Ahead of the EU-Ukraine Summit
Increasing pressure for progress

SUMMARY

Three years ago, on 21 November 2013, Ukraine's then President, Viktor Yanukovich, caved in to Russian pressure and decided against signing the EU-Ukraine Association Agreement. The following 'revolution of dignity' paved the way for his ousting on 22 February 2014, igniting hope among Ukrainian citizens for a future closer to the European Union.

The Ukraine crisis catapulted the country to the forefront of the EU policy agenda, triggering sanctions on Russia over its illegal annexation of Crimea in March 2014 and its role in the armed conflict in eastern Ukraine. Since then, the EU has significantly boosted its support to Ukraine, which – despite the on-going hybrid war – has continued to make progress on its path towards European integration.

The way forward in EU-Ukraine relations – including visa liberalisation, implementation of the Minsk agreements as well as reforms and anti-corruption measures in Ukraine – will be the focus of the EU-Ukraine Summit due to be held on 24 November. The summit takes place amid uncertainty over future US policy vis-à-vis NATO, Russia and Ukraine, increasing the pressure on both Ukraine and the EU to keep a steady hand.

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Background: Renewed focus on Ukraine amid global uncertainty

Despite setbacks, Ukraine takes further steps towards EU integration

The refusal of Ukraine's then President, Viktor Yanukovich, to sign the EU-Ukraine Association Agreement on 21 November 2013 sparked the 'revolution of dignity', partly fuelled by perceptions of massive corruption. Following the ousting of Yanukovich in February 2014, which eventually gave way to a new pro-Western government, Russia illegally annexed the Crimean peninsula in March 2014,[1] launching a hybrid war against Ukraine to prevent Kyiv from escaping Russia's sphere of influence.

Amid the ongoing armed conflict with pro-Russian separatists in eastern Ukraine, the new pro-Western government – approved in December 2014 – inherited a deeply flawed system with weak institutions and a shattered economy. Despite serious external and internal constraints – including the continued military conflict, the ailing economy, the persistent influence of oligarchs as well as internal strains within the government coalition and between the government, parts of the parliament and President Petro Poroshenko – Ukraine has made considerable progress in implementing reforms over the past two years.

However, political frictions continue, not least over the drive to combat corrupt practices. Most recently, the issue was exemplified by the resignation of the former Georgian president, Mikhail Saakashvili, as mayor of Odessa, accusing Poroshenko of obstructing his attempts at reform. The security situation on the ground also remains volatile, and ties with Russia have been further strained by Russian Federal Security Service (FSB) allegations of 9 November that individuals from Ukraine had been detained in the Crimean peninsula (illegally annexed by Russia in March 2014). In addition, uncertainty over future US foreign policy has caused anxiety in Kyiv.

Uncertainty over continued Western unity regarding Ukraine and Russia

European sanctions against Russia over its role in Ukraine are to be renewed in December against the background of the forthcoming US leadership change. President-elect Donald Trump has made a number of comments suggesting that he may soften US policy towards Moscow, sparking concern among Ukrainians over a potential weakening of US support for their country. For example, Trump has expressed praise for Russian President Vladimir Putin and called into question the EU-US policy of non-recognition of Russia's illegal annexation of Crimea and Sevastopol. Reports suggest that his administration may be open to easing economic sanctions on Russia. This could further deepen EU rifts over the issue, despite EU leaders' and outgoing US President Barack Obama's vow ahead of the EU-Ukraine summit to uphold sanctions on Russia.

In a telephone conversation with US President-elect Donald Trump on 15 November, Ukrainian President Petro Poroshenko emphasised that Kyiv is ready to work with Trump's administration and to further strengthen the Ukraine-US strategic partnership. Poroshenko also stressed the need for Washington's resolute support of Ukraine in countering Russian aggression and implementing crucial reforms.

Ahead of the 24 November EU-Ukraine summit, the perception of urgency regarding Ukraine has thus heightened, sharpening the focus on the EU's role as a reliable backer of Ukraine. The summit will focus on visa liberalisation, the Minsk agreements and reform and anticorruption measures; three major issues that will shape future progress in Ukraine.

Visa liberalisation

Enhanced mobility of citizens is a core objective of the Eastern Partnership (EaP), in which Ukraine is a priority country. Popular among EaP citizens, visa-free access to Europe is seen as a 'carrot' for authorities to implement key reforms. By granting Ukraine visa-free access, the EU would offer proof that Ukraine has 'turned the corner', observers say.

However, some EU citizens see the issue in a different light. Although separate from the EU-Ukraine Association Agreement (AA), visa liberalisation played a key role in turning Dutch voters against the AA in the 6 April 2016 referendum. Against this background, Dutch Premier Mark Rutte said he would work on a compromise to avoid renegotiation of the AA, which has been ratified by all other Member States.

A 'positive signal' ahead of the EU-Ukraine summit

On 17 November, the Permanent Representatives Committee confirmed, on behalf of the Council, its negotiation position and the support for the Commission proposal to provide for visa-free travel for Ukrainians to the EU, along with a new 'suspension mechanism', an emergency brake in case visa-free travel is abused by non-EU nationals. The Slovak Presidency will start negotiations with the European Parliament (EP) on the basis of this. The decision is an explicit 'positive message in the run up to the EU-Ukraine Summit on 24 November' and a signal of support for Ukraine in the light of fears that the new US administration may weaken sanctions on Russia. In its 14 November Conclusions on the Eastern Partnership, the Council underlined the importance of a 'timely finalisation of the decision-making processes required for visa liberalisation for both Georgia and Ukraine'.

> **Visa facilitation — key steps**
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> Visa facilitation and readmission agreements with Ukraine entered into force in 2008. A 'visa dialogue' was launched the same year.
>
> A Visa Liberalisation Action Plan (VLAP) was presented in 2010. The amended visa facilitation agreement entered into force in 2013.
>
> The Commission published its final and positive VLAP report in 2015.
>
> The Commission presented its proposal for visa-free travel for Ukrainian citizens on 20 April 2016.
>
> The Council agreed its negotiating position for visa liberalisation for Ukraine on 17 November 2016.

Implementation of the Minsk agreements

Military situation continues to block other developments

Despite an October 2016 agreement in Berlin among Germany, France, Ukraine and Russia ('Normandy four') to draw up a roadmap by the end of November on how to implement the 2015 Minsk peace deal, the security situation in eastern Ukraine remains tense and unpredictable, with no improvement in sight. Deputy Chief Monitor of the Special Monitoring Mission to Ukraine (SMM) of the Organisation for Security and Co-operation in Europe (OSCE), Alexander Hug, explained in October that 'sophisticated' military supply lines enable either side to 'quickly turn on or off' its violations of the ceasefire.

The SMM recorded 4 000 explosions along the demarcation line, just between 7 and 9 November 2016 (see Figure 1). Following the sharp increase in fighting in eastern Ukraine, SMM Chief Monitor Ertugrul Apakan noted on 10 November 2016 that the 'SMM continues to observe a deterioration of the situation in Donbas, registering over 2 000 explosions daily with a high number of incidents involving the use of weapons proscribed by the Minsk agreements', and condemned violence against the unarmed SMM monitors.

Figure 1 – Weekly totals of explosions of Minsk-proscribed weapons
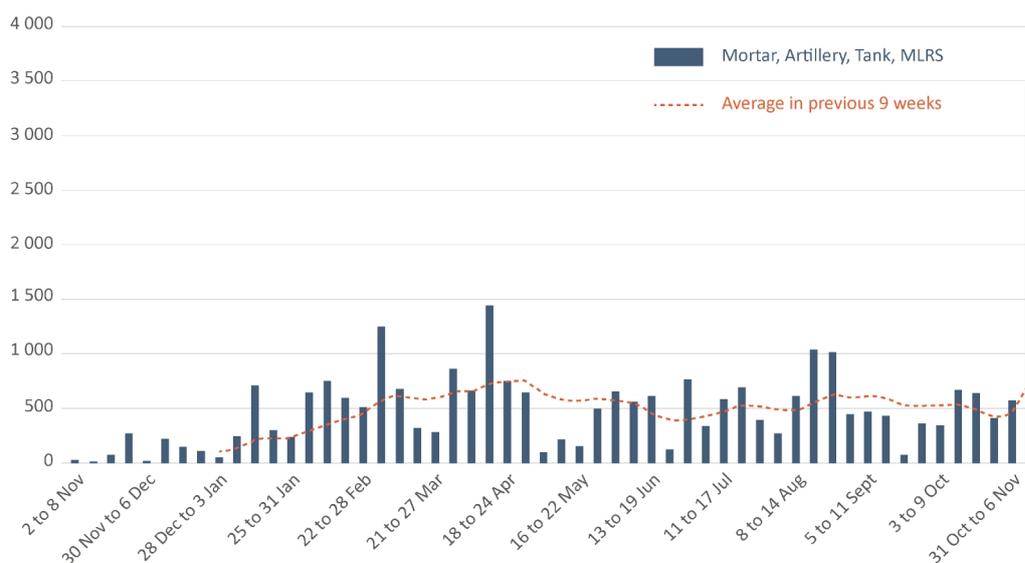
Source: OSCE SMM (17 November).

The Normandy Four agreed in Berlin that the Minsk road map would consist of political, security and humanitarian measures, including plans for the OSCE to deploy an armed police mission in the eastern Ukrainian region of Donbas to secure preparations for local elections. The need for security improvements before holding elections has been a main sticking point in talks so far and is expected to remain a key hurdle. Ukrainian authorities maintain that elections cannot be held until security conditions (including a ceasefire, withdrawal of foreign forces and unhindered access of OSCE observers) have been fulfilled. The Russian leadership, on the other hand, rejects this, demands local elections in the Donbas at the earliest date, and accuses Kyiv of failing to meet its obligations under Minsk II, including passing constitutional changes that would give a degree of autonomy to its eastern regions.

Reform and anti-corruption measures

New large-scale project to be launched in 2017 amid outcry over asset declarations
Ukraine's weak institutions and history of misrule since the country gained independence in 1991 has dampened reformist efforts since the Euromaidan revolution. Over the past two years, reforms have moved forward with support from the EU, including eliminating energy subsidies, establishing a new police force and adopting constitutional amendments on the judiciary. Ukraine has set up anti-corruption institutions and adopted new legislation on anti-corruption measures, on the Public Prosecutor's Office and on public procurement. Still, corruption remains a persistent source of internal and external disillusionment, leading to a number of resignations of high-ranking reformers.

As part of the EU's efforts to help Ukraine combat corruption, in September 2016 EU Neighbourhood Policy and Enlargement Commissioner, Johannes Hahn, and Danish Foreign Affairs Minister, Kristian Jensen, presented a €16 million project to fight corruption in Ukraine. The 'Support to Combat Corruption in Ukraine 2017-2019' programme will run over three years from early 2017, and will be implemented by the Danish Development Cooperation Agency (DANIDA) with the support of the EU Advisory Mission (EUAM) Ukraine. It comprises three core elements:

- Support for institutions in the field of anti-corruption, investigation, prosecution, asset registration and recovery, as well as judicial institutions.
- Improved legislation and capacity to oversee the implementation of reform in the Parliament by supporting the Parliament's Anti-Corruption Committee.
- Support for 'integrity cities' that make genuine efforts to combat corruption; support for regional and local civil society to sharpen the focus on corruption; support for investigative journalism to uncover and report on corrupt practices.

Key anti-corruption efforts move forward, sparking mixed feelings

Meanwhile, authorities have implemented a new e-declaration [system](#) – a condition for visa-free travel to the EU for Ukrainians – which aims to make public officials criminally liable for providing false information. More than 100 000 officials made their assets publicly available, which was hailed as a major [breakthrough](#). However, the success of the scheme has proved to be a [double-edged sword](#) for the political establishment that is formally committed to combatting corrupt practices.

For example, President Poroshenko declared that he is the beneficiary of 104 companies in 10 countries and keeps 540 000 hryvnyas (€19 000), US$26.3 million and €14 300 in bank accounts, as well as 900 000 hryvnyas (€32 000) and another US$60 000 in cash. His income for 2015 was 62.16 million hryvnyas (some €2.2 million). Poroshenko, who was a billionaire before he became president in May 2014) [explained](#) that these assets were acquired before he assumed office. Prime Minister Volodymyr Groysman, who has been in public service for 14 years, declared €1.7 million in cash.

