



Conclusions of the sixth joint meeting of the European and Ukrainian Domestic Advisory Groups under the EU-Ukraine Association Agreement

Brussels - Kyiv, online meeting

26 January 2023

The representatives of the European and Ukrainian Domestic Advisory Groups (DAGs), set up under the Trade and Sustainable Development Chapter of the Association Agreement between the European Union and Ukraine, held their sixth joint meeting on 26 January 2023.

The participants expressed their commitment to fulfil the mandate laid down in the Trade and Sustainable Development (TSD) Chapter of the Association Agreement, to monitor the implementation of the Chapter and to provide advice to the Parties to the Agreement.

They strongly and unequivocally condemned the unprovoked, unjustifiable and unilateral armed aggression initiated by the Russian Federation against Ukraine on its independent and sovereign territory and thus violating the UN Charter and the global Sustainable Development Goals, as well as other international conventions

Furthermore, they stressed that the post-war reconstruction needed to take into account the process of accession to the EU and respect of the EU acquis in key areas including labour and social rights, environment and climate change, sustainable development and digital transition.

The participants welcomed that Ukraine was granted the EU candidate status as well as continued efforts aimed at rapid implementation of the EU acquis.

The DAGs discussed the following issues:

- labour;
- environment;
- economic aspects of the sustainability;

With regards to **trade and labour** issues, the DAG members:

1. acknowledged the efforts made by Ukrainian enterprises, workers and population at large to keep the economy and trade ongoing in times of war;
1. drew attention to the need to uphold as much as possible workers' labour rights even in times of war taking into account the principle of ensuring decent working conditions and social dialogue;
2. believed that during the martial law employees of small and medium enterprises should not be discriminated;

4. were concerned that some of the recent labour law reforms, namely the laws adopted in 2022 for the period of martial law are not in line with the Ukraine's obligations under ratified ILO Conventions nor with the European values, and they violate the obligations of the EU-Ukraine Association Agreement if these laws continue to be in force once the martial law is lifted. In particular, the provisions of Articles 296¹, 419 and 420² are not taken into account. Furthermore, they undermine principle of decent work and non-discrimination as key elements for sustainable development and trade;
5. expressed their belief that the reform of the labour legislation of Ukraine should take place only through social dialogue, with the involvement of trade unions and employers' organisations and through effective tripartite structures and should not reduce the rights of employees nor the role of trade unions;
6. in this regard, called for respect of freedom of association, rule of law, principle for fair legal actions concerning trade unions and employers' organisations, their leaders and means of their activities in favour of their members;
7. stressed that laws, including for the post-war recovery, needed to be designed with involvement of social partners and civil society and in line with the *EU acquis*;
8. underlined the need to take necessary steps in order to reduce the shadow sector of the economy and to prevent the spread of forced labour and human trafficking;
9. emphasised that the war has led to significant loss of skilled labour, which would have a tremendous impact on the Ukraine's rebuilding process after victory;

With regards to **economic aspects of the sustainability**, the DAG members:

10. discussed the extremely difficult situation for the Ukrainian economy and trade related to the war in Ukraine, which actually made it impossible to achieve Sustainable Development Goals;
11. emphasized that the occupation of territories by the Russian Federation, destruction of industrial facilities, partial lack of access to natural resources, huge volumes of mined agricultural fields and destroyed agricultural infrastructure, destruction of the energy system, as well as heavy losses of the transport system of Ukraine decreased the competitiveness of Ukrainian enterprises in trade for the years to come;

¹ Article 296 on Upholding levels of protection

² Articles 419 and 420 under Chapter 21 on Cooperation on employment, social policy and equal opportunities

12. in this regard, called for support of the stability and competitiveness of Ukraine's economy, which is suffering because of the damage and destruction as result of the war of Russia, leading also to disruption of logistics chains connecting Ukraine with the EU and rest of the world;
13. stressed the need to enhance the cooperation between Ukrainian and EU sectorial clusters and called on the EU to help Ukrainian enterprises to be more involved in European supply chains on the basis of mutually beneficial cooperation in related sectors in Ukraine and in the EU and ensure access of Ukrainian industrial business to financial resources of international finance institutions to carry out green recovery of Ukraine;
14. emphasised that a solid, transparent and open system of sustainable public procurement ~~in line with the EU acquis~~ would be key for a successful post-war recovery and would contribute to economic growth and employment in Ukraine combined with solving environmental problems and preventing pollution and, thus, the introduction of the EU *acquis* in the public procurement of Ukraine should be ensured;
15. welcomed continuing work towards trade facilitation and the signature of the EU-Ukraine Agreement on the Carriage of Freight by Road and the accession of Ukraine to the Conventions on a Common Transit Procedure and on Simplification of Formalities in Trade in Goods and looking forward to the next steps for harmonization toward the EU *acquis* in the field of technical regulation and standardization;
16. drew attention to the need to respect the sanctions and to take maximum measures to limit the dependency on energy and related commodities originating in the Russian Federation to the EU;

With regards to **trade and environment**, the DAG members:

17. expressed their concern about the significant impact of Russia's armed aggression on the environment of Ukraine, including the state of atmospheric air, water, biodiversity, forests, soils, etc.
18. welcomed the initiative of the government of Ukraine to establish an international platform for assessing the environmental and climate damage announced during COP27, and call on other states to support this initiative through the development of joint mechanisms for compensation for damage caused to the environment;
19. underlined that the tax system, the state aid and other available tools of financial support in combination with training programs on their application should stimulate the green modernization of enterprises, the production of environmental products and the creation of the so-called green jobs;

20. in the context of the accession process, discussed the need to implement the EU acquis that regulates trade in environmental goods, services and technologies (green market), as well as keeping statistical information on trade in such goods and services in accordance with the Eurostat methodology.
21. called for further and immediate EU assistance in the implementation of the European Green Deal and Farm to Fork Strategy in Ukraine for a full and sustainable recovery, the modernisation of the Ukrainian economy, and the re-equipping and decarbonisation of industry, which will contribute to the economic integration of Ukraine and its faster accession to the EU, and at the same time make Europe stronger and more resistant to energy and climate dangers. In this regard, the Ukrainian side expressed the need to ensure a step-by-step application of Carbon Border Adjustment Mechanism (CBAM), taking into account the state of the Ukrainian economy;
22. insisted on the need for a green recovery of Ukraine, based on principles of sustainable development, sustainable food systems, and for the integration of environmental and climate issues into all sectoral and regional reconstruction plans, and stressed the need for a genuine involvement of civil society in the planning, implementation and monitoring processes;
23. emphasised that the green reconstruction of Ukraine should be carried out in conjunction with relevant reforms in the field of the environment and climate change that would ensure the implementation of the EU acquis, in particular, the adoption in Ukraine of a stimulating system of state aid and taxation, which would ensure the recovery of enterprises;
24. underlines the importance of addressing animal welfare during the war time, as well as in the recovery and reconstruction process of Ukraine in order to implement the relevant EU legislation and support the transition towards sustainable food production methods, thereby benefiting the welfare of people, animals and the environment;
25. emphasized that the implementation of environmental and climate legislation and policy should take place in such a way as to fully comply with EU requirements and ensure the implementation of the provisions in practice, which is especially important for Ukraine's accession to the EU.