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FOR EUROPEAN
POLICY



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Why EU Candidacy for Ukraine Now?

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ARGUMENT 1

Candidacy is not granting immediate EU membership

EU candidate status does not mean instant membership accession or even immediate start to negotiations, so it does not provide the country an immediate right to join the EU. Ukraine does not insist on receiving a fast-track procedure to become an EU member state. However, it is clearly committed to fulfilling the Copenhagen criteria for accession. Despite promises by Brussels to accelerate the granting of candidacy status, Ukraine does still need to implement an enormous amount of EU *acquis communautaire* to become a part of the EU Single Market and Customs Union. Both the Ukrainian government and civil society clearly realize that they have been continuously working (often in tandem) on the implementation of the Association Agreement (AA) / The Deep and Comprehensive Free Trade Areas (DCFTA) and achieved important progress in this respect. According to the report of the Ukrainian Centre for European Policy (UCEP) Ukraine has implemented 49% of its obligations (including intermediary steps) under the framework of the AA in the 1st half of 2021. In January 2022, the PM of Ukraine Denys Shmyhal announced the figure of 63% for the overall progress in implementing the AA. However, it is crucial for Ukraine to receive EU candidate status at this particular time. Firstly, because it will send a powerful positive geo-political signal to Ukrainian society amid the ongoing Russian war. Secondly, it will serve as a "positive motivator" to stimulate the Ukrainian authorities and the whole of society to further implement pro-European reforms. With this new candidate status, Ukrainian civil society, as well as its international partners, will get an important leverage to advocate crucial, often painful, pro-European reforms and, if necessary, put pressure for change on the Ukrainian Government and other institutions.

At the same time Ukraine is an undisputed geographical European country with European common democratic values. Russia's war has proven the maturity of the Ukrainian democracy beyond any doubt with evident robust institutions of the state which have withstood the stresses of unprovoked direct military attack and managed to still uphold the full rule of law. This means the right for Ukraine to invoke Article 49 TEU on the right to EU membership for European countries which could never be seriously disputed is now enhanced by Ukrainian demonstrated observance of Article 2 TEU and a firm commitment to adopting the Copenhagen criteria.



ARGUMENT 2

Candidacy would open the doors for mutually beneficial sectoral cooperation between EU and Ukraine

Implementation of the reform agenda by Ukraine under EU candidate status will lead to further development of mutually-beneficial relations between the EU and Ukraine and enhanced sectoral cooperation in areas such as:

- ◆ Reduction of food inflation in EU member states. Food inflation has been rising considerably in the EU since the war started. In March the food price index was 6.9% (month on month change). Ukraine was the 4th biggest supplier of food to the EU in 2021 (5.3% of all food imports). Ukraine is also very important as a supplier of different foods. For example, currently Germany has some difficulties with mustard provision since the seeds are mostly produced in Ukraine.
- ◆ Provision of food security and political stability due to the reduction of risks of famine in other countries (especially in Africa and the Middle East). Ukraine delivers 42% of global food exports of sunflower oil, 16% of corn and 9% of wheat.
- ◆ Against the background of a progressive phasing out of Russian oil and gas from the European markets and soaring energy prices, deeper integration of Ukraine into the EU energy markets may be a mitigation factor. The recent success of properly working test synchronization of the Ukrainian power system with the European one ENTSO-E would enhance the relatively cheap electricity exports from Ukraine estimated up to between 4 and 6 GW per year. Ukraine has already had a very important role as a natural gas market player in Europe buying significant amounts of gas and leveraging the crucial flexibility of European gas supply by its vast underground gas storage facilities. Ultimately, Ukraine is supposed to be one of the cornerstones of the European Green Deal policy as a source of green hydrogen imports and the destination of European investments into renewables.
- ◆ Involvement of EU companies and EU labour market to the post-war reconstruction of Ukraine.
- ◆ Ukraine enjoys a strong tradition of higher education with a large number of highly skilled workers and university graduates with technical expertise who can both work in EU states in shortage specialties but also provide a stable and skilled workforce for implementing EU FDIs.



ARGUMENT 3

Rule of Law reforms is the key for rapprochement of Ukraine with the EU and successful post-war recovery under any format of candidacy

EU candidate status will provide a strong requirement to scrutinise and oversee the implementation of anti-corruption, independence of the judiciary, rule of law and other necessary political reforms. Currently, some EU member states are sending political signals to Ukrainian authorities that their position on granting candidate status to Ukraine will depend a lot on the results of the proposed Judicial Administration reform, namely the relaunch of the High Council of Justice (HCJ) and the High Qualification Commission of Justice (HQCJ), which was started in July 2021, when the relevant legislation was adopted. Despite the full-scale Russian invasion of Ukraine, the reform process and vetting of the sitting and external candidates for these institutions, which was initially paused after 24 February 2022, was to Ukraine's extraordinary credit resumed on 25 April.

This shows the readiness of the Ukrainian state to continue implementing these crucial reforms even against the background of the war. The EU candidacy will help not only to provide external control, but also to further stimulate fundamental political reforms in Ukraine.

