



EU-Ukraine

Association Agreement

“What does the Agreement offer?”

++++ Basic principles:

From the outset, it was agreed that **the Agreement should take an ambitious innovative approach, include a Deep and Comprehensive Free Trade Area (DCFTA), and go qualitatively beyond the current Partnership and Co-operation Agreement wherever possible.** It should reflect the strategic importance of EU-Ukraine relations. It will provide political association and economic integration.

It contains **binding, rules-based provisions** and cooperation arrangements developed further than in traditional agreements. And it is **comprehensive, covering all areas of interest.**

The Agreement provides **a long-term basis for future EU-Ukraine relations** without prejudging any possible future developments in line with the European Union Treaty.

Special attention has been given to **implementation and subsequent enforcement issues**, including clear timelines and the establishment of an **appropriate administrative and institutional infrastructure, so as to create the necessary predictability for economic operators.**

++++ Key elements:

This ambitious and pioneering Agreement is a concrete way to exploit the dynamics in EU-Ukraine relations, focusing on support to core reforms, on economic recovery and growth, governance and sector co-operation in areas such as, for example, energy, transport, environment protection, industrial and small and medium enterprise (SME) cooperation, social development and protection, equal rights, consumer protection, education, training and youth as well as cultural cooperation.

- > **Values and Principles:** common values, notably democracy and rule of law, respect for human rights and fundamental freedoms, good governance, a market economy and sustainable development;
- > Enhanced cooperation in **foreign and security policy**, with the focus on regional issues, WMD (weapons of mass destruction), non proliferation and disarmament, conflict prevention, and crisis management;
- > **A DCFTA**, which goes much further than classic free trade areas, foreseeing not only the mutual opening of markets for most goods and services, but also binding provisions on gradual approximation with EU norms and standards in trade and trade-related areas, such as standards and conformity assessment rules, sanitary and phytosanitary rules, intellectual property rights, trade facilitation, public procurement, and competition; strong binding provisions on trade-related energy aspects, including on investment, transit and transport;
- > **Justice, Freedom and Security**, based on the Visa Liberalisation Action Plan, covering the rule of law, data protection, migration, the fight against money laundering and financing of terrorism, illicit drugs, fight against organised crime, and counter-terrorism;
- > **Energy** (including nuclear issues) with particular focus on issues concerning security of supply, the gradual integration of energy markets, energy efficiency, renewable energy sources and nuclear safety;

> **Enhanced cooperation in some 28 key sector policy areas**, including transport, environment, cooperation on industrial and enterprise policy, public finance, macroeconomic stability, company law, banking, insurance and other financial services, information society, information technology and telecommunications, tourism, agriculture and rural development, fisheries and maritime governance, mining, cooperation in science and technology, space cooperation, consumer protection, social cooperation, public health, education, training and youth, cooperation in the cultural and audio-visual field, civil society cooperation, cross-border and regional level cooperation etc. **based on gradual approximation with EU acquis** and where relevant also with international norms and standards.

++++ State of Play and content of the Association Agreement

On 30 March 2012 the chief negotiators of the European Union and Ukraine initialled the text of the Association Agreement, which included provisions on the establishment of a DCFTA as an integral part. In this context, chief trade negotiators from both sides initialled the DCFTA part of the Agreement on 19 July 2012. Both EU and Ukraine expressed their common commitment to undertake further technical steps (especially translation), required to prepare the conclusion of the Association Agreement, including the DCFTA.

The EU-Ukraine Association Agreement counts in total over 1200 pages and comprises of

- > A **Preamble** as an introductory statement of the Agreement, setting out the Agreement's purpose and underlying philosophy;
- > **Seven Titles** which concern General Principles; Political Cooperation and Foreign and Security Policy; Justice Freedom and Security; Trade and Trade related matters (DCFTA); Economic and Sector Cooperation; Financial Cooperation with Anti-Fraud Provisions, as well as Institutional, General and Final Provisions;
- > **43 Annexes** "setting out the EU legislation to be taken over by a specific date and";
- > Three **Protocols**.

The Association Agreement in a nut-shell:

- > The AA aims to accelerate the deepening of political and economic relations between Ukraine and the EU, as well as Ukraine's gradual integration in the EU Internal Market including by setting up a DCFTA.
- > The AA is a concrete way to exploit the dynamics in EU-Ukraine relations, focusing on support to core reforms, on economic recovery and growth, governance and sector co-operation.
- > The AA constitutes a reform agenda for Ukraine, based around a comprehensive programme of Ukraine's approximation of its legislation to EU norms, around which all partners of Ukraine can align themselves and focus their assistance.
- > The AA negotiations were not a stand-alone exercise: EU assistance to Ukraine is linked with the reform agenda as it emerges from the result of negotiations. The Comprehensive Institutional Building Programme (CIB) is particularly important in this regard.