

# FACTS AND FIGURES ABOUT EU-UKRAINE RELATIONS

#easternpartnership



Ukraine is a priority partner for the European Union. The EU supports Ukraine in ensuring a stable, prosperous and democratic future for its citizens and is unwavering in its support for Ukraine's independence, territorial integrity and sovereignty. The Association Agreement (AA), including its Deep and Comprehensive Free Trade Area (DCFTA), is the main tool for bringing Ukraine and the EU closer together, promoting deeper political ties, stronger economic links and respect for common values. Since spring 2014, Ukraine has embarked on an ambitious reform programme, aiming to stabilise its economy and improve the livelihoods of its citizens. Priority reforms include the fight against corruption, reform of the judiciary, constitutional and electoral reforms, improvement of the business climate and energy efficiency, as well as reform of public administration, including decentralisation. Since 2014 the EU has pledged a package of €13.8 billion to support the reform process, with strong conditionality on continued progress.

## STRONGER ECONOMY

- ✓ The Association Agreement including its Deep and Comprehensive Free Trade Area (DCFTA), entered into force on 1 September 2017, although parts of the agreement have been provisionally applied since 1 November 2014 and the DCFTA since 1 January 2016. The DCFTA is a **major milestone in bilateral trade relations** offering new economic opportunities to both sides.
- ✓ The agreement triggers reform of Ukraine's legal framework, aiming to align it with that of the EU. **Ukrainian businesses receive stable and predictable preferential access** to the largest single market in the world, with over 500 million consumers. And EU businesses are able to benefit from easier access to the Ukrainian market, building new relationships with suppliers and partners.
- ✓ In 2017, exports from Ukraine to the EU increased by 27%, with 2018 estimates confirming the growing trend. **The EU remains Ukraine's largest trading partner**, accounting for more than 42% of its trade.
- ✓ The reforms that are anchored in the AA/DCFTA will **improve the overall business climate in Ukraine**, including curbing corruption and eliminating protectionist measures, which will in turn increase investor confidence.
- ✓ The EU has supported Ukrainian authorities in establishing an **independent regulatory authority for electronic communications**, as well as in improving Ukraine's cyber resilience.
- ✓ In September 2018, the European Commission signed a Memorandum of Understanding with Ukraine for Macro-Financial Assistance (MFA) of up to **€1 billion in the form of medium- and long-term loans**. With this assistance, the EU will continue to support economic stabilisation in the country, including through structural and governance reforms.

## STRONGER SOCIETY

- ✓ **Visa-free travel** for Ukrainian citizens with biometric passports entered into force on 11 June 2017. Since then, Ukrainians have made 1.9 million visa-free visits to the EU.
- ✓ Ukraine is one of the largest beneficiaries in the Eastern Partnership region of the Erasmus+ programme, with **more than 7,000 Ukrainian students and education staff** benefitting from the Erasmus exchange programme.
- ✓ The EU supports a **€20 million civil society programme** that aims to reinforce its capacity to support and monitor the reform programme that is underway.

## STRONGER GOVERNANCE

- ✓ A nationwide decentralisation programme (€90 million) providing advice and support to **improve the transparency and accountability of local and regional authorities** and enhancing local administrative centres. 27 administrative centres have opened in all Ukrainian oblasts.
- ✓ A **public administration programme** (€104 million) aims to embed a new generation of civil servants, reorganising government structures to mirror EU standards and developing best practice in policy making and advancing key sector reforms.
- ✓ An **anti-corruption programme** (€15 million) is supporting the newly established anti-corruption institutions, strengthening parliamentary oversight and capacities of civil society and independent media to contribute to the fight against corruption.
- ✓ A programme **developing the private sector** (€110 million) and fostering Ukraine's economic recovery through technical assistance to improve the legislative framework for SMEs and supporting the set-up of business advice centres in the regions that facilitate access to finance.

