



***Conclusions of the third joint meeting of the European and Ukrainian Domestic Advisory Groups within the EU-Ukraine Association Agreement***

**Brussels  
7 November 2019**

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 third joint meeting in Brussels on 6 November 2019.

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

The two DAGs discussed the following issues:

- Labour-related questions
- Environment
- Economic pillar of sustainability
- Sustainable forest management

They agreed that the above issues would remain high on the agenda of the DAGs as long as the necessary measures have not been taken in Ukraine in order to regulate the situation in a satisfactory manner and in accordance with international and European standards.

With regard to **labour-related questions**, the DAG Members:

1. point out that the implementation of the right for freedom of association in Ukraine does not totally comply with the country's obligation according the article 291 of AA as well as ILO conventions 87 and 98. Trade unions in Ukraine are limited in the exercise of their rights due to the imperfect, blurred and arbitrarily interpreted legislation, ineffective social dialogue bodies and the non-adherence to principles of parity between parties. Moreover, trade union activists often face harassment and intimidation, including violence. In this regard, Ukraine should ensure an effective social dialogue with employers organizations and trade unions.
2. emphasize that the President of Ukraine demanded that a new labour code be prepared by the beginning of next year, dismissing the draft labour code that had already been voted in the Parliament, the one for which the ILO had provided expertise. Despite clear demands as well as an obligation of the state, the trade unions have no involvement whatsoever in this process. Any changes or new pieces of labour legislation should be developed in consultation with the

social partners. The government should also seek technical assistance from the ILO to make sure that the legislation fully respects the international obligations of the country;

3. underline that non-payment of wages is a serious problem in Ukraine; it amounts to a theft of workers remuneration and is a violation of international conventions. Ukrainian authorities must address the systemic wage arrears in line with the ratified ILO Convention 95 “Protection of Wages”;
4. point out that freedom of association and the right to collective bargaining are still not given sufficient attention by the government. Ukrainian authorities must address the systemic violation of ILO Conventions 87 “Freedom of Association and Protection of the Right to Organise” and 98 “Right to Organise and Collective Bargaining”;
5. note that the limited potential of the labour inspection often does not enable workers to protect their labour rights and realise their interests. The full mandate and authority of the labour inspection in line with ILO convention 81 “Labour inspection” should be restored. Informal employment as well as the deregulation of monitoring and supervisory mechanisms lead to an increase in work accidents, including fatalities. Preventive measures should be strengthened in line with the European Framework Directive of Safety and Health at Work (89/391 EEC). Particular attention should be paid to the situation in the mining industry, in line with the ratified ILO Convention 176 “Safety and Health in Mines Convention”;
6. stress that Ukrainian labour market faces serious challenges as labour migration flows to EU countries increasing permanently. Short term positive achievements like unemployment shortening and increasing of salaries are confronting with unpredictable long term threats not only for international trade but for the economy of Ukraine at all.
7. point out that the positive measures of elimination of gender related limitations for employment rights maintained before in the list of specific sectors and a specific works (Ministry of Health act #256) did not have any consequence towards working conditions improvement in mentioned sectors and list of works. Still health (including reproductive) of men and women is under threat there with no mechanisms of dangerous factors influence minimization.
8. call for Ukraine's compliance with Article 136, paragraph 2, "Road, rail and inland waterway transport" of the Association Agreement with a view to practical implementation of the liberalization of transportations, such as investment in infrastructure, which will ensure the free movement of goods and keep jobs for workers in the automotive industry.
9. note that non-tariff barriers are still playing the key role in sustainable development of UA-EU trade activity. Since 2014, some progress has been achieved in reforming of food safety control system at the central state level. But routine control activity of state auditors remains corrupt essentially and thus ineffective. Development of market control institutions damps due to lack of financing and investments. To improve the situation, tight business liaisons among Ukrainian and European food safety certification systems are to be established. Ukrainian producer worth to be certified according to international standards and good practices.

