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Reflections on the 20th EU - Ukraine Summit

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Re: Reflections on 20th EU-Ukraine Summit

1 Why Ukraine-EU Summit was a success

By [Ivanna Klympush-Tsintsadze](#).

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Ukraine's President Petro Poroshenko (C) is welcomed by European Union Council president Donald Tusk (L) and European commission president Jean-Claude Juncker (R) before an EU-Ukraine summit to discuss trade, economic reforms, and relations with Russia in Brussels, on July 9, 2018. / AFP PHOTO / POOL / OLIVIER HOSLET
Photo by AFP

The jubilee 20th Ukraine-European Union Summit somehow came and went with only minor reaction from international observers, perhaps pushed into the background by a hot European Union debate over migration policy, by Brexit turnover, and by the NATO Summit. Meanwhile, the July 8 summit in Brussels **was far from ordinary in its timing and conclusions.**

This was the last high-level Ukraine-EU meeting before Ukraine's crucial upcoming presidential elections scheduled for March 2019. The EU is also on the verge of pre-election anxiety with European Parliament elections slated for May 2019. Beyond this, **the 20th Ukraine-EU Summit**

is the first gathering since Ukraine's Association Agreement with the EU entered into full force, and only a month after Kyiv celebrated the first anniversary of the visa-free regime with the EU. The summit offered an opportunity to evaluate longer-term and recent developments, and to set an ambitious agenda for the next stage of Ukraine's alignment with the EU.

The first year of the visa-free regime demonstrated that "Ukrainian citizens could be trusted" (as European Commission President Jean-Claude Juncker put bluntly at the joint press conference). We also see the indisputably positive impact of the Association Agreement on Ukraine's economy: Ukraine-EU trade grew by 24 percent in 2017, and the country's GDP increased by 2.5 percent in 2017.

The dry yet clear political language of joint statement carries the weight of 29 European capitals. According to EU procedures, a summit statement and consequently all its provisions requires the support of each member state. Only last year, negotiating a consensus with 28 EU states for a joint statement on Ukraine-EU relations proved impossible for the first time in our shared history. Discussions this year bore their share of drama as well. Complicating the traditionally cautious approach of EU leaders, there was position of Hungary which earlier threatened to block Ukraine's EU progress over the language of national minority education. From the beginning Kyiv has been open to negotiations, but Budapest has preferred to elevate this issue to the EU and NATO levels rather than hash out a bilateral settlement. Thanks to the joint diplomatic efforts of Ukraine and our EU partners, a compromise was reached: Ukraine repeated its commitment to dialogue and to implementing the Venice Commission recommendations.

The summit produced a joint statement that dispatched weighty political signals and presented a vision for deeper EU-Ukraine relations anchored by sectoral integration. In spite of the sceptics from both sides, the EU demonstrated its strength in unity on two key issues: support for the Ukrainian people's pro-European choice and condemnation of Russian aggression. So, what did we agree on? And what are the implications for Ukraine's European integration?

Condemnation of ongoing Russian aggression. The language of the joint statement is legally clear and accurate. There are no vague formulations or uncertainties about Russia's responsibility. EU leaders reiterated their strong condemnation of Russia's flagrant and sustained violation of Ukraine's sovereignty and territorial integrity since February 2014. Agreement on an indisputable fact may not seem like a triumph, but with the ubiquity of Russian disinformation, every fact must be defended. Over the last three years Russia has conducted a massive disinformation campaign to convince the world that the so-called "referendum" in Crimea was legal and fair, Donbas is a place of civil war, and that Russia is a peacemaker. Moscow's efforts have failed. EU leaders have preserved their fidelity to international law, and unwavering support and commitment to Ukraine's sovereignty within its internationally recognized borders. Furthermore, Russia's militarization of the peninsula, and severe human rights violations did not escape the attention of the leaders of the EU.

