

FACTS AND FIGURES ABOUT EU-UKRAINE RELATIONS



Ukraine is a priority partner for the European Union (EU). 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)**, signed in 2014, is the main tool for bringing Ukraine and the EU closer together, promoting deeper political ties, stronger economic links and respect for common values. Ukraine continues an **ambitious reform programme** to accelerate economic growth 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 and decentralisation. Since 2014, the EU and the Financial Institutions have mobilised more than €15 billion in grants and loans to support reforms, while applying conditionality dependent on their progress.

ECONOMY

- ✓ The Association Agreement (AA), including its Deep and Comprehensive Free Trade Area (DCFTA), entered into force on 1 September 2017. Parts of it had been provisionally applied since 1 November 2014 and the DCFTA since 1 January 2016. **The DCFTA is a major milestone in bilateral trade offering new economic opportunities to both sides.**
- ✓ The AA triggers the reform of Ukraine's legal framework, aiming to align it with that of the EU. These **reforms will improve the overall business climate in Ukraine**, including by curbing corruption.
- ✓ **Ukrainian businesses receive preferential access** to the largest single market in the world. EU businesses are able to benefit from easier access to the Ukrainian market, building new relationships with suppliers and partners.
- ✓ The DCFTA has supported the **continuous increase of bilateral trade** between the EU and Ukraine since its provisional application. It has reached €43.3 billion in 2019. The EU has reinforced its position as Ukraine's **number one trading partner**. 40% of Ukraine's trade is now with the EU.
- ✓ Private sector development, especially of small and medium-sized enterprises (**SMEs**), is supported through **dedicated programmes** and the EU4Business initiative.
- ✓ Since 2014, the EU has channelled over €205 million for **investments in transport, municipal infrastructure, energy efficiency** and **lending to SMEs**, including in local currency.

GOVERNANCE

- ✓ **The EU has mobilised large-scale support to Ukraine's governance reform** via the following programmes: anti-corruption (EUACI), the rule of law (PRAVO), public administration reform (EU4PAR), public finance management (EU4PFM), and decentralisation (U-LEAD with Europe). They are worth together over €300 million.
- ✓ The U-LEAD with Europe programme EU aims at **improving the transparency and accountability of local and regional authorities**, as well as their capacity to offer better services, with an overall envelope of €130 million.
- ✓ The EU continues **to support anti-corruption institutions** with an overall commitment of €30 million. Additional support has been channelled through civil society organisations. The EU has also allocated €25 million to **support digital transformation** in Ukraine, including e-governance, cybersecurity and implementation of the AA/DCFTA telecommunication chapter. In addition, support has also been provided through the Eastern Partnership regional initiatives. The EU Advisory Mission for Civilian Security Sector Reform in Ukraine (EUAM Ukraine) supports **reform of the civilian security sector**.

SOCIETY

- ✓ **Visa-free travel for Ukrainian citizens** with biometric passports entered into force in June 2017.
- ✓ The third report under the visa suspension mechanism published on 10 July this year stated that Ukraine continued to fulfil the **visa liberalisation benchmarks**. The report made several recommendations, including the need to ensure the sustainability of results, in particular as regards the fight against corruption and organised crime and to take immediate actions to address irregular migration.
- ✓ Ukraine is one of the largest beneficiaries of the Erasmus+ programme in the Eastern Partnership region, with more than 9,000 Ukrainian and nearly 4,000 European **students and academic staff benefitting from Erasmus** academic exchange opportunities.
- ✓ Professional, cultural and **youth exchanges, artistic cooperation** and Ukraine's participation in EU programmes are supported through the "House of Europe" programme (€18 million). The EU is also providing €53 million to support **the modernisation of the vocational education and training system and secondary education**, as well as displaced universities in eastern Ukraine. In addition, the EU is providing €2 million for enhancing the instruction of the Ukrainian language as a second language among national minorities.
- ✓ Since 2014, the EU has committed approximately €80 million in targeted **support to Ukraine's civil society**.
- ✓ Ukraine participates in the **Horizon 2020** Programme, the Euratom Research and Training programme and the Creative Europe Programme and has signed the Copernicus Cooperation Arrangement. To date, Ukrainian Horizon 2020 beneficiaries have received grants amounting to a total of €36.11 million.

