

# Remarks by President Jean-Claude Juncker at the joint press conference on the occasion of the EU-Ukraine Summit with Petro Poroshenko, President of Ukraine and Donald Tusk, President of the European Council

Mr President Poroshenko,

President Tusk,

Ladies and Gentlemen,

It is my great pleasure to welcome my good friend Petro back to Brussels to attend this 20<sup>th</sup> Summit between Ukraine and the European Union. It is the fourth time that as a President of the Commission I am attending these meetings. But in fact the first Summit between Ukraine and the European Union took place on 5 September '97 when I was President of the European Council – that existed before you were appearing here, President of the European Council. At least I started this against the intention of the then Commission chaired by a Luxembourger, but that is a different thing. So I am happy that we are meeting again and I am really more than satisfied with the progress we have made over recent years. In the last four years, thanks to the leadership of the Ukrainian President, we have made by far more progress than those we have made in 20 years before. This is proving that the Ukrainian people, a courageous people, a great nation and a leader in charge of the destiny of the Ukrainian nation have delivered.

I am happy that we were able – thanks to the efforts of the President of Ukraine – to have the visa-free travel to the European Union. This was done back in 2017 and I am more than delighted that half a million people from Ukraine have already made the most of this new opportunity. This is bringing people together, this is bringing nations together and this visa-free regime for Ukraine is working without any kind of problems. Those who have visas, they are going back in the indicated time and so we do not have negative side effects and this is proving once again that the Ukrainians are people worth of trust.

We have good results since we signed back in September 2017 the Association Agreement and its Deep and Comprehensive Free Trade Area with Ukraine. The bilateral trade went up by almost 25% last year and the number of Ukrainian companies exporting to the European Union is also up by over 40%, going from 10,000 to 14,136, which is an encouraging result and which is helping Ukraine to grow in a steady pace. Of course, the more Ukraine is reforming, the more the support of the European Union will be developed in an adequate and

corresponding way.

I am welcoming – because I was insisting on that for years – the reform in the field of the fight against corruption which is a very important issue both for Ukraine – and I know the President is committed to that goal – and for the European Union. We have to perfect, to improve some details of this legislation but it will be done in the next coming days or week.

Since I took office, out of the EUR 12.8 billion pledged to Ukraine, the EU and the European financial institutions have mobilised so far over EUR 11 billion. We have made as a Commission a proposal for the 4<sup>th</sup> Macro-Financial Assistance programme. It was signed days ago by the Council of Ministers and by the European Parliament. This is a commitment I made under conditions to President Poroshenko personally and it will provide EUR 1 billion to support the continued reform efforts.

I am delighted that earlier today a EUR 75 million loan from the European Investment Bank was signed. This will go towards improving road infrastructure in Kiev and for other cities, amongst which Odessa has to be mentioned, to make life easier for commuters and to improve road safety across the country.

So, all in all I am very happy with the Luxembourgish part of my speech and the following, weaker part in a different language.

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## EU-Ukraine Summit: Ukraine's continued commitment to reforms supported by the EU

The President of the European Commission, Jean-Claude **Juncker**, and the President of the European Council, Donald **Tusk**, represented the European Union. Ukraine was represented by its President, Petro Poroshenko. The High Representative of the EU for Foreign Affairs and Security Policy and Vice-President of the Commission Federica **Mogherini**, Vice-President Maroš **Šefčovič**, Vice-President Valdis **Dombrovskis**, and Commissioner Cecilia **Malmström** also participated for the European Union.

*"In the last four years, we have done more together than in the last 20. That is testament to the efforts of the Ukrainian people and President Poroshenko. And it shows that the European Union will keep supporting and standing by you", [said](#) the President of the European Commission, Jean-Claude **Juncker**. "Since last year, more than half a million Ukrainian citizens have made the most out of visa free travel to the European Union and our bilateral trade has gone up by almost 25%. The number of Ukrainian companies exporting to the EU is up by over 40% since 2014. This shows just how much can be achieved*

*when we work together in full trust and confidence. This is how we must now go on. The more Ukraine reforms, the more the European Union will support.”*

The full remarks of President **Juncker** at the press conference following the Summit are available [online](#). The European Union and Ukraine have issued a [Joint Summit Statement](#) which illustrates the comprehensive nature of the partnership and acts as a building block for enhanced cooperation moving forward.

## EU and Ukraine: moving forward together

Ukrainian citizens have consistently demanded reforms for their country that would bring a brighter, more prosperous future for them and for generations to come. The **EU-Ukraine Association Agreement**, including its Deep and Comprehensive Free Trade Area, has been in force since [1 September 2017](#) and responds to these demands. Although work must still continue to improve the business climate in Ukraine through curbing corruption and eliminating protectionist measures, the full implementation of the Agreement, together with Ukraine's continued progress in delivering its related reform agenda, has already delivered significant benefits to the Ukrainian people, as well as to EU citizens:

- The standards that Ukraine met to achieve **short-stay visa-free travel** to the EU for its citizens have been maintained, enabling over 500,000 to benefit from this opportunity and bringing the people of Ukraine and the EU closer together;
- Ukraine has launched important reforms on **health, pensions and education** to improve the living standards of its citizens;
- **Decentralisation** has merged and reformed more than 700 local communities in Ukraine, enabling their inhabitants to take advantage of increased budgetary resources and better public services;
- **Economic reforms** have increased the overall trade between the European Union and Ukraine by almost 25% in 2017, creating jobs and increasing prosperity all across our free trade area.

Over €11 billion of the European Union's initial support package of €12.8 billion for Ukraine's reform efforts has now been delivered. Today's summit was an opportunity for EU Leaders to continue to show their unprecedented support for Ukraine's reform agenda.

Leaders announced the **preparation of priority programmes for 2018**, worth up to €200 million. These programmes will aim at:

- Generating more contacts between Ukrainian and EU citizens;
- Helping to modernise the vocational education and training systems;
- Improving energy efficiency in residential buildings through the recently established Energy Efficiency Fund;
- Supporting wider efforts in the implementation of the Association Agreement.

In addition, through the [External Investment Plan](#) the EU intends to strengthen investment-related support, including the Reform Contract for

Investment, which triggers funds through concrete reform achievements.

Leaders welcomed the recent decision of the European Parliament and the Council to provide Ukraine with further **Macro-Financial Assistance** of up to €1 billion to support economic stabilisation and structural reforms. EU Leaders stressed that the new programme will be conditional on continued progress on reforms, in particular in the area of the **fight against corruption**, which remains a key area for Ukraine.

EU Leaders stressed the importance of stepping up anti-corruption efforts, in particular to complete the transitional phase establishing the High Anti-Corruption Court, notably by allowing the court to deal with the existing cases as well. The independence and effectiveness of anti-corruption institutions needs to be further strengthened, while there is a need to thoroughly investigate and recover the assets of the PrivatBank banking fraud. Establishing an effective verification mechanism of electronic asset declarations and revoking the electronic asset declaration obligation from civic activists was also stressed.

While steps have been taken to fight corruption in Ukraine, other areas of the reform agenda, supported by the European Union, have also seen impressive progress since the last EU-Ukraine Summit in 2017. These include:

- Public administration reform;
- Environmental protection;
- Public procurement;
- Energy efficiency;
- Privatisation;
- Governance of State-owned enterprises.

EU leaders reconfirmed the role of Ukraine as a strategic transit country for gas. They agreed on the need for continued reforms in the energy sector, in particular to complete gas and electricity market reform, which would bring long-term benefits. The EU welcomed the adoption by Ukraine of a roadmap on its integration into the [European Research Area](#). In the margins of the Summit, the European Investment Bank (EIB) [signed a €75 million loan agreement](#) with the Ministry of Infrastructure of Ukraine to support key investments in urban road safety in five Ukrainian cities: Dnipro, Kharkiv, Kyiv, Lviv and Odessa.

The European Union reiterated its continued and unwavering support for Ukraine's independence, sovereignty and territorial integrity. The European Union condemns and does not recognise the **illegal annexation of Crimea and Sevastopol** by the Russian Federation.

Leaders reiterated the **full implementation of the Minsk Agreements** as the basis for a sustainable and peaceful settlement of the conflict in eastern Ukraine. As a concrete illustration of the EU's support for Ukraine in dealing with the impact of the ongoing conflict, EU leaders announced up to €4 million to **strengthen community resilience and reintegration of veterans**. The EU also recently announced, in March, €16 million in additional funding to the [OSCE Special Monitoring Mission](#), taking its leading contribution to

€49 million in total.

Leaders also discussed the continuing deterioration of the **human rights situation** in certain areas of the Donetsk and Luhansk regions not currently under the control of the government, as well as in Crimea and Sevastopol. The European Union expects the Russian Federation to immediately **release all illegally detained Ukrainian citizens** in the Crimean peninsula and in Russia.

Finally, Leaders addressed cooperation in the field of **Common Security and Defence Policy**, where the EU remains committed to civilian security sector reform through the [EU Advisory Mission in Ukraine](#), as well as further cooperation against **hybrid threats**. EU Leaders also encouraged Ukraine's continued active role to take forward the **Eastern Partnership**, in particular the implementation of the 20 Deliverables for 2020.

### Further Information

[EU-Ukraine Summit website](#)

[Joint Statement following the 20<sup>th</sup> EU-Ukraine Summit](#)

[Remarks of President Jean-Claude Juncker at the press conference following the 20<sup>th</sup> EU-Ukraine Summit](#)

[EU-Ukraine relations factsheet](#)

[Delegation of the European Union to Ukraine website](#)

[European Commission Support Group for Ukraine website](#)

[EU-Ukraine trade relations](#)

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## [20th EU-Ukraine summit joint statement](#)

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## Benoît Cœuré: Asserting Europe's Leadership

Global governance since World War II has been characterised by American leadership. According to the famous distinction introduced by Thucydides in his *History of the Peloponnesian War*<sup>[1]</sup>, leadership can be exercised in two very distinct ways.

“Legitimate” leadership builds on trust and common identities. This is what the ancient Greeks called *hegemonia*. But leadership can also be based on *arkhe*, which can be understood as exercising powers through command and control. Interpretations suggest that the move from *hegemonia* to *arkhe* is what Thucydides saw as the root cause of Athens’ defeat by Sparta.

I would argue that American leadership over the past seven decades was of the first, legitimate type.<sup>[2]</sup> In other words, it went largely unchallenged because it was built on shared fundamental values that brought nations around the globe together – the values of human rights, freedom, democracy, equality and the rule of law. These are also the values for which we Europeans stand.<sup>[3]</sup>

Globalisation and free markets were a natural consequence of American hegemony. Both rested on the ideological victory of the capitalist system on which the US economy is built. Free and open markets were seen as a vehicle to sustain and expand this economic model.

Ironically, this system is now being challenged by its most ardent champion.

Putting one’s country first marks a departure from the sort of prudent and vigilant policy that leadership by a legitimate hegemon would entail. The transactional nature of such an approach arguably belongs much more to *arkhe* – hard power – where policies and doctrines are imposed on others, without their consent and regardless of the consequences. International agreements are repealed, the international rule of law is questioned and other nations are challenged.

How Europe reacts to this dismantling of the current international order will have a profound impact on the world.

Dismissing the current tensions as an accident would be a mistake in my view, not least because they are deep-rooted and predate recent political events.<sup>[4]</sup>

In particular, the acceleration of globalisation and technological progress

in the past 30 or so years has radically changed the world we live in. While millions of people have been lifted out of extreme poverty, wealth and income inequality has soared, and countries have become more vulnerable to foreign spillovers, and to international crises more generally. Many people feel that not all countries are abiding by the same rules and standards, and that the open market has weakened our democratic control.

These concerns are real and need to be taken seriously.<sup>[5]</sup>

But too often the solutions offered to today's global challenges are simplistic and short-sighted. For example, raising tariffs and withdrawing within national borders will deprive people of the economic benefits of trade and integration. According to ECB staff estimates, in an hypothetical scenario where the US raises tariffs on all imports of goods by 10 percentage points, and its trading partners impose the equivalent on US exports, US GDP could be up to 2½% lower than in the baseline in the first year alone.<sup>[6]</sup>

Paradoxically, it will also offer people no refuge from the effects of global competition: isolating oneself from global value chains will raise input prices, make exports less competitive and make the country less attractive to investors, with adverse effects on employment and growth.

There is therefore a need for sustainable and effective solutions to today's challenges. But here lies a dilemma: although globalisation has increased the need for stronger and better domestic policies, it has also progressively reduced the range and effectiveness of policy tools available to individual countries to respond to the challenges it creates.

For instance, globalisation makes it harder for policymakers to regulate and supervise financial markets and prevent recurrent crises. And by making the tax base footloose, it weakens governments' ability to support people's incomes and retrain those displaced by global competition.

More and not less international cooperation must therefore be part of the solution.

This is also consistent with the lessons we have learnt from earlier episodes of globalisation – that it needs to be governed by strong institutions to prevent recourse to harmful protectionism or other excessive measures. Already the ancient Greeks were aware that alliances were key in protecting against *arkhe*.

In Europe, international cooperation starts with the European Union (EU). Despite its shortcomings, the EU is one of the strongest alliances of sovereign nations in human history. It provides its Member States with the means to both defend their interests at a global level and to address the negative effects of globalisation.<sup>[7]</sup>

For example, in the EU we have the tools to address tax arbitrage by multinational corporations. And EU regulation, together with the European Court of Justice, provides the strongest possible reassurance that openness does not promote rent-seeking and does not harm consumers.



Our response to “America first” can therefore only be “Europe united”, as the German foreign minister Heiko Maas recently put it.<sup>[8]</sup> In other words, we should foster cooperation on security and defence, speak with one voice on international affairs, and complete both the Single Market and the euro area’s architecture.

Let me stress the importance of the last objective: completing the euro area’s architecture. The European Central Bank has a fundamental stake in this project, given its mandate to protect the stability of the euro. But completing the euro area’s architecture is also necessary for Europe to be able to attain its other objectives. We won’t be able to foster cooperation on security and defence, or to speak with one voice on international affairs, or to complete the Single Market if we repeatedly have to tackle economic crises which are largely of our own making.

A series of crises has already taken its toll on welfare and jobs, and they have sown the seeds of division in a way that is still holding us back at a time when we need decisive action. A sound and sustainable euro area institutional architecture will help redirect political capital where it is most needed.

So, these and other shortcomings need to be overcome, not only to strengthen the workings of the EU but also to protect and defend our interests abroad.

If we Europeans fail to make further progress, or if Europe remains divided between north and south and between east and west, then we will be playing into the hands of those who are trying to divide us and marginalise our actions.

Thank you.

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## **Benoît Cœuré: Asserting Europe’s Leadership**





## **Panel remarks by Benoît Cœuré, Member of the Executive Board of the ECB, Les rencontres économiques d'Aix-en-Provence, 8 July 2018**

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In particular, the acceleration of globalisation and technological progress in the past 30 or so years has radically changed the world we live in. While millions of people have been lifted out of extreme poverty, wealth and income inequality has soared, and countries have become more vulnerable to foreign spillovers, and to international crises more generally. Many people feel that not all countries are abiding by the same rules and standards, and that the open market has weakened our democratic control.

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