With regard to the **environment**, the DAG Members:

10. recognise the adoption by the Parties of a schedule to align SPS and animal welfare legislation, but notes that several deadlines established in the document regarding animal welfare have not been respected. The EU DAG calls on Ukraine to adopt its legislation to

approximate the EU's animal welfare acquis as soon as possible and calls on Ukraine to shorten the transition periods planned in this legislation to maximum 2022;

11. welcome the approval of the State Environmental Strategy of Ukraine till 2030 and elaboration of the National Action Plan for its implementation.
12. call for more effective approximation of the 29 EU legal acts in the field of environment with a special attention to the areas with insufficient progress, in particular industrial pollution and waste management, air quality, nature protection, state environmental control system.
13. call upon the Parliament of Ukraine to approve two important laws already adopted in the first reading – on monitoring, reporting and verification of greenhouse gases emissions and on substances that deplete the ozone layer and fluorinated greenhouse gases.
14. call on the Association Council to make a decision to update and amend the Annex XXX and Annex XXXI to the Association Agreement, in particular on environmental liability issues, waste transportation, registration, evaluation, authorization and restriction of chemicals (REACH), plastic products, animal welfare.
15. point out that according to the Association Agreement the state may provide aid at the level of 40% of the appropriate expenses to the Ukrainian producers for modernization to move to the new European environmental standards. The participants stress the need to introduce the instruments and criteria for such aid's appropriateness.
16. welcome adoption of the new version of the Law of Ukraine "On Public Procurements", which provides for more precise provisions on requirements for environmental specifications of the procurement item and its lifecycle costs, and will significantly increase the demand for environmental goods and services in the public sector.
17. point out that the notion of the environmental goods and the procedure of their definition has to be in line with the EU standards. This requires not only approval of the corresponding legislation, but also a methodology guides, recommendations, state monitoring of the correct use of the approved requirements.
18. stress a need to increase a level of awareness in Ukraine of consumers and producers about the international systems of the environmental certification and ecolabelling (including voluntary, non-state), their importance, principles and methods, in particular on certification of products of different categories.
19. call for appropriate development of the environmentally friendly products and services (green market) with special attention paid to strengthening the cooperation of state bodies with organizations involved into creation of the green market; creating checked and well-organized guides of environmentally friendly products and services; strengthening state control to avoid unfair competition by consumer fraud though providing the unfair information about environmental specifications or advantages of products or services.
20. call for speeding up the approval of all necessary documents for implementation of new law on organic production, including the registers maintenance and introduction of the registers of operators, organic seeds and planting materials, and list of the foreign certification institutions.

With regard to the **economic pillar of sustainability** under the provisions of the TSD chapter, the DAG Members:

21. call for elimination or reduction of obstacles to trade in goods and services that are conducive to sustainable development, including products subject to schemes, such as eco-labelling,

organic production, fair and ethical trade schemes and promote corporate social responsibility (CSR);

22. call for facilitation and promotion of the foreign direct investment (FDI) in areas conducive to sustainable development;
23. stress the importance to jointly identify priority areas for capacity-building projects in Ukraine that help the relevant national and local authorities in their efforts to monitor, apply and enforce the environmental and social obligations of the TSD chapter and establish an effective social dialogue with trade associations and trade unions.
24. call on the state authorities of Ukraine to join the process within the WTO Environmental Goods Agreement, as well as to strengthen the use of instruments which promote the development of environmental goods and services market, including state support, creation of the favorable investment climate, green public procurements.
25. note the significant impact of the energy sector on sustainable economic growth in terms of environment, climate and safety, and emphasize the need to continue the programs for the development of alternative energy sources and support energy efficiency projects, resource conservation and the introduction of cleaner production technologies.

**With regard to sustainable forest management,** the DAG Members:

26. note that there are no market-based instruments for achieving sustainable forest management that are important in the context of the Association Agreement, in particular voluntary forest certification. The development of such certification allows to take into account the interests of civil society institutions and local communities, respect the ILO norms, preserve biodiversity, ensure non-exhaustive use of forest resources and confirm the fulfilment of these and other requirements by a third independent party.
  27. point out a lack of an independent multilateral and united discussion platform on sustainable forestry and the formation of a national forest policy and development strategy and call for requirements for the legality and constancy of timber origin in line with the EU Timber Regulation.
  28. stress, that while implementing its demands, the importers are faced with a lack of information on the legality of the origin of wood and numerous misunderstandings due to lack of awareness of the content of the regulation, low responsibility to partners throughout the supply chain, lack of explanatory work and communication on these issues, and lack of coordination on the part of government authorities.
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