ENVIRONMENT AND CONNECTIVITY

- ✓ **Security of energy supply** is a key area, which the EU continues to support. In 2019, the European Commission facilitated the conclusion of the new agreement on **gas transit framework** through Ukraine. The agreement, signed for a period of five years, will ensure stability of supply and transit.
- ✓ The EU contributes substantially to the **Ukrainian Energy Efficiency Fund** (€ 104 million) and supports raising public awareness for energy efficiency investments.
- ✓ Through bilateral and regional co-operation instruments, the EU continues to support gas and electricity market reform. In 2016, it supported the establishment of an **independent energy regulatory authority** and later the adoption of new legislation in the areas of gas, electricity and renewable energy.
- ✓ With a view to Ukraine's **progressive integration with the EU energy market**, the EU and Ukraine have updated the energy annex of the AA.
- ✓ In close cooperation with partners and financial institutions, the EU contributes to the **modernisation of Ukraine's gas transport system and electricity network**.
- ✓ The EU is the largest financial supporter to the new **Safe Confinement of the Chernobyl nuclear power plant**.
- ✓ The EU supports an ambitious **transport agenda**, contributing to the implementation of the AA/DCFTA and aiming to achieve an efficient, safe and sustainable transport system.
- ✓ In order to **improve transport and logistics** in the EaP region, the EU is implementing the Indicative Trans-European Transport Network (TEN-T) Investment Action Plan. It is used to guide future investments with a view to complete the extended core TEN-T network by 2030, as well as to promote the **digitalisation and the decarbonisation of transport**.
- ✓ The EU is improving road safety through a range of actions including establishment of a Regional Eastern Partnership **Road Safety Observatory**, development and implementation of a national road safety strategy, improvement of infrastructure inside and outside cities, and development of intelligent transport systems.

THE EU STANDS BY UKRAINE DURING THE COVID-19 PANDEMIC

The EU reacted fast and responded to the urgent needs of countries in the Eastern Partnership during the COVID-19 pandemic. As part of Team Europe, the EU has mobilised an ambitious support package totalling over **€980 million** to help tackle immediate needs, support the health sector and facilitate the social and economic recovery of the six countries.

As part of this, the EU is mobilising a tailor-made COVID-19 response package worth **€190 million**, using a mix of existing and new funds.

✓ SUPPORT TO THE HEALTH SECTOR AND EMERGENCY NEEDS:

- **Enhancing the Emergency Response** – In cooperation with the WHO and other UN agencies, the EU supplies medical devices, testing kits, masks, goggles, safety suits, gowns and other equipment, and offers training of medical and laboratory staff.

- **Strengthening the Health Sector** – Together with the European Centre for Disease Prevention and Control, the EU helps Ukraine to receive support on assessment, capacity building, training and upgrade to health systems and public epidemiological systems.

- **Supporting vaccine and vaccination roll-out** to ensure efficient and effective deployment in Ukraine, together with WHO. Also, Ukraine will receive COVID-19 vaccines through the EU supported COVAX facility.

✓ SUPPORTING SOCIAL ECONOMIC AND RECOVERY:

- The EU is offering emergency grants to vulnerable citizens and the elderly.

- Promotion and grants for creativity online under House of Europe are helping **fight against COVID-19 disinformation**.

- **The EU is also supporting SMEs and small farms**, enabling them to access grants, loans and business advice through the **EU4Business** initiative.

- Particular efforts are underway to strengthen the **resilience of southern and eastern Ukraine**, affected by the conflict and destabilisation, and now also by the pandemic. Furthermore, the EU provides humanitarian support on both sides of the line of contact, including essential medical goods, protective equipment, awareness raising and increased food assistance.

- In addition, Ukraine will have access to €1.2 billion of new emergency EU **Macro-Financial Assistance** loans on highly favourable terms to cover immediate, urgent financing needs.

IN FOCUS:

examples of what has already been delivered

Medical equipment supplied together with the WHO to hospitals and frontline workers, e.g.:

100 sets of **Personal Protective Equipment** for ambulance teams

100 plastic defensive face-shields for medical staff in Donetsk and Luhansk oblasts.

More than **100**

oxygen concentrators, enabling over 44 frontline hospitals to help patients recover from severe cases of COVID-19.

Instant Protection Kits for **936 rural amalgamated and small-town hromadas** by the U-LEAD project. Information events reaching over

2,411 leaders and specialists on local level.

Help for **small businesses** in eastern Ukraine to **move online**.

10,000 surgical masks
2,550 FFP2 respirators
6,000 pairs of gloves
more than **100 litres of sanitizer**
386 protective visors
45 contactless thermometers for the State Border Guard Service and State Migration Service via the IOM.

Delivery of food and medicine for over **300 vulnerable families** in Rivne and Kharkiv.

Over **4,000** food deliveries for elderly persons in need in Kyiv, Lviv and Dnipro.

Moreover, the EU has invited Ukraine to join as an observer the **EU Health Security Committee**, where the coordination of measures and the sharing of best practice and information on serious cross-border health threats are ensured, pursuant to EU legislation in this field. Ukraine was also granted access to the **Early Warning and Response System**, established under the same legislation, where threats and public health measures are notified. These decisions reflect the status of Ukraine as a priority partner for the EU and are a strong signal of close cooperation in the fight against COVID-19.

By virtue of its Association to Horizon 2020, Ukraine also participates in the European Research Area vs Corona Action Plan and has accessed the different waves of H2020 calls related to COVID-19 covering a large spectrum of sectors, from medical research to societal consequences of the pandemic.

IN FIGURES

Citizens of Ukraine have taken more than
50 million
trips to the EU since June 2017.

EU-Ukraine bilateral trade has grown by
65%
since January 2016.

More than
€15 billion
mobilised in support of Ukraine's reform process since 2014.

Along with its member states, the EU is the largest donor of humanitarian aid to eastern Ukraine, providing
€154.8 million
in financial assistance to the most vulnerable people affected by the conflict.

THE EU'S SUPPORT TO UKRAINE'S SOVEREIGNTY AND TERRITORIAL INTEGRITY

The EU remains firm in its commitment to Ukraine's sovereignty and territorial integrity. The EU strongly condemns the illegal annexation of Crimea and Sevastopol by the Russian Federation and continues to condemn this violation of international law. 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.

The EU has been strongly supporting efforts to come to a peaceful and sustainable solution to the conflict in eastern Ukraine. It supports the diplomatic efforts of the Normandy format, the Trilateral Contact Group and the OSCE. **The EU's approach is to combine pressure through restrictive measures with diplomatic efforts and continuing dialogue.**

The Russian decree of April 2019 enabling the simplified issuing of Russian passports to residents of the self-proclaimed separatist entities in eastern Ukraine is another attack on Ukraine's sovereignty. This also goes against the objectives and provisions of the Minsk agreements. On 1 October 2019, the EU issued guidelines to its Member States on how to handle visa applications from residents in these areas, including on the non-recognition of passports. EU leaders imposed the first diplomatic restrictions against Russia in March 2014, when sanctions were also imposed against persons responsible for actions against Ukraine's territorial integrity, sovereignty and independence. Economic sanctions against Russia were announced in July and September 2014. Their duration remains linked to the complete implementation of the Minsk agreements.

EU restrictive measures are kept under constant review.

The EU has provided humanitarian, early recovery and, increasingly, development assistance in response to the conflict in the east of Ukraine and internal displacement. This includes €154.8 million of humanitarian assistance and projects on humanitarian demining, psychosocial support, and support to the OSCE Special Monitoring Mission (SMM). The EU and its Member States are the biggest contributors to the OSCE SMM, which monitors the implementation of the Minsk agreements. The €50 million **"EU Support to the east of Ukraine" programme** supports the implementation of reforms in the conflict-affected areas of Donetsk and Luhansk oblasts.

The EU is also stepping up its **support to the Sea of Azov** region to alleviate the impact on the local economy and communities of Russia's destabilising actions in the Sea of Azov and the conflict. This includes: an EU programme office in Mariupol; improving connections, including feasibility studies for rail and road rehabilitation projects, in cooperation with international financial institutions, as well as an additional €10 million to the ongoing "EU Support to the east of Ukraine" programme. **An additional** €5 million has been made available for easily accessible credit (in local currency) to small businesses and another €6 million has been mobilised for demining and psychosocial assistance, as well as for the reintegration of veterans from the conflict in eastern Ukraine (€2 million). The European financial institutions also channel investments to conflict-affected areas; the European Investment Bank has provided a package of €200 million for the early recovery of small-scale damaged infrastructure.