Confirmation of sanction policy. Just prior to the summit the EU renewed its economic sanctions on Russia. We cannot take this for granted. Russia has quarterbacked a multipronged lobbying strategy to undermine European unity on this issue, which Russia's anti-sanctions surrogates amplify. Nevertheless, the EU stood firm and remains committed to its values. In the

joint statement, EU leaders confirmed that the sanctions will continue until the complete implementation of the Minsk agreements. Opening up debate on EU sanctions policy towards Russia would wreck EU credibility and send the wrong signal to Moscow kleptocrats. Sanctions review is not a pragmatic path to peace and security in Europe; it will simply whet the appetite of the aggressor.

Stand up for Ukrainian political prisoners. Ukraine continues to fight for the release of illegally detained and imprisoned Ukrainian citizens. More than 70 persons are being held captive in Russian and Crimean prisons; their health conditions are deteriorating, and Ukrainian official representatives are forbidden from visiting them. Some are on hunger strike, among them is Ukrainian filmmaker Oleg Sentsov. The EU joined Ukraine's demand for the immediate release of Ukrainian citizens, including Crimean Tatar activists. The significance of this appeal is the identification of specific victims of Russia's illegal actions: Oleg Sentsov, Volodymyr Balukh, Oleksandr Kolchenko, Stanislav Klykh, Oleksandr Shumkov and Roman Sushchenko. This is not a faceless tragedy. Real people are suffering, and the EU is putting an additional political pressure on Russia to have them released.

Common position on the downing of flight MH17. Ukraine and the EU are united in their determination to bring those responsible for the tragedy to justice. We call on the Russian Federation to accept its responsibility and to fully cooperate with the international community to establish accountability, so the world can have justice and the victims' families can have closure. Obviously, the truth always wins in an information war eventually, but this is no time to relax. The Kremlin will continue peddling propaganda in order to legitimize its aggression and brutal violations of international law.

Positive assessment of Ukraine's reform progress. The pace of reforms might not be as fast as we wish. However, any objective and fact-based assessment of Ukraine's achievements in reforms implementation confirms that a lot has been accomplished over the last few years. The EU noted good progress in the fields of decentralization, public administration, public procurement, and environmental sustainability. The sides agreed that the pace of reforms should be maintained, including during the upcoming pre-election period. We acknowledge the challenges and shortcomings of the reform drive, but we cannot fall victim to Russia-promoted narratives that Ukraine is the "most corrupt" and a "failed state." Successful structural reforms have eliminated the shady spaces where corruption has thrived for decades: the banking system, gas market, and public procurement. However, there is still much to be done, and we agree on the need for continued efforts to reform the judiciary and prosecution to strengthen the rule of law in Ukraine.

Acknowledgement of the European aspirations of Ukraine. Last year this point sparked a fierce debate and eventually blocked the issuing of a joint statement. However, there is nothing new to this discussion as Ukraine's European aspirations and its European choice were recorded in the Association Agreement. Despite the fears of some member states, this sentence (unfortunately so) says nothing about Ukraine's membership perspective. It does not prescribe any EU political obligations, but it carries an important symbolic meaning for the Ukrainian people. European integration is our strategic foreign policy goal as well as a guiding notion in our reform agenda.

Deepening cooperation. And last, but not least, the EU and Ukraine confirmed their intention to accelerate their efforts to implement the Association Agreement including the DCFTA.

Ukraine's President, Parliament, and Cabinet of Ministers are united in their desire to deepen cooperation between Ukraine and the EU. Just before the Summit, the Parliament called the EU institutions to promote the maximum use of Ukraine's integration into the EU's internal market. Our collective appeal has been heard in Brussels.

Wrapped in EU syntax and diction, which are not especially accessible to outsiders, hides an important political signal. In the statement, the EU supported Ukraine's aim to ramp up legislation approximation to EU standards, and both sides agreed on the priorities for deepened sectoral cooperation in energy, digital, customs areas, justice, freedom, and security.