## STRONGER CONNECTIVITY

- ✓ The EU has provided support for the government of Ukraine in establishing an **independent energy regulatory authority** and new gas and electricity laws to improve efficiency in the energy sector.
- ✓ In close cooperation with partners and financial institutions such as EIB, EBRD and the World Bank, the EU continues to support the **modernisation of Ukraine's gas transport system**, reconstructing parts of the east-west transit pipelines.
- ✓ The European Union is the largest donor to the new **Safe Confinement** above the destroyed Unit 4 of the Chornobyl nuclear power plant, which was erected in November 2016.
- ✓ The EU has provided support for an **ambitious transport agenda**, contributing significantly to the AA and the DCFTA. Transport is the backbone of increased movement of people and goods between Ukraine and the EU and will foster trade and economic growth.

## IN FIGURES

**7,000**

Ukrainian students and education staff benefitting from the Erasmus+ exchange programme.

**42%**

The EU remains Ukraine's largest trading partner, accounting for more than 42% of its trade.

**500,000**

Internally Displaced Persons (IDPs) supported directly with EU funding and over 1,500 IDP entrepreneurs supported with grants to establish new businesses.

## ILLEGAL ANNEXATION OF CRIMEA

The EU condemns the illegal annexation of Crimea and Sevastopol by the Russian Federation. The EU does not and will not recognise the illegal annexation. The EU has adopted a strict non-recognition policy that has led to substantive sanctions that include diplomatic measures, asset freezes and travel bans, and substantial restrictions on economic exchanges with the territory.

## CONFLICT IN EASTERN UKRAINE

The EU has supported Ukraine's territorial integrity, condemning the clear violations of Ukrainian sovereignty and territorial integrity by acts of aggression by the Russian armed forces. Diplomatic restrictions against Russia were first imposed by EU leaders on 6 March 2014. On 17 March 2014 sanctions were imposed against persons responsible for actions against Ukraine's territorial integrity, sovereignty and independence. On 29 July 2014, in view of Russia's actions destabilising eastern Ukraine, a first package of economic sanctions targeting cooperation and exchanges with Russia was announced. A further reinforced package of economic sanctions was announced in September 2014.

The duration of the EU's economic sanctions against the Russian Federation remains linked to the complete implementation of the Minsk agreements.

## OSCE-SPECIAL MONITORING MISSION

The EU and its Member States are the biggest contributors to the Organisation for Security and Cooperation in Europe's Special Monitoring Mission (SMM), which monitors the implementation of the Minsk agreements, accounting for two thirds of the SMM's budget and monitors. The EU has also contributed €49 million through its Stability and Peace instrument to support the Mission's capacity to fulfil its mandate and donated 40 unarmoured and 44 armoured vehicles, 35 trauma kits and provided training.

## HUMANITARIAN ASSISTANCE

The EU has been at the forefront of the humanitarian response in eastern Ukraine where 3.4 million people are estimated to be in need. Funding provides support to the most vulnerable people affected by the conflict on both sides of the contact line and in the non-government controlled areas. The assistance addresses the basic needs of those most affected, including providing shelter, health care, protection, food and non-food items, water, sanitation, education in emergency and other emergency aid. Assistance is delivered through cash and vouchers where possible and is delivered through humanitarian partners, including NGOs and UN organisations.

## EARLY RECOVERY RESPONSE

The EU continues to provide support to Luhansk and Donetsk regions across a variety of sectors including mine risk mitigation, where 250,000 people have been reached through educational activities; infrastructure and refurbishment, including restoring a bridge across Siverskyi Donets river and refurbishing dozens of critical social infrastructure sites, such as the Donbas Centre of professional rehabilitation of disabled people in Kramatorsk, 13 Administrative Service Centres, village clinics and community centres; internally displaced persons (IDPs) livelihood support, with over 500,000 IDPs benefiting from EU funding and over 1,500 IDP entrepreneurs supported with grants to establish new businesses.