



Key events of the EU-Ukraine cooperation. August, 2013

EUROPE IS AN OPEN PROJECT, EU AMBASSADORS SAY

Jan Tombiński, Ambassador of the European Union, Petras Vaitiekūnas, Ambassador of Lithuania (new EU presidency) and Tomislav Vidošević, Ambassador of Croatia (newest EU member state) gave a press conference at the EU Delegation on July 3. During the meeting they spoke about the EU as an open project, about Lithuania's EU presidency priorities, about Croatia's EU accession experience, and about Ukraine's Association Agreement prospects. Read below the summary of the ambassadors' key points.



Jan Tombiński, Ambassador of the European Union (centre), Petras Vaitiekūnas, Ambassador of Lithuania (left) and Tomislav Vidošević, Ambassador of Croatia (right)

On EU as an "open project". Jan Tombiński: Croatia's EU accession shows that *"European project is still an attractive tool to modernise the country, to stabilise democracy, to stabilise good neighbourly relations and to use the potential of a country to the best way"*. "Europe is an open project," Tomislav Vidošević adds.

On EU-Ukraine Association Agreement. Jan Tombiński: *"The main element in the Association Agreement is not to sign it; the main message is to implement it and mean it. It is not about the ceremonial act, but about the mutual long-lasting engagement."*

On Ukraine's EU membership prospects. Jan Tombiński: *"Ask and respond the right questions at the right time. As for tomorrow, we have to respond to the question of the Association Agreement. If we don't give an answer to this agreement, then the other questions are without ground."*

Petras Vaitiekūnas: *"We not only believe that Ukraine will belong to the European Union, but we also think that Ukraine must belong to the EU. We are working hard to deepen the understanding about the importance of Ukraine in Europe, and about the competition which goes on over this country. There are two systems competing over Ukraine: the European Union and the European civilisation based upon values, on the one hand, and Eurasian Union based upon unstable balance of interests and power, on the other"*.

Read the full article: <http://euukrainecoop.com/2013/07/04/europeopen/>



EU AMBASSADOR CLARIFIES TIMEFRAME FOR ADOPTING VISA LIBERALISATION LAWS

At a press conference hosted on July 3 by the Delegation of the European Union to Ukraine, Head of the Delegation, Ambassador Jan Tombiński clarified timeframe for adoption of laws needed to move to the 2nd phase of the Action Plan for Visa Liberalisation.



"The parliamentary session is still not over. It will close on Friday, and I will have my meetings with leaders of political parties before the end of the session, asking them to do what is to be done, because we are running out of time. There is missing legislation with regard to anti-discrimination law, with regard to setting some administrative agencies related to anti-corruption policy and to data protection. All these laws are linked to Visa liberalization action plan.

If these pieces of legislation are not there, then we will not have the assessment of the progress made by Ukraine. The technical procedures are the following: first, legislation needs to be adopted, then the Ukrainian government submits an assessment of what has been done to the European Commission, then the European Commission assesses this progress together with the EU Member States, and then we pass to the next phase. We planned to get all these things ready by Vilnius Eastern Partnership summit (November, 2013), but now I'm afraid that we might not be ready by Vilnius.

One thing I also wanted to stress: this is not about some conditions put by the EU. It is about mutual agreement, because it has been agreement with the Ukrainian side, and therefore it is not something which suddenly came from Brussels. Some political parties don't exclude a possibility to hold an extra-ordinary session during the summer time. This is the question of the responsibility of Ukrainian legislators".

WALTER TRETTON: ENERGY COMMUNITY CONTRIBUTES TO ESTABLISHING A COMMON EUROPEAN ENERGY MARKET

As a cornerstone of Ukraine's foreign policy, the energy sector was among the major top topics of discussion at the third session of [EU Study Days](#), a student-oriented education project launched by the EU Delegation to Ukraine.

On May 24, **Walter Tretton**, head of the Energy, Transport and Environment Section of the EU Delegation to Ukraine, spoke about the EU's energy policy, Ukraine's membership in the European Energy Community, and Kyiv's alignment with European energy-related legislation. Tretton highlighted the following:

On the EU's energy talks. The EU's energy policy has several objectives, including the establishment of a truly integrated European energy market, enhancing energy efficiency, and mitigating risks by diversifying energy supply. In order to establish a genuine European energy market, the EU will have to invest around €1 trillion in its



Walter Tretton, head of the Energy, Transport and Environment Section of the EU Delegation to Ukraine

energy infrastructure by 2020. According to Herman Van Rompuy, President of the European Council, the EU strives to develop sustainable and affordable energy resources. That means that energy efficiency is one of the key issues being tackled in the EU's internal and external energy talks, including those with Ukraine. The EU's dependence on a few major energy suppliers has encouraged the Union to put diversification of supply at the center of its energy policy. The EU's goal is to have no individual Member State reliant on a single energy supplier. This goal demands that Europe partly substitute traditional energy resources by introducing renewable energy resources as well as unconventional fuels such as shale gas into its energy mix.

On EU energy packages legislation. The above-mentioned energy policy objectives require the EU to harmonise energy legislation among its Member States. They also necessitate legal provisions to boost competition on the European energy market.

In 2003, the EU introduced its second energy package, consisting of gas and electricity directives. The package specified the principle of "unbundling" energy transmission networks from producers and suppliers in order to ensure their independence. "Unbundling"

ensures non-discriminatory access to energy resources for all market agents, and eliminates the anticompetitive shielding off of 'home markets' by vertically-integrated energy companies.

In 2009, the EU moved further toward liberalising its energy market and adopted the third energy package. It took "unbundling" a step further by encouraging electricity and gas suppliers to give up their ownership of energy transmission networks and tightening the rules for those not prepared to give up their ownership.

Read the full article: <http://euukrainecoop.com/2013/08/01/energy-2/>

EU DIPLOMAT: FTA WITH EU WILL HELP TO MODERNISE THE UKRAINIAN ECONOMY

The EU-Ukraine Deep and Comprehensive Free Trade Area, a central part of the Association Agreement, will not only enhance bilateral trade by removing import tariffs on most goods, but will also help to modernise the Ukrainian economy.

Nicholas Burge, Head of the trade and economic section of the Delegation of the European Union to Ukraine, explained this in detail during his meeting with students of **EU Study Days**, an education project launched by the EU Delegation. Find below key points made by the diplomat.

On Ukraine's macroeconomic situation. Ukraine experienced a significant slowdown of economic growth last year, with GDP increasing only by 0,2%, down from 4,2% in 2010, and 5,2% in 2011. In the first quarter of 2013, this economic contraction has continued and forecasts for 2013 by the key international financial institutions (IMF, World Bank, EBRD) are all for zero or negative growth.

Ukraine's economic growth has traditionally relied on exports. But the market for one of the major export goods, steel, has not recovered since the crisis of 2008-2009. And other exports are also struggling in current economic conditions. Today Ukraine imports more than it exports, and the gap between exports and imports is growing. The current account deficit topped \$14,5 billion (8,3% of the GDP) in 2012, up from 5,5% of GDP in 2011.



On foreign direct investment. The EU represents around 80% of all foreign direct investment (FDI) stock in Ukraine. But FDI fell during 2012; the EU invested only €4,3 billion in 2012, down from €5,2 billion in the previous year. One reason for this is that the business and investment climate is poor, and seems to be getting worse.

On EU-Ukraine trade relations. EU represents about 33% of Ukrainian trade turnover. Ukraine represents only about 2% of trade for the EU. There is huge potential for growth on both sides.

On the Deep and Comprehensive Free Trade Agreement (DCFTA). The DCFTA is the most ambitious bilateral agreement that the EU has ever negotiated with a third country. It will not only open up the EU market for the country by removing or reducing import tariffs and quotas, but will also remove non-tariff barriers by harmonising laws, standards and regulations across all economic sectors. It will therefore boost growth, increase trade, attract investments and transform the Ukrainian economy.

It is "deep" because it tackles almost the whole of the EU's legislative *acquis*, for example, internal market law. And it is "comprehensive" because it covers all economic sectors and activities.

95% of import tariff lines will be set to zero. The rest will be reduced. In contrast to the current situation, where tariffs can be used to prevent competition and innovation, this will bring more investment, new technologies, higher wages and growth, better employment opportunities and, eventually, make the country more competitive.

Read the full article: <http://euukrainecoop.com/2013/08/01/fta-2/>

EU PROMOTES IMPLEMENTATION OF UKRAINIAN TRANSPORT STRATEGY

To improve the Ukrainian transport sector, the EU is supporting the country with a €65 million grant and nearly €500 million in loans.



Andrew Rasbash, Head of Operations at the EU Delegation to Ukraine, and Yulia Statsenko, the winner of the student essay competition

On July 18, the EU-funded project, "Support to the Implementation of the Transport Strategy of Ukraine" (STS), wrapped up its information campaign to promote Ukraine's Transport Strategy and the key elements of EU-Ukraine transport cooperation. As part of the information campaign, the STS project conducted a transport-focused exhibition across Ukraine, held a number of public lectures on the Transport Strategy and organised an essay competition for students around the theme of, "My vision of the transport future of Ukraine."

"The EU is very interested in supporting reforms and the modernisation of the Ukrainian transport sector including roads, railway, maritime, aviation and inland waterway transport," says **Andrew Rasbash**, Head of Operations at



the EU Delegation to Ukraine. To do so, the EU has allocated a **€65 million grant** for the Ukrainian government, to support the implementation of EU transport-related rules. Also, EU in-house financial institutions are providing additional assistance. "The EIB is loaning nearly half a billion, with **€41 million** allocated to reforming Ukrainian air traffic management and **€450 million** for road improvement," Rasbash adds.

Hennadiy Derkach, a senior official at Ukraine's state railway transport administration, outlines the key areas where the money will be allocated. Ukraine hopes, with the help of the European Investment Bank (EIB) and the European Bank for Reconstruction and Development (EBRD), to modernise the Byskydskyi single-track railway tunnel in Ukrainian Carpathians, which is part of pan-European transport corridor number five, he says. Derkach also stresses that Ukraine's transport strategy aims to modernise infrastructure and increase passenger safety.

Placing transport cooperation in the broader context of EU-Ukraine relations, **Andrew Rasbash** underlined that 12 pages of the initialed Association Agreement are dedicated to transport. "By signing the Association Agreement, Ukraine will commit itself to implementing EU rules in the transport sector, which is a massive obligation," he notes. The diplomat adds that the EU wants to have Ukraine "as a part of a larger European area in which goods and passengers travel smoothly within the country and the EU."

Read the full article: <http://euukrainecoop.com/2013/08/01/transport/>

EU HELPS GIVE CIVIL SOCIETY A SAY IN UKRAINE'S ENVIRONMENTAL POLICY

Based on its practice of inclusive policy-making, the EU has sponsored a new initiative to help Ukrainian NGOs have a say in national environmental policy.



A forum of environmental NGOs was held in the Kyiv suburb of Irpin, on July 12-13, to strengthen coordination between the organisations and enhance their capacity to develop, implement and assess Ukrainian environmental policy in line with EU standards. The forum was run as part of the EU-funded project, "Building Environmental Democracy in Ukraine," an initiative aimed at enhancing the influence of Ukrainian NGOs on national environmental policy.

"A democratic decision-making process is a process where all stakeholders are able to represent their interests," said **Colombe de**

Mercey, sector manager for civil society and media with the EU Delegation to Ukraine during the forum. She added that the EU's new vision for the role of civil society, which has been laid out in a special Communication of the European Commission, places more emphasis on the EU's cooperation with civil society organisations in non-EU partner countries. The EU has allocated **€2 million** for Ukrainian civil society projects in a variety of sectors in 2014.

In addition to supporting NGOs, the EU continues to help the Ukrainian government directly, allocating budget support funds to help improve public policy. Environment has become one of the key sectors targeted by EU assistance. **Anna Golubovska-Onisimova**, a key expert with an EU-funded project helping the Ukrainian government better use the EU support*, noted that the EU is ready to provide **€35 million** within a specially-tailored budget support programme aimed at harmonising Ukrainian environmental legislation with EU law. By adopting the National Strategy of Ukrainian Environmental Policy as well as the related National Action Plan, Ukraine has made "notable progress in bringing its environmental legislation in line with the EU norms," the expert emphasised. She adds, however, that the government will receive this grant only after it completes the mutually agreed-upon reforms to the public finance management system.



The new project aimed at building “environmental democracy” in Ukraine will help to create and maintain the vital link between the government and NGOs. It will *“establish a network of active NGOs able to monitor and assess how Ukraine fulfills the goals set by the National Strategy and the National Action Plan,”* says **Zoriana Mishchuk**, executive director at the environmental NGO, “MAMA-86.” In order to facilitate cooperation among environmental NGOs, the project would run an “Environmental Democracy” website, which would serve as a comprehensive communication platform containing a database of all relevant legislative documents and information. This, along with other measures promoted by the initiative, will help make Ukrainian national environmental policy more accountable to society.

Background

EU-Ukraine cooperation in the environmental sector follows targets set by the EU-Ukraine Association Agenda and aims at harmonising Ukraine’s environmental legislation with the EU *acquis* as set out by the initialed EU-Ukraine Association Agreement. In December 2010, the Ukrainian Parliament adopted the law, “On Main Principles of National Environmental Policy until 2020,” which set the foundation for EU-Ukraine sector budget support programme, “Implementation of Ukraine’s National Environmental Policy Strategy,” with a total budget of €35 million. The financial resources will be transferred into the Ukrainian budget after the government has reached the jointly-set benchmarks signaling Ukraine’s progress toward improving environmental policy performance and strengthening the sustainability of its results. The democratisation of environmental policy through an enhanced role for civil society organisations is a key to reaching these goals.

More information on EU-Ukraine environmental cooperation is available at: <http://sbs-envir.org>

CITIZENS ACCESS LEGAL ADVICE THANKS TO EU ASSISTANCE

A new EU-backed counselling office is providing free support to Ukrainian citizens seeking legal advice.



The EU traditionally pays special attention to judiciary issues in post-Soviet countries, including Ukraine. Transparent court proceedings and fair trials are among the key benchmarks set by the EU to measure Ukraine’s progress toward EU integration.

To address this issue, the EU does not only holds high-level meetings, but also supports initiatives which help Ukrainian citizens get legal assistance. A large-scale **EU-funded project** which provides legal support to vulnerable groups* is now run by the NGO “Committee of Ukraine’s Voters”. A year after the launch of the project, we decided to learn more about the work of the local counselling

office in the Donetsk region.

The initiative was launched to help protect citizens in their relations with public administration bodies. The counselling office helps citizens on a whole range of topics. It also advised citizens on their rights during the parliamentary election campaign in 2012, and will take similar actions during the presidential elections in 2015.

More than 700 citizens have already visited the counselling office in the year since it opened, says **Vitaliy Shchebelskyi**, project coordinator in Donetsk oblast. Most often they appeal against action and inaction taken by public institutions and officials. Sometimes, they complain about unfair administrative penalties imposed by public officials.

Citizens also come to seek assistance in registering their ownership rights, managing their assets, and looking for advice on family and labour relations. Often they need consultations on amendments to real assets taxation, and new developments in laws on citizens assemblies, among other issues.



The project worked hard during the **2012 parliamentary campaign**, when counselling office experts were not only working at their local office, but also travelling across the region, helping citizens protect their voting rights. The office helped, for example, when some citizens found that their names were not included on the voters list, or when others didn't receive official letters confirming their voting status. Other stakeholders of the voting process, including media representatives and members of the elections commissions, were also offered advice. They could inform the office about cases of infringements on electoral law, which were later registered on the interactive project map.

Shchebelskyi is optimistic about the future of the counselling office, saying that the number of applicants is growing. People "tell their friends about our work and come to us again," he says, adding that the office's real success is "when we help citizens protect their rights, no matter who violated them."

The project also demonstrates that new mechanisms to balance the interests of citizens and state are important for the progress of Ukrainian democracy. Strengthening civil society and rule of law is not only a desirable objective, but a vital need for today's Ukraine. The EU wants to see Ukraine's progress in this field, and to ensure that the country's democracy is real and not simply declarative. Local on-the-ground initiatives can help take these little steps forward.

More information:

www.administr-law.org.ua

Stanislav Fedorchuk, Donetsk

** Legal support and education for vulnerable groups of population*

Useful links:

For more information on EU-Ukraine relations, consult the following resources

<http://euukrainecoop.com/useful-links/>

Calendar of past and future events: <http://euukrainecoop.com/calendar/>