EU candidate status for Ukraine will provide a strong impetus and support for crucial institutional reforms such as decentralization, public administration reform, enforcing anti-trust law etc. These reforms are vital for the proper functioning of a modern market economy and they will aid prevention of non-transparent use of EU funds for the post-war reconstruction of Ukraine. EU candidate status will provide robust and well-defined EU pre-accession instruments for their proper distribution and monitoring.



ARGUMENT 4

It's a crucial moment for EU for revision and update of the European Neighbourhood Policy

Art 49 of the Treaty on the European Union provides that any European country may apply for membership if it respects the democratic values of the EU and is committed to promoting them. Since 2013, Ukraine has clearly demonstrated its commitment to EU values, including in its conduct during war. Granting of EU candidate status and further political and economic integration of Ukraine can become a powerful impetus for the unity and strengthening of the EU itself, an initial peace, security and prosperity project, especially in the aftermath of the recent Conference on the Future of Europe.

Europe is going through a critical moment which requires innovative political decisions, in particular, with regard to its relations with the immediate neighbours.

Given the unprecedented public support of Ukraine's membership in the EU, both in Ukraine (91%) and the EU (66% agree that "Ukraine should join the EU when it is ready", with over 50% of support in 26 out of 27 EU MS's), decision-makers should follow the popular lead and meet the expectations of the general public. The EU needs to go beyond its traditional approach and capture the opportunity of the moment to renew itself.



ARGUMENT 5

Balkans' problem

There is an opinion that Ukraine should not be ahead of the candidate countries of the Western Balkans, which have been waiting for EU accession for years. It is stated that there is already a high level of instability there, and prioritizing Ukraine may further aggravate instability in the Western Balkans region and cause a real conflict.

Ukraine's accession to the EU should depend solely on Ukraine's progress in implementation of its European integration commitments. It is not fair to make Ukraine's relations with the EU dependent on the accession of the Western Balkan countries. Because Ukraine neither can nor should influence the progress of other countries in fulfilling their obligations. This approach is well known in EU circles as the "regatta principle" in the EU accessions process.



ARGUMENT 6

This war is also about EU's resilience

...and limiting Russia's influence in the region. The use of hybrid warfare has been enshrined in Russia's military doctrine for years, and Russia has learned to use its malign influence effectively. The West has repeatedly underestimated the soft power Russia wields. This was evident during the 2016 Netherlands referendum on the EU-Ukraine Association Agreement, 2017 French elections, and numerous other occasions. After the war ends, it would be naive to think that Russia's general hostile stance towards the West would undergo significant changes. Therefore, the West should be ready and use all possible instruments to preserve its unity and peace across Europe, as well as develop more resilience of its democratic institutions and societies.



ARGUMENT 7

Economic integration is a win-win for the EU and Ukraine

Ukraine is a reliable trade partner for the EU and a large consumer market. In 2021, Ukraine was the 17th largest partner for EU export of goods (1.3 %) and the 15th largest partner for EU import of goods (1.1 %). Ukraine-EU trade has been steadily growing since 2015. Ukraine is an important supplier for iron and steel, grains and vegetable oil, electricity equipment and other goods into the EU. In 2021, the most exported goods from the EU to Ukraine were machinery and vehicles, other manufactured goods and chemicals. Further EU-Ukraine economic integration will create new possibilities for business and further develop the existing cooperation in a number of prospective areas such as machine-building, transport, green energy, digital economy and many others.



ARGUMENT 8

Ukraine has already a long track record of EU acquis implementation while dealing with the Association Agreement with the EU

Since the conclusion of the Association Agreement with the EU in 2014, Ukraine has undergone an eight-years long track record of reforming of its economy and society in line with EU standards and demonstrated tangible progress with implementation of European legislation. The Ukrainian Centre for European Policy estimates that 49% of Ukraine's commitments under the Association Agreement are already fulfilled.

Ukraine has been a reliable and enthusiastic Eastern partner of the EU, which has invested extensive institutional and political capital in the implementation of the AA, including the:

- ◆ Development of the institutional structures coordinating the implementation of the euro-integration process. This includes the creation of the Government Office for European and Euro-Atlantic integration of Ukraine and the appointment of Deputy Ministers specifically responsible for European integration in the line ministries.
- ◆ Establishment of the community of experts, lawyers and civil servants who have driven the legal approximation in the framework of Association Agreement implementation.
- ◆ Achievement of significant results in approximation of Ukrainian legislation to the EU requirements. Ukraine has started and advanced a legal approximation process in virtually all chapters of the Association Agreement. Those chapters resemble those of the accession negotiations process, making Ukraine more advanced than many former candidates at the beginning of the process.

Ukraine has carried out a number of important sectoral reforms, which have already changed the country in a number of sectors, including:

- ◆ Electricity and gas markets reform, synchronization of Ukrainian electrical power system with the European ENTSO-E;
- ◆ Implementation of a transparent public procurement system;
- ◆ Decentralization and enhancement of capacity of local government authorities;
- ◆ Market surveillance reform and implementation of EU technical regulations;
- ◆ Corporate governance transformation;
- ◆ Implementation of EU legislation to accede to the common transit procedure (NCTS).



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