilateral trade and reform progress. The **visa-free regime** for Ukrainian citizens travelling to the European Union^[1] has also now been effectively implemented for more than one year. Over half a million Ukrainians have so far benefited from it.

The Association Council expressed its utmost concern regarding the escalation at the Kerch Strait and the **Azov Sea**, and Russia's violation of international law, as well as further militarisation in the area. In November Russian border guard ships rammed and fired shots at Ukrainian vessels which then were seized by Russia together with their crews. There is no justification for the use of military force by Russia. The Association Council called on Russia to immediately release seized Ukrainian vessels and 24 detained servicemen, as well as to ensure unhindered and free passage through the Kerch Strait to and from the Sea of Azov, in accordance with international law. The European Union will continue to follow closely the situation and is determined to act appropriately, in close coordination with its international partners. The Association Council discussed possibilities of providing targeted EU support to the Azov region. The EU stood ready to adopt measures to strengthen further its support, in particular in favour of the affected areas of Ukraine. In this context, the EU envisaged sending an assessment mission to Ukraine in the beginning of 2019.

The Association Council reaffirmed the parties' continuous commitment to political association and economic integration between the European Union and Ukraine based on the common values of democracy, rule of law and human rights. The Association Council recognised the progress made in the **implementation of the Association Agreement** despite the challenges Ukraine faces. It welcomed the role of the Government in implementing and monitoring the Association Agreement and the adoption of the Government – Verkhovna Rada Roadmap, and underlined the importance of communicating the results. It welcomed Ukraine's commitment to continue implementation on all issues in the year ahead. The EU reaffirmed its resolute support for the implementation of the Association Agreement/Deep and Comprehensive Free Trade Area, including financial assistance linked to concrete reform progress.

As a follow-up to the EU-Ukraine Summit of 9 July 2018, the Association Council agreed to continue the dialogue on Ukraine's initiative to **deepen cooperation** in fields such as energy, justice and home affairs, customs and digital economy, within the framework of the Association Agreement. It also agreed to launch work on updating, as required, the annexes of the Association Agreement to facilitate the implementation process in line with the evolution of the EU law and applicable international standards.

The EU recognised Ukraine's aspiration to ensure full energy market integration once the reforms are completed. At the same time, both sides agreed on the need for stepping up the implementation of existing commitments in the energy sector. The parties looked forward to the updating of the Association Agreement's **energy Annex XXVII** to reflect the evolving EU acquis. The Association Council reaffirmed Ukraine's role as a strategic transit country for gas, ensuring affordable, secure and sustainable supplies to the EU. The Association Council stressed the urgency of completing the unbundling of the respective transmission system operators in the gas and electricity sectors, in line with the EU acquis. The Association Council welcomed the appointment of the new supervisory board of Ukrenergo. At the same time it expected further steps to be taken in the coming months to ensure that the corporatisation and certification of Ukrenergo are brought to a successful completion. The Association Council also welcomed the progress made in establishing the Energy Efficiency Fund.

The Association Council agreed to intensify cooperation in the area of **justice and home affairs** within the framework of the Association Agreement. Areas of mutual interest where tangible results could be achieved may include Integrated Border Management, national asylum systems and biometrics-based identity management, countering money laundering and financing of terrorism, fight against organized and serious international crimes. Both sides underlined the need to further cooperate in tackling cyber and hybrid threats, for the benefit of the security of their citizens. In this regard, the Association Council welcomed the EU's commitment to continue to support Ukraine on cybersecurity. Both sides agreed on the importance of responding to disinformation

and election meddling and discussed possibilities for cooperation in this area.

The Association Council welcomed the growth in **bilateral trade** between the EU and Ukraine. It agreed that particular focus should be on effective and timely implementation of the Deep and Comprehensive Free Trade Area, and to further facilitate trade and eliminate technical barriers to trade, including as regards customs procedures, technical regulations, sanitary and phytosanitary systems as well as food safety reform, public procurement and the protection of intellectual property rights. The Ukrainian side reaffirmed its commitments to technical regulation reform, notably the need to speed up adoption of sectoral and horizontal legislation, including in the area of market surveillance. The EU acknowledged progress reached so far and recalled that Ukraine shall comply with all prerequisites set out in the AA/DCFTA including incorporating the relevant EU acquis into its legislation, making the administrative and institutional reforms and providing the efficient, effective and transparent administrative system, which are indispensable prior to starting ACAA negotiations. The EU encouraged Ukraine to continue fighting vested interests in order to improve the business and investment climate and eliminate swiftly trade irritants, such as the wood export ban.

The Association Council welcomed Ukraine's aspirations to further approximate its legislation with the EU acquis in the area of the **digital** economy and looked forward to further regular dialogue in this area. The EU and Ukraine agreed on the importance of full implementation of existing commitments of the Association Agreement, notably in the area of telecommunication services. To this end, it was agreed to carry out an assessment of the state-of-play of Ukraine's digital economy in order to support its legislative approximation with the EU acquis.

The Association Council looked forward to the adoption of key reform laws in the main **transport** sectors to comply with international obligations and the Association Agreement, including the road and railways sectors and the law on inland waterways. The Association Council recalled the importance of concluding the Common Aviation Area Agreement at the earliest possible date.

The Association Council reviewed and discussed the way forward in a number of important reforms, including in the social sphere, to improve the living standards of Ukraine's citizens, welcoming the progress made. The progress made at the primary **healthcare** level was highlighted as a major step towards providing universal health coverage and access to good quality healthcare for all citizens. The EU expressed readiness to consider further assistance in the area of healthcare in line with the Association Agreement.

The Association Council acknowledged the continued implementation of the Public Administration Reform Strategy and welcomed the progress made in decentralisation, including the progress in the voluntary amalgamations of local communities. Both sides agreed on the crucial need to bring **electoral legislation** in line with the recommendation by the OSCE/ODIHR. The Association Council looked forward to the adoption of Ukraine's new Labour Code, as well as the ratification of the Istanbul Convention to effectively combat violence against women, welcoming key steps undertaken by Ukraine in this regard over the last years.

The Association Council agreed on the importance of continuing the reforms of the **research and education system** and to provide broader opportunities to young Ukrainians. It welcomed Ukraine's outstanding performance in Erasmus+, as well as the launch of the New Ukrainian School reform programme and looked forward to further work, notably on vocational education and training. As regards Ukraine's law on education, the two sides agreed on the need to ensure the respect for rights already exercised of persons belonging to national minorities as enshrined in UN and Council of Europe Conventions and related protocols, non-discrimination of persons belonging to minorities and respect for diversity and to fully implement the recommendations included in the opinion of the Venice Commission no. 902/2017, on the basis of a substantive dialogue with the representatives of persons belonging to national minorities, including legislation which extends the transition period until 2023 and which regulates exemption for private schools.

The Association Council agreed on the need to ensure the freedom of **media** and a pluralistic media environment as well as the proper financing of the public service broadcaster ahead of the start of the 2019 electoral cycle. The EU and Ukraine agreed on the need to protect journalists and civil society activists against violent attacks and deeply regretted the recent incidents and threats. In order to prevent such attacks from reoccurring, the Association Council stressed the importance of stepping up efforts to bring those responsible to justice, including those standing behind the tragic death of Kateryna Handziuk.

The Association Council agreed on the need to put in place without any further delay a fully functioning and effective system for the verification of electronic asset declarations and to remove the obligation to file asset declarations for anti-corruption activists. The Association Council underlined the key role **civil society** plays in the fight against corruption.

The EU and Ukraine agreed on the need to continue the crucial efforts in the **fight against corruption**, recalling the importance of ongoing reforms and noting the work already done in this sphere, in particular the establishment of new legislative and institutional anti-corruption framework in Ukraine. The EU and Ukraine agreed on the importance of ensuring independence, effectiveness and sustainability of the new specialised anti-corruption institutional framework. The Association Council welcomed the efforts to establish a High Anti-Corruption Court and looked forward to its swift and timely operationalisation to start developing a track record of convictions. The process of selecting judges should be independent, transparent and merit-based. The Association Council welcomed the work of the National Anti-Corruption Bureau and reiterated that all anti-corruption institutions

must carry out their work free from undue influence. The importance of credibility and independence of Specialised Anti-Corruption Prosecutor's Office and the need to continue reform the Public Prosecutor's Office were also stressed. The Association Council acknowledged the efforts of the Ukrainian authorities in the implementation of the **justice sector reform**, including the launch of the new Supreme Court. Both sides agreed on the importance of pursuing ongoing reforms in this area to ensure effectiveness, independence and transparency of the court system.

The Association Council looked forward to the adoption of the legislation on reform of the Security Service. The EU reaffirmed its continued commitment to support Ukraine with the justice and **civilian security sector** reforms through EU programmes and the work of the EU Advisory Mission.

The Association Council acknowledged Ukraine's successful **macroeconomic** stabilisation and ongoing reform of the banking sector. Both sides welcomed the disbursement of EUR 500 million as the first tranche of the EU macro-financial assistance and the progress achieved by Ukraine so far, and looked forward to continued implementation of the related reform measures. The Association Council stressed the importance of land reform for economic development. It agreed on the need for a supportive and reliable investment and **business climate**, including support for the development of SMEs in Ukraine, continued reduction of the regulatory burden for business and the development of access to finance. The need to advance with privatisation and to continue efforts to improve the corporate governance of state owned enterprises was also discussed. The Association Council agreed on the need to increase efforts on asset recovery in state-owned banks, particularly PrivatBank, including by pursuing action through the courts where appropriate.

The EU reaffirmed its resolute support for **Ukraine's independence, sovereignty and territorial integrity**, within its internationally recognised borders. Both sides reiterated their strong condemnation of the clear violation of Ukrainian sovereignty and territorial integrity by acts of aggression by the Russian armed forces since February 2014.

The Association Council agreed on the need for complete implementation of the Minsk agreements by all sides, underlining Russia's responsibility in this regard. Ukraine reconfirmed its commitment to the Minsk agreements, as a sign of which the EU welcomed the extension of the validity of the Law on Special Status of certain parts of the Donetsk and Luhansk regions until the end of 2019. Both sides restated their support for efforts aimed at a sustainable and peaceful settlement of the conflict, including the work of the Normandy format, the OSCE and the Trilateral Contact Group. The Association Council condemned in the strongest terms the continued indiscriminate shelling of residential areas and critical civilian infrastructure. The Association Council agreed on the need of all sides to withdraw and permanently store all Minsk-proscribed weapons and disengage their forces from the line of contact. The EU recalled that the duration of economic sanctions against the Russian Federation remains linked to the complete implementation of the Minsk agreements. The Association Council condemned the so-called "elections" held in non-government controlled territories in eastern Ukraine on 11 November 2018 that are in breach of international law, undermine the commitments taken under the Minsk agreements and violate Ukraine's sovereignty and law. The Association Council stressed the urgent need to ensure full respect for the mandate of the OSCE Special Monitoring Mission (SMM), including its unrestricted, safe and unconditional access on the ground throughout Ukraine, including the areas along the Ukrainian-Russian border and the Crimean peninsula, as well as ensuring the safety of its monitors and equipment.

The Association Council noted with concern the deteriorating humanitarian situation in the conflict area. The Association Council condemned the deteriorating **human rights** situation in the non-government controlled areas of the Donetsk and Luhansk regions. The EU recalled its readiness to play an important role in reconstruction efforts. The Association Council acknowledged the need for maintenance of socio-economic ties between areas not currently under the control of the government and the rest of Ukraine, to protect the supply of water, energy and other utilities across the contact line, mitigate environmental risks, notably by creating safety zones around critical civilian infrastructure and by facilitating movement of people and goods. The EU and Ukraine welcomed the adoption of the law on mine action in order to effectively address the contamination by mines and unexploded ordnances in the conflict affected region.

The Association Council noted the broad cooperation between Ukraine and the EU in the sphere of EU **Common Foreign and Security Policy**, in particular Ukraine's alignment with the EU's statements and declarations on international and regional issues as well as Ukraine's participation in the EU Battlegroups. Both sides welcomed good progress on the implementation of the Administrative Arrangement between the European Defence Agency and the Ministry of Defence of Ukraine.

The Association Council reiterated its full support for the UN Security Council Resolution 2166 concerning the downing of the flight **MH17** and, recalling the findings of the Joint Investigation Team, called on Russia to accept its responsibility and to fully cooperate with all efforts to establish accountability.

The EU reaffirmed its policy of non-recognition of the **illegal annexation of the Autonomous Republic of Crimea and the City of Sevastopol by Russia**. The construction of the Kerch bridge constitutes a further violation of Ukraine's sovereignty and territorial integrity. The Association Council condemned the ongoing militarisation of the peninsula by Russia and the further deterioration of the human rights situation there, including persecution of Crimean Tatars and those who do not recognise the illegal annexation. The Association Council called for the immediate release of Oleh Sentsov and all illegally detained and

imprisoned Ukrainian citizens in the Crimean peninsula and in Russia.

The EU and Ukraine looked forward to the 10th anniversary of the **Eastern Partnership** in spring 2019.

The Association Council welcomed the signing of:

- Agreement between the Government of Ukraine and the European Commission on the financing of the action «Energy Efficiency Support Programme for Ukraine – EE4U-II»
- Agreement between the Government of Ukraine and the European Commission on the financing of the action «Technical Cooperation Facility 2018»
- Agreement between the Government of Ukraine and the European Commission on the financing of the action «People to People Contacts Programme: House of Europe»
- Agreement between the Government of Ukraine and the European Commission on the financing of the action «EU4Skills: Better Skills for Modern Ukraine»
- Memorandum of Understanding between the Ministry of Education and Science of Ukraine and the European Investment Bank
- Agreement on the E5p Fund grant between Ukraine and the European Investment Bank («Ukraine Higher Education Project»)
- Finance Contract between Ukraine and the European Investment Bank (Project «Ukraine Transport Connectivity – Phase I»)

[1] For short stays in EU Member States (except UK and Ireland) and Schengen-associated countries.

More information:

- [EU-Ukraine Association Council webpage \(17 December 2018\)](#)
- [Association Implementation Report](#)
- [Factsheet on EU-Ukraine relations](#)
- [Website of the European Union Delegation in Ukraine](#)
- [EU-Ukraine Summit webpage \(12-13 July 2017\)](#)
- [European Commission Support Group for Ukraine website](#)
- [EU-Ukraine Trade relations website](#)
- [Mission of Ukraine to the EU website](#)

Press office - General Secretariat of the Council

Rue de la Loi 175 - B-1048 BRUSSELS - Tel.: +32 (0)2 281 6319

press.office@consilium.europa.eu - www.consilium.europa.eu/press