***Conclusions of the 6th 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 6th joint meeting on 26 January 2023.

The participants expressed their commitment to fulfilling 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, violating the UN Charter and the global Sustainable Development Goals, as well as other international conventions.**

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

**The participants welcomed the fact that Ukraine was granted EU candidate status, as well as the continued efforts aimed at rapidly implementing the EU acquis.**

The DAGs discussed the following issues:

* labour
* the environment
* the economic aspects of sustainability.

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

# acknowledged the efforts made by Ukrainian enterprises, workers and the population in general to keep the economy afloat and maintain trade continuity in times of war;

# drew attention to the need to uphold workers' labour rights as much as possible, even in times of war, taking into account the principle of ensuring decent working conditions and social dialogue;

# pointed out that during martial law, employees of small and medium-sized enterprises should not be discriminated against;

# 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 Ukraine's obligations under ratified ILO Conventions, nor with European values. Additionally, 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 296[[1]](#footnote-1), 419 and 420[[2]](#footnote-2) are not taken into account. Furthermore, they undermine the principle of decent work and non-discrimination as key elements for sustainable development and trade;

# expressed their belief that reforming Ukraine's labour legislation should only be done through social dialogue and with the involvement of trade unions and employers' organisations, and through effective tripartite structures, and should not diminish the rights of employees nor the role of trade unions;

# in this regard, called for respect of freedom of association, the rule of law, and the principle of fair legal actions concerning trade unions and employers' organisations, their leaders and the way they carry out their activities;

# stressed that laws, including for the post-war recovery, needed to be designed in conjunction with the social partners and civil society, and in line with the EU acquis*;*

# 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;

# emphasised that the war had led to a significant loss of skilled labour, which would have a tremendous impact on Ukraine's rebuilding process after the war;

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

# discussed the extremely difficult situation for the Ukrainian economy and trade relating to the war in their territory, which made it impossible to achieve Sustainable Development Goals;

# emphasised that the Russian Federation's occupation of Ukrainian territory, the destruction of industrial facilities, the partial lack of access to natural resources, the huge volumes of mined agricultural fields and destroyed agricultural infrastructure, the destruction of the energy system, and the heavy losses in the Ukrainian transport system had decreased the competitiveness of Ukrainian enterprises in trade for the years to come;

# in this regard, called for support for the stability and competitiveness of Ukraine's economy, which is suffering because of the damage and destruction as result of Russia's war, which has also led to the disruption of logistics chains connecting Ukraine with the EU and rest of the world;

# stressed the need to enhance 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 to financial resources of international finance institutions for Ukrainian industrial businesses in order to carry out a green recovery;

# emphasised that a solid, transparent and open system of sustainable public procurementwould be key for a successful post-war recovery, and would contribute to economic growth and employment in Ukraine, and help solve environmental problems and prevent pollution. The EU acquis should therefore be introduced into Ukrainian public procurement;

# welcomed continuing work towards facilitating trade, and the signing 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 encouraged taking next steps for harmonisation towards the EU acquis in technical regulation and standardisation;

# 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 and destined for the EU;

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

# expressed their concern about the significant impact of Russia's armed aggression on the environment in Ukraine, including the state of atmospheric air, water, biodiversity, forests, soils, etc.;

# welcomed the government of Ukraine's initiative to establish an international platform for assessing the environmental and climate damage highlighted during COP27, and call on other states to support this initiative by developing joint mechanisms for compensation for damage caused to the environment;

# underlined that the tax system, State aid and other available tools of financial support (in combination with training programs on their application) should stimulate the green modernisation of enterprises, the production of environmental products and the creation of green jobs;

# in the context of the accession process, discussed the need to implement the EU acquis that regulates trade in environmental goods, services and technologies (the green market), as well as keeping statistical information on trade in such goods and services in accordance with the Eurostat methodology;

# called for further and immediate EU assistance in implementing the European Green Deal and the Farm to Fork strategy in Ukraine for a full and sustainable recovery, modernising the Ukrainian economy, and taking steps for decarbonising industry, which would contribute to the economic integration of Ukraine and accelerate its accession to the EU, while at the same time making Europe stronger and more resistant to energy and climate dangers. In this regard, Ukraine has expressed a need to ensure a step-by-step application of Carbon Border Adjustment Mechanism (CBAM), taking into account the state of the Ukrainian economy;

# insisted on the need for a green recovery for 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 civil society to be actively involved in the planning, implementation and monitoring processes;

# 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 of a stimulating system of State aid and taxation in Ukraine, which would ensure the recovery of enterprises;

# underlines the importance of addressing animal welfare during times of war, 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;

# emphasised that the implementation of environmental and climate legislation and policy should take place in such a way that it fully complies with EU requirements and ensures the implementation of the provisions in practice, which is especially important for Ukraine's accession to the EU.

1. Article 296 on Upholding levels of protection. [↑](#footnote-ref-1)
2. Articles 419 and 420 under Chapter 21 on Cooperation on employment, social policy and equal opportunities. [↑](#footnