Ukraine and the EU

This page highlights the key aspects of political, economic and trade relations between the European Union (EU) and Ukraine, as well as financial assistance programmes in place and the role of civil society in steering the relations into the future.

Political relations

Ukraine is a priority partner for the EU.

With the EU-Ukraine Association Agreement (AA) including a Deep and Comprehensive Free Trade Area (DCFTA) signed in 2014 and in force since 2017 after being provisionally applied, our relations have achieved an unprecedented level of closeness. The AA/DCFTA is the blueprint for Ukraine’s ambitious reform agenda kicked-off with the 2013-2014 Maidan and for the EU’s support. It is based on shared values and commitment to respect for democratic principles, the rule of law, good governance, human rights and fundamental freedoms.

Our common goal is further economic integration and political association between Ukraine and the EU. During the five years since the Euromaidan Revolution of Dignity, Ukraine has taken essential steps in implementing complex reforms. Our partnership is built on the principle that as long as Ukraine keeps reforming at an unprecedented level, the EU keeps supporting at an unprecedented level. Since 2014, this has meant yearly funds of up to € 200 million mobilised from the bilateral pillar of the European Neighbourhood Instrument (ENI), for a stronger economy, stronger governance and stronger society in Ukraine.

Economic and trade relations

On 1 September 2017, the EU-Ukraine Association Agreement came into full force. The Association Agreement, including its Deep and Comprehensive Free Trade Area (DCFTA) part, is the main tool for bringing Ukraine and the EU closer together. The DCFTA offers Ukraine a framework for modernising its trade relations and for economic development by opening up markets and harmonising laws, standards and regulations in various sectors. This will help align key sectors of the Ukrainian economy with EU standards.

The DCFTA has been provisionally applied since 1 January 2016, constituting a major milestone in
bilateral trade relations and offering new economic opportunities to both the EU and Ukraine. Ukrainian businesses receive stable and predictable preferential access to the largest market in the world, with over 500 million consumers. EU businesses are able to benefit from easier access to the Ukrainian market and build new relationships with Ukrainian suppliers and partners.

On 1 October 2017 the additional autonomous trade measures of the EU for Ukraine entered into force. The EU regulation on the measures tops up the quantities of agricultural products that Ukraine can export to the EU under the Association Agreement without paying customs duties. It also accelerates the elimination of EU import tariffs for several industrial products, as foreseen in the Association Agreement.

**Snapshot of trade statistics**

The first concrete results of implementation of the DCFTA can already be seen: in the first half of 2017 - according to Eurostat – trade in goods between the EU and Ukraine increased by 23% and the EU continues to strengthen its position as the first trade partner of Ukraine, overall, the EU accounts for around 40% of Ukraine's total exports.

The main products Ukraine exports to the EU are base metals and articles thereof, vegetable products, mineral products, electric machinery and appliances, vegetable fats and oils. The main products the EU exports to Ukraine are machinery and appliances, products of the chemical industry, transport equipment, plastics, rubber and articles thereof and mineral products.

**Investments**

Foreign trade and investments are vitally important for both the Ukrainian and the EU economies, in terms of growth and jobs, lower prices, better quality and greater choice for consumers through increased competition, and so on.

The EU and Ukraine continue to work to ensure the opportunities and benefits for EU and Ukrainian business within the framework of the DCFTA.

**Financial cooperation**

The EU support to Ukraine under the European Neighbourhood Instrument, is coordinated by the European Commission's Support Group for Ukraine (SGUA). Together with the EU Delegation to Ukraine, SGUA develops support programmes for key reform areas (e.g. for decentralisation, the fight against corruption or strengthening the rule of law) which are often co-financed and implemented by EU Member States. The EU also supports the Ukrainian civil society through grants from different financial instruments, through contributions to the European Endowment for Democracy and a steady dialogue that informs our policymaking.

Over the last years, Ukraine has gained access to different European Union programmes, becoming for instance the frontrunner of Erasmus+ among the Eastern Partnership countries; becoming fully associated to the EU’s Horizon 2020 programme for research and innovation; and taking part in the Creative Europe programme supporting the cultural, creative and audio-visual sectors.

The EU also cooperates with Ukraine in the framework of the eastern regional dimension of the European Neighbourhood Policy, the Eastern Partnership.
Bilateral Cooperation

The EU supports Ukraine through a variety of instruments.

Overall, the EU and Financial Institutions (European Investment Bank and European Bank for Reconstruction and Development) have mobilised between 2014 and today over € 13 billion in loans and € 2 billion in grants to help Ukraine stabilise its economy, carry out comprehensive reforms and improve the lives of its citizens. This includes substantial bilateral financial and technical assistance under the European Neighbourhood Instrument (over € 1.4 billion). Ukraine benefits from Twinning and TAIEX, and, beyond bilateral support, from ENI regional and multi-country Action Programmes for the Eastern Partnership countries. In addition to the Chornobyl Shelter Fund, support is provided via the Instrument for Nuclear Safety Cooperation (INSC II) 2014-2020. Furthermore, the EU mobilised via four programmes a total of € 4.41 billion in macro-financial assistance for Ukraine, paid upon the fulfilment of reform conditions.

Finally, since 2017, a € 50 million comprehensive support programme for government-controlled parts of Donetsk and Luhansk regions is in place. It aims at strengthening good governance and decentralisation, supports economic revitalisation and small and medium sized enterprises (SMEs), increases community security and social cohesion, fosters the regional health care system, supports displaced universities and assists with tackling the infrastructural disconnect. The programme was recently topped-up by € 10 million and expanded to support the Sea of Azov region.

Investments are channelled to Ukraine via the EU External Investment Plan, notably the Neighbourhood Investment Platform. Since 2014, over € 180 million has been channelled through the NIP to Ukraine for the support to infrastructure financing in fields such as transport, water/sanitation, energy efficiency, environment as well as SME funding and local currency lending.

Loans amounting to € 4.6 billion have been mobilised by the European Investment Bank since 2014 to support infrastructure development and reforms in the transport, energy, agriculture, education and municipal sectors, as well as for SME development in Ukraine. Investment worth € 4 billion from the European Bank for Reconstruction and Development has been mobilised since 2014 to help develop and reform, inter alia, the banking sector, agribusiness, transport and small businesses.

Via the European Union Advisory Mission (EUAM) Ukraine, Ukraine-based international experts mainly from EU Member States assist Ukraine with the reform of the civilian security sector.

Find the latest opportunities from the EU-Ukraine cooperation here and here.

Overview of post-Maidan EU support to Ukraine

/file/ukrainetable1jpg_enukraine_table_1.jpg
Civil society dialogue

Online consultation

This part of the website allows civil society organisations (CSOs) to provide their views on how the relationship between Ukraine and the EU will develop in the future. To take part, organisations can simply register online.

The database of contributors will help the Delegation see who is interested in different policy aspects so that more focused consultations can be conducted in the future. As the database will be in the public domain, it will also ensure that organisations' contributions are made in a transparent manner.

Topics can include discussions on draft political and operational documents, consultations on ad hoc initiatives or establishment of priorities in programmes of specific interest to civil society. All contributions to individual consultations are available on the website. The Commission also posts feedback on the website, enabling us to create a productive and useful record of interaction between the European Commission and civil society.

EU Country Roadmap for Engagement with Civil Society in Ukraine

The EU Delegation, together with EU countries and in consultation with civil society and national authorities, developed the EU Country Roadmap for Engagement with Civil Society in Ukraine. The Roadmap identifies eight long-term priorities for cooperation and coordination in this area. The priorities cover an enabling environment, policy analysis, legitimacy, the Association Agreement, conflict, accountability, human rights, economic development, and many other areas of concern to CSOs.
Humanitarian assistance

The EU also helps Ukraine deal with the humanitarian, social and economic consequences of the conflict in the country’s eastern regions. Having provided in total over € 402 million since the start of the conflict, the EU and its Member States are together the biggest humanitarian donor, addressing the needs of people in the areas directly affected by the conflict, the internally displaced people and refugees who have fled the conflict areas, and the returnees. The EU furthermore provides support for early recovery and co-funds the OSCE Special Monitoring Mission, to which the EU and its Member States have been the biggest contributor so far, providing about two thirds of both the mission’s budget and monitors.

Documents

EU-Ukraine Association Agreement. What does the Agreement offer? EU-Ukraine Association Agreement “Quick Guide to the Association Agreement”

See also

Full chronology of EU-Ukraine relations European Neighbourhood and Partnership Instrument (ENPI) www.eeas.europa.eu

Source URL: