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DRAFT REPORT

on the implementation of the EU Association Agreement with Ukraine
(2019/2202(INI))

Committee on Foreign Affairs

Rapporteur: Michael Gahler

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MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

on the implementation of the EU Association Agreement with Ukraine (2019/2202(INI))

The European Parliament,

- having regard to Article 8 and Title V, notably Articles 21, 22, 36 and 37, of the Treaty on European Union, as well as Part Five of the Treaty on the Functioning of the European Union,
- having regard to the Association Agreement between the European Union and its Member States, of the one part, and Ukraine, of the other part, including a Deep and Comprehensive Free Trade Agreement (AA/DCFTA), which entered into force on 1 September 2017, and to the related Association Agenda,
- having regard to the entry into force on 11 June 2017 of a visa-free regime for citizens of Ukraine, as a result of the amendments to Council Regulation (EC) 539/2001 made by the European Parliament and the Council,
- having regard to its previous resolutions relating to Ukraine, in particular those of 12 December 2018 on the implementation of the EU Association Agreement with Ukraine¹, and of 21 January 2016 on Association Agreements / Deep and Comprehensive Free Trade Areas with Georgia, Moldova and Ukraine², as well as to its recommendation of 19 June 2020 to the Council, the Commission and the Vice-President of the Commission / High Representative of the Union for Foreign Affairs and Security Policy on the Eastern Partnership, in the run-up to the June 2020 Summit³,
- having regard to the Commission and European External Action Service joint staff working document of 12 December 2019 on the Association Implementation Report on Ukraine,
- having regard to the recommendations and activities of the Euronest Parliamentary Assembly, the Eastern Partnership Civil Society Forum and other representatives of civil society in Ukraine,
- having regard to the final statements and recommendations of the meeting of the EU-Ukraine Parliamentary Association Committee of 19 December 2019,
- having regard to the conclusions of its election observation missions to the Ukrainian presidential elections of 31 March and 21 April 2019, and to the early parliamentary elections of 21 July 2019,
- having regard to the disbursement on 29 May 2020 of a EUR 500 million loan to Ukraine as part of the Commission's fourth macro-financial assistance (MFA)

¹ Texts adopted, P8_TA(2018)0518.

² OJ C 11, 12.1.2018, p. 82.

³ Texts adopted, P9_TA(2020)0167.

programme,

- having regard to the unprecedented assistance packages put in place by the EU to help neighbouring countries in the fight against the COVID-19 pandemic, and particularly to the EUR 1.2 billion loans made available to Ukraine by Decision (EU) 2020/701 of the European Parliament and of the Council of 25 May 2020 on providing macro-financial assistance to enlargement and neighbourhood partners in the context of the COVID-19 pandemic⁴,
 - having regard to Rule 54 of its Rules of Procedure, as well as Article 1(1)(e) of, and Annex 3 to, the decision of the Conference of Presidents of 12 December 2002 on the procedure for granting authorisation to draw up own-initiative reports,
 - having regard to the opinion of the Committee on International Trade,
 - having regard to the report of the Committee on Foreign Affairs (A9-0000/2020),
- A. whereas the AA/DCFTA is the cornerstone of the European Union’s relations with Ukraine and a roadmap for reforms, whose full implementation should be considered as the key step towards gradual rapprochement to the Union and progressive compliance with its membership criteria;
- B. whereas in 2019, Ukraine went through a delicate electoral period, both at presidential and parliamentary level, and whereas its handling of that period should be praised;
- C. whereas the pace of Ukraine’s legislative activity has been sustained, sometimes to the detriment of parliamentary scrutiny and the quality of legislation;
- D. whereas although Ukraine has made substantial advancements in its path towards rapprochement to the Union, a number of its reforms still need to be completed and some additional measures still need to be adopted in order to avoid any backsliding;
- E. whereas the full potential of the reforms adopted is still not being realised because of internal institutional instability and contradictions;
- F. whereas support for modernisation, de-oligarchisation, reform and the fight against corruption is still very high among Ukrainian citizens;
- G. whereas before the outbreak of the COVID-19 pandemic, the Ukrainian economy had returned to stability and was growing at a satisfactory rate;
- H. whereas the ongoing global crisis calls for a coordinated approach and exceptional support measure packages;
- I. whereas the independence, sovereignty and territorial integrity of Ukraine is still being undermined by the unresolved conflict in the east of the country and the ongoing Russian occupation of large portions of Donbas and the whole of Crimea;

Common values and general principles

⁴OJ L 165, 27.5.2020, p. 31.

1. Notes that the AA/DCFTA is a blueprint for reform and stresses its paramount importance, especially in these exceptional times;
2. Welcomes the unprecedented aid packages, including macro-financial assistance, made available by the Union to Ukraine to help it to cope with the COVID-19 emergency;
3. Is satisfied that its observation missions assessed the 2019 Ukrainian presidential and parliamentary elections overall as competitive, well-administered and managed in an efficient way;
4. Calls on the Commission to develop and implement qualitative mechanisms to monitor Ukraine's implementation of reforms, including clear benchmarks;

Reforms and institutional framework

5. Welcomes the progress made by Ukraine in fulfilling its commitments enshrined in the AA, particularly in the fields of agriculture, energy, banking, decentralisation and electoral procedures; is, however, concerned that according to the review mechanism of the AA ('Pulse of the AA'), only 37 % of AA implementation-related tasks were completed in 2019;
6. Welcomes the Joint Government-Parliament Roadmap adopted in 2018 and the creation of a joint platform for European integration in November 2019;
7. Commends Ukraine for the progress it has made in reforming its public administration and for adopting a new electoral code in December 2019;
8. Welcomes the decentralisation reform initiated in 2018 and urges Ukraine to complete it;
9. Urges Ukraine to ratify the International Criminal Court's Rome Statute and the Istanbul Convention on preventing and combating violence against women and domestic violence;

Cooperation in the field of the common foreign and security policy (CFSP)

10. Congratulates Ukraine on its new NATO Enhanced Opportunities Partner status;
11. Reiterates the Union's unwavering support for and commitment to Ukraine's independence, sovereignty and territorial integrity within its internationally recognised borders, and its support for the internationally coordinated sanctioning of the Russian Government and agents who are undermining the country's territorial integrity, until such time as all relevant conditions for the lifting of the sanctions have been met;
12. Takes note of the Ukrainian Parliament's adoption of the law on national security in June 2018; urges it, however, to adopt additional legislation aimed at limiting the competences of Ukraine's security service of Ukraine (SSU) in order to transform it into a pure counter-intelligence and counter-terrorism agency;

Justice, freedom and security

13. Is pleased that the National Agency for Prevention of Corruption (NAPC) has been re-

established and that the High Anti-Corruption Court began its work in September 2019; regrets, however, the low number of judgments handed down to date, as well as the lack of a comprehensive anti-corruption strategy since 2017;

14. Regrets that the judiciary is still one of the least-trusted institutions in Ukraine and is concerned by the state it has been in since the October 2019 reform;
15. Welcomes the reform of the office of the Prosecutor-General initiated in September 2019 and stresses the need to ensure the office's full independence; urges the Ukrainian authorities to carry out the reform of the Supreme Court in full compliance with opinion No 969/2019 of the Venice Commission;

Human rights and fundamental freedoms

16. Strongly condemns the violations of human rights and fundamental freedoms perpetrated by the occupying forces in Crimea and Donbas;
17. Takes note of the law on supporting the functioning of the Ukrainian language as the state language and asks the Ukrainian authorities to implement the law in accordance with the recommendations contained in opinion No. 960/2019 of the Venice Commission;

Trade and economic cooperation

18. Welcomes the significant increase in the EU-Ukraine trade flow, as a result of which the Union is currently Ukraine's largest trading partner;
19. Praises the advancements in Ukraine's regulatory approximation with the EU *acquis* and the adoption in November 2019 of a sanitary and phytosanitary strategy;
20. Notes that further progress has been made in aligning Ukraine's customs and border procedures with those of the Union; commends the Ukrainian Government's adoption in May 2020 of the strategy for integrated border management up to 2025 and the subsequent 2020-2022 action plan;
21. Welcomes the adoption in March 2020 of the law on farmland turnover, as well as the adoption in May 2020 of the law on the improvement of certain instruments of banking activity regulation, which reinforces the banking system and prevents PrivatBank from being returned to its former owners;
22. Urges Ukraine to further advance the privatisation of state-owned enterprises and calls on it to lift the moratorium on unprocessed wood exports;

Energy, environment and climate change

23. Welcomes the completion of the unbundling of Naftohaz in 2019 and the creation of a legally independent gas transmission system operator in line with the EU's third energy package;
24. Regrets that the new wholesale electricity market that started operating in Ukraine in July 2019 is still not competitive;

25. Commends the adoption by the Ukrainian Government in February 2019 of the strategy for the state environmental policy up to 2030 and the national waste management plan; urges Ukraine to take action to put an end to the environmental damage caused by the illegal and unsustainable exploitation of natural resources, such as illegal logging in the primeval Carpathian forests, especially in connection with the unlawful Svydovets ski resort project;

Institutional provisions

26. Is pleased with the outcome of the ongoing meetings held and the activities carried out in the context of the Jean Monnet Dialogue;
27. Reiterates its call for the establishment of an Eastern Partnership University in Ukraine and calls on the Union's institutions to reinforce and expand training programmes for Ukrainian legal professionals;

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28. Instructs its President to forward this resolution to the Council, the Commission and the Vice-President of the Commission / High Representative of the Union for Foreign Affairs and Security Policy, and to the President, Government and Parliament of Ukraine.