

JOINT STATEMENT
Ukraine – EU Trade and Sustainable Development Sub-Committee
to the Joint Civil Society Forum

(11 June 2024)

Representatives of the Ukrainian authorities and the European Commission held the Trade and Sustainable Development (TSD) Sub-Committee on 11 June 2024 (via videoconference Kyiv-Brussels), dedicated to the implementation of the TSD Chapter of the Ukraine – European Union Association Agreement.

On 13 June 2024, the parties will debrief the Civil Society Forum on the issues discussed during the last meeting of the TSD Sub-Committee.

The 7th meeting of the Trade and Sustainable Development Sub-Committee noted that more than two years have passed since the start of the Russian full-scale war of aggression Ukraine. The EU reiterated its full support of Ukraine.

The EU confirmed that, despite Russian aggression, Ukraine and the EU managed not only to maintain trade but also to significantly increase it.

General update on trade and sustainable development policy

The Sub-Committee noted the importance of civil society participation and the good practice of the EU and Ukrainian Domestic Advisory Groups providing joint statements ahead of the Sub-Committee, which allows for their views to be taken into account.

Ukraine informed that it recognised itself as an integral part of the European Green Deal and committed to contributing to joint efforts to create a climate-neutral European continent, in particular, within the framework of the Paris Agreement, the UN Sustainable Development Goals by 2030 and the Ukraine-EU Association Agreement.

Ukraine has committed itself to implementing Directive 2003/87/EC establishing a system for the trading of greenhouse gas emission allowances within the Energy Community, as well as Article 363 and Annex XXX of the Association Agreement.

The Ukrainian side confirmed that the adoption of the NECP is an obligation of Ukraine under the Energy Community Treaty. The NECP, which covers five dimensions, namely decarbonisation, energy efficiency, energy security, domestic energy market, and research, innovation and competitiveness, is also a condition for financial assistance under the Ukraine Plan. .

Ukraine has announced the implementation of the project “Circular Economy - Promoting Sustainable Production and Consumption Models in Ukraine”, funded by the EU that intends to assist in introduction of circular economy principles in Ukraine and achieve sustainable development and sustainability goals in the future.

The EU updated the Sub-Committee regarding the implementation of the Communication on trade and sustainable development entitled “The power of trade partnerships: together for green and just economic growth” from June 2022. The EU highlighted how the Communication strengthens and enforces TSD chapters in the EU’s trade agreements across its twenty action points. The EU also highlighted the context of the EU autonomous instruments such as on forced labour, deforestation and corporate due diligence.



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Progress on selection of candidates for the Group of Experts

The Sub-Committee noted that the procedure to select candidates is ongoing in the EU. The TSD Sub-Committee agreed to aim to conclude the appointment of experts in accordance with Article 301(3) by the next its meeting in 2025.

Trade and labour

The EU expressed appreciation for the continued engagement on labour matters even in the current extremely difficult circumstances. It highlighted the importance of upholding labour rights as much as possible, even in times of war and reiterated that ensuring labour rights and decent working conditions in line with the EU *acquis* and international labour standards will be key for a sustainable recovery after the war. The EU highlighted the importance of genuine participation of social partners when developing legislation, as also highlighted by the domestic advisory groups in their joint statement.

Ukraine has informed about the development of the draft Labor Code of Ukraine, draft laws in the field of labor relations developed by the Ministry of Economy and adopted laws of Ukraine dated 25.04.2024, namely No. 3677-IX “On Amendments to the Labor Code of Ukraine on Labor Relations in the Transfer of a Business Entity” and No. 3680-IX “On Amendments to Certain Legislative Acts of Ukraine on the Regulation of Domestic Workers”.

The Ukrainian side has provided information on the draft Law of Ukraine “On Safety and Health of Workers at Work” (Reg. No. 10147 of 13.10.2023) developed with the aim of forming a new national system of occupational risk prevention by introducing a risk-based approach to the organization of safety and health of workers at the legislative level and implementing the provisions of Council Directive 89/391/EEC of 12.06.1989 on the introduction of measures designed to promote the improvement of the safety and health of workers at work.

Ukraine has announced the presentation of the draft updated version of the Green Paper “Towards Effective, Impactful and Inclusive Social Dialogue in Ukraine”, which took place on 29.05.2024 with the support of the ILO Project “Inclusive Labor Market for Employment Creation in Ukraine”.

Ukraine informed about the consequences of mobilization to the labour market, labour shortages, especially in professions involving men, as well as measures planned to overcome them.

Regarding the modernisation of labour relations, the parties agreed on the importance of ensuring alignment with applicable EU *acquis* and international labour standards, including in the draft laws on labour and on occupational health and safety.

The parties agreed on the need to improve social dialogue and on the importance of ensuring compliance with international labour standards on freedom of association and collective bargaining.

Ukraine has informed that the State Labor Service has been granted permission to conduct unscheduled state supervision (control) measures in the field of labour protection, labour hygiene, as well as supervision and control over compliance with labour legislation based on an employee's request.

Regarding the modernisation of labour relations, the EU noted that Ukraine is working on an important revision of its labour legislation, through the development of a new draft

Labour Code, alongside the draft law on health and safety at work, which represents a key opportunity to develop legislation in line with the EU acquis and International labour standards. The EU reiterated its availability to provide the necessary technical support and also expressed expectation that the new Labour Code will put an end to current legislation that is not aligned to international labour standards. The EU underlined the importance of a meaningful involvement of social partner organisations in the reforms undertaken. The EU also enquired about the issue of wage arrears.

Regarding social dialogue and collective bargaining, the EU highlighted the importance of the topic as demonstrated by several steps taken by the EU, namely the adoption in June 2023 of the Council recommendation on strengthening social dialogue and collective bargaining in the EU, of a Tripartite Declaration agreed at the Val Duchesse Summit in January 2024, and of the La Hulpe Declaration of 2024. The EU stressed the importance of the genuine involvement of social partners in labour and social reforms, in particular for legislation directly affecting them. The EU sought an update on the functioning of the National Tripartite Council. The EU stressed the importance of applying ILO standards when developing legislation in the areas of freedom of association and collective bargaining.

Regarding labour inspection, the EU acknowledged the efforts of the Ukrainian labour inspectorate to promote awareness of labour rights and fight against undeclared work in the current extremely challenging context. The EU recalled concerns regarding the compliance of the overall labour inspection system with international labour standards, and reiterated its expectations regarding alignment of legislation and practice with ILO conventions on labour inspection.

Environmental protection, climate change, renewable energy/energy efficiency.

The EU presented the main issues related to the Waste Shipment Regulation and also Deforestation Regulation.

Ukraine informed about the environmental damage caused by the war of aggression of the Russian Federation against Ukraine.

Ukraine highlighted that the Government approved the Resolution of the Cabinet of Ministers of Ukraine of July 28, 2023 No. 783 “Some issues of the functioning of the service for recording the facts of damage to the environment as a result of emergencies, events, armed aggression of the Russian Federation ‘EcoThreat’, and developed the Environmental Declaration, which initiates the creation of a Global Environmental Platform for assessing environmental damage from the armed aggression of the Russian Federation against Ukraine; and a memorandum was signed with PricewaterhouseCoopers on cooperation in collecting evidence of Russia's environmental crimes.

Ukraine reported that currently the Ministry of Justice has registered seven methodologies that allow to determine the damage and losses caused to land, soil, air, water resources, nature reserve fund regarding the loss of forests, water and subsoil.

The EU emphasized the importance of thorough documentation of all environmental damage, and stressed its concern by the scale of damage. The EU pointed to the need to restore nature after the war, stressed the role of municipalities and civil society, and advocated for observing build-back-better and do-no-significant-harm approaches, and wide use of environmental assessments, with derogations only if absolutely necessary and justified.

Ukraine noted that energy efficiency policy has gone beyond environmental and economic issues, as is now closely correlated with national security.

Ukraine also provided an update on its efforts in the implementation of energy efficiency reform. In particular, the adoption of Long-term strategy for thermal modernization of buildings for the period up to 2050 (Order of the Cabinet of Ministers of Ukraine No. 1228-r dated 29.12.2023).

Ukraine emphasized the need to support communities in developing energy plans, as this work is quite complex and time-consuming, especially at the stage of data collection.

Ukraine informed about the update of technical regulations on eco-design and labelling of energy-consuming products, which, together with the public procurement reform, ensures the application of the Energy Efficiency First approach in practice. Ukraine expressed interest in rebuilding its infrastructure using energy efficiency approach and called upon the EU to consider and support such action.

The EU has expressed hope that Ukraine will be able to monitor greenhouse gas emissions already. Ukraine reported on the results of the latest study conducted by a group of international and national experts on direct and indirect greenhouse gas emissions caused by military operations on the territory of Ukraine.

The EU sought an update about the developments around the planned Svydovets ski-resort in the Carpathian Mountains, and expressed concerns noting in particular the announcement of the extension of the project. The EU highlighted that in case of large investments a transparent procedure with the involvement of civil society is needed. In addition, this investment could have a transboundary impact for the EU and is subject to Espoo Convention proceedings. The EU highlighted concerns about the negative impact on the environment, including forest clearings, impact on water, waste management problems, impact on biodiversity, and reminded the importance of a thorough Environmental Impact Assessment. The EU enquired about the law No.9516 in the pipeline to abolish EIAs for sanitary clearcuts smaller than 10 hectares.

Other issues

The parties agreed to finalise the operational conclusions that summarise the steps to be undertaken by the parties until the 8th TSD Sub-Committee.

The parties encourage their respective Advisory Groups to actively engage with civil society at large to monitor progress in implementation of the TSD Chapter and provide further inputs to the discussions. The TSD Sub-Committee looks forward to the Advisory Groups' as well as to the open Civil Society Forum's views in this regard.