The forthcoming meetings of the association bodies should elaborate on the roadmaps of our future work both in terms of its scope and its tentative deadlines. One of the tasks that have already been discussed is **the updating relevant annexes of the Association Agreement, as well as preparation of relevant action plans in selected areas. In December, Ukraine and the EU will take stock of progress on those reform tracks at the next Association Council meeting.**

Why is it important? The clear vision of a long-term policy agenda is vital in order **to ensure that the Association Agreement remains the pivotal driving force behind Ukrainian reforms.** It also sends an important message to Europe and the world that Ukraine's aspirations are more than passive sentiments; they are the fire driving concrete action.

Ivanna Klympush-Tsintsadze is the vice prime minister for European and Euro-Atlantic Integration of Ukraine

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Re: Reflections on 20th EU-Ukraine Summit

Date: July 2018

Highlights

The EU and Ukraine hold their 20th Summit in Brussels on 9 July 2018. The summit came two days before a meeting of NATO heads of state in Brussels and a week before a July 16 summit between U.S. President Donald Trump and Russian President Vladimir Putin in Helsinki.

The EU's informative press release is [here](#).

Conclusion: geopolitical considerations (including the Trump-Putin meeting) as well as upcoming Ukraine election played an important role toward the preparation for the summit. EU criticism was tamed, and Ukraine has received significantly more than during last year summit: the first time in three years there was a joint statement what included re-affirmation of Ukraine's European aspiration (what was denied during the last EaP Summit in November 2019), deepening integration in terms of energy, customs and digital (according to the Poroshenko plan) and the condemnation of Russian activities since February 2014 (previously was March 2014, from annexation of Crimea).

Visa free: was not on agenda as there have been few complaints by EU nations since the policy was adopted one year ago. Ukrainians cross EU border over 21 million times since visa-free regime was introduced last July. EU border crossings by Ukrainians are up 12% since the

introduction of the visa free regime in June 2017. In June 2018, Ukrainians made 221,000 trips to the EU, a growth of 230% over the first 30 days of the visa-free regime, when the figure was almost 96,000. The number of Ukrainians benefiting from the visa-free regime ranges from 9,000 to 12,000 people a day.

EIB signed €75 million loan agreement for road safety: at the summit Ukraine and the European Investment Bank (EIB) signed a financial agreement on the implementation of a project to improve road safety. The EIB is providing a loan worth €75 million to finance the project which will be implemented in Lviv, Odesa, Dnipro, Kharkiv, Kyiv and Kamyanyts-Podilsky.

Statement Diplomacy: European Re-Affirmation of Ukraine's Aspiration

In the first joint statement in the past years, EU leaders acknowledged the European aspirations of Ukraine and welcomed its European choice. After the "haggle" over a statement during the Eastern Partnership Summit in November 2017, where the [Dutch and the Germans objected](#) the mention of European aspiration, this is taken as a serious achievement by Kyiv.

Furthermore, the joint statement "welcomed the substantial increase in bilateral trade flows and the effective implementation of the visa-free regime, contributing to deepening relations between our societies.

EU leaders also recognized significant progress in Ukrainian reforms at the summit and in a [joint statement](#) by President of the European Council Donald Tusk, President of the European Commission Jean-Claude Juncker and President Petro Poroshenko welcomed the improving living standards especially in the areas of health and pensions, the progress on structural reforms in the fields of decentralization public administration, public procurement and environmental reform and on privatization, improved governance, transparency of State Owned Enterprises, and the progress made on the law on national security.

The statement confirmed the EU's continued support for Ukraine's reform efforts, linked to effective implementation of reforms and policy measures, including the struggle against corruption.

Reflections

[Pres. Poroshenko Op-ed at FT:](#) in his piece Ukraine president re-affirms that that nothing – meaning Russia – can stand between the EU and Ukraine.