Confidence in the political leadership is challenged at a time when the [average monthly salary](#) in Ukraine is approximately €170, and disposable incomes have decreased due to the economic recession; [demonstrators](#) have protested against the economic situation and the perception that authorities have done too little to tackle corruption.

Recent developments in the European Parliament: MEPs press for visa liberalisation

The Civil Liberties Committee (LIBE) on 26 September 2016 passed a [report](#) which recommended waiving visa requirements for Ukrainian citizens entering the Schengen area. In its [opinion](#) on the visa-free regime with Ukraine, the EP's Committee on Foreign Affairs (AFET) called for Ukraine to be granted a visa-free regime 'without any further delays, in recognition of the progress the country has achieved on its European path since the Euromaidan protests'. On 17 November, the Permanent Representatives Committee [confirmed](#), on behalf of the Council, the April 2016 Commission proposal to provide for visa-free travel for Ukrainians to the EU, along with a new 'suspension mechanism', an emergency brake in case visa-free travel is abused by non-EU nationals. This will form the basis for negotiations with the EP.

On 29 October, Elmar Brok, Chair of the EP's Foreign Affairs Committee, and Andriy Parubiy, Speaker of the Verkhovna Rada, called for the swift [completion](#) of the visa liberalisation process in time for the Euromaidan anniversary on 21 November.

On 17 November 2016, the LIBE Committee backed an [Agreement](#) on Operational and Strategic Cooperation between Ukraine and Europol (2016/0811(CNS)), following the recommendation in the report of Mariya Gabriel (EPP, Bulgaria). The plenary vote is planned for 22 November.

Members of a delegation of the European Parliament's Security and Defence Subcommittee (SEDE), led by its chair Anna Fotyga (ECR, Poland), conducted a [field trip](#) to eastern Ukraine on 4-11 November 2016. Members of the delegation met with the Governor of the Donetsk Oblast, Anti-Terrorist Operations staff officers and the representatives of the OSCE's SMM in Kramatorsk. During their trip, the MEPs condemned the illegal annexation of Crimea, and urged all relevant EU institutions to make visa liberalisation a reality for the citizens of Ukraine.

EU-Ukraine relations: key developments

21/11/2013	Ukraine's government decides against signing Association Agreement with the EU, sparking mass protests in Kyiv.
22/2/2014	Yanukovych flees the country after parliamentary impeachment.
28/2/2014	Forces without identifying insignia occupy strategic facilities in Crimea.
17/3/2014	EU introduces restrictive measures against 21 Russian and Ukrainian officials.
17/3/2014	Putin recognises Crimea's 'independence' following 16/3 'referendum'.
23/6/2014	EU imposes import ban on goods from Crimea.
26-27/6/2014	The Association Agreement with Ukraine is signed.
16/9/2014	The European Parliament and the Verkhovna Rada ratify Association Agreement.
1/11/2014	Beginning of provisional application of the Association Agreement.
15/12/2014	First meeting of the EU-Ukraine Association Council.
12/2/2015	Package of Measures for the Implementation of the Minsk Agreements (Minsk II).
16/3/2015	The EU-Ukraine Association Council endorses the updated Association Agenda.
19/3/2015	EU links its economic sanctions on Russia to the implementation of Minsk II.
22/5/2015	Joint Declaration of the Eastern Partnership Summit. EU and Ukraine sign Memorandum of Understanding for €1.8 billion in financial assistance.
3/7/2015	EP President, Martin Schulz, and Verkhovna Rada Speaker, Volodymyr Groysman, sign Memorandum of Understanding on parliamentary support and capacity-building.
18/12/2015	Sixth and final progress report on Ukraine's implementation of the action plan on visa liberalisation is published, assessing that Ukraine meets all conditions.
1/1/2016	The trade part (DCFTA) of the EU-Ukraine AA enters provisionally into force.
6/4/2016	Dutch voters reject ratification of the EU-Ukraine AA in a public referendum.
20/4/2016	The Commission presents its proposal for visa-free travel for Ukrainian citizens.

Endnote

[1] On 14 November 2016, the International Criminal Court (ICC) in its preliminary findings described the situation within the territory of Crimea and Sevastopol as 'an international armed conflict between Ukraine and the Russian Federation'. Following this, Russia announced that it would withdraw from the ICC.

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