[VPM Klymush-Tsintsadze wrote an op-ed](#) to the Kyiv Post about the success of the summit. She highlighted the following aspects as successful: condemnation of on-going Russian aggression; confirmation of sanction policy; stand up for Ukrainian political prisoners, common position on the downing of flight MH17; positive assessment of Ukraine's reform progress; acknowledgement of the European aspirations of Ukraine; deepening cooperation in terms of accelerating efforts to implement the AA/DCFTA. Moreover, "the EU supported Ukraine's aim to ramp up legislation approximation to EU standards, and both sides agreed on the priorities for deepened sectoral cooperation in energy, digital, customs areas, justice, freedom, and security".

[Polish think tank PISM's spotlight](#) is less enthusiastic stating that a growing number of EU Member States are now in favor of a tougher stance on Ukraine due to the slow pace of reforms. Brussels is critical toward Ukraine due to lame fight of corruption and failing to comply with the provisions stemming from the Association Agreement, among other things. The

Hungary-Ukraine dispute over the new education law – what also made to the joint statement - has had an adverse effect on EU policy towards Ukraine, too. During the summit, however, EU leaders limited public criticism of Ukrainian authorities, probably out of fear that stronger public rhetoric could result in weakening the country's international position in the face of Russian aggression and be used to discredit pro-European political forces (the current authorities included) during the upcoming election campaign.

Conditionality Beyond Praise

The EU **approved \$1 billion in loans** for a period of 2 1/2 years in May, [saying](#) further disbursements would be contingent about "Ukraine respecting democratic mechanisms and the rule of law, and guaranteeing respect for human rights."

According to media reports, EU foreign policy chief Federica Mogherini in late June praised Prime Minister Hroysman and the government for pushing anticorruption reforms. Nevertheless, she suggested the government was still not doing enough and „more reforms are needed “. Mogherini, the United States, and the International Monetary Fund – whose loans have played a critical part in shoring up Ukraine's battered economy-- have lauded Kyiv for legislation to establish an independent anticorruption court [but say](#) more work is needed to secure further IMF loans. This means similarly to the last tranche of the current MFA program of EUR 600m won't be dispersed till IMF conditionality are being met.

As the Ukraine government submitted alternatives to the IMF on household gas prices, it seems Kyiv expects to negotiate and prepare to survive without the IMF till the 2019 elections. The government has proposed a new option of compromise in the negotiations with the IMF, which envisages a package of steps, including monetization of subsidies, liberalization of the gas market and a discount from the single price of gas for ordinary consumers. The equalization of household and industrial gas prices is a precondition for receiving the next tranche of IMF funding. As a reminder, this was supposed to have happened in the summer of 2017, but the government did not follow through, apparently out of political and social considerations.

Kyiv based Concord Capital confirms this, according to its fresh analysis Ukraine is unlikely to get IMF funding before the March 2019 elections as the anti-corruption court and the gas price hikes must be approved in the next two weeks. Then, a Rada recess, followed by an IMF Board recess, pushes approval to September, a time when the IMF traditionally wants to see a state budget in line with deficit commitments. By December, the IMF will not want to sign with a Ukrainian government that might be out of office in April. There is a risk that gross international reserves will fall below three months of future imports already by the end of this year.

Useful Data

Latest EU Ukraine trade statistics: <http://ec.europa.eu/eurostat/web/products-eurostat-news/-/EDN-20180709-1?inheritRedirect=true&redirect=%2Feurostat%2Fweb%2Fmain&cookies=disabled>

Awareness of EU in Ukraine (poll):

[https://www.euneighbours.eu/sites/default/files/publications/2018-07/EU%20NEIGHBOURS%20east AnnualSurvey2018factsheets UKRAINE ENG%20-%2009.07.pdf](https://www.euneighbours.eu/sites/default/files/publications/2018-07/EU%20NEIGHBOURS%20east%20AnnualSurvey2018factsheets%20UKRAINE%20ENG%20-%2009.07.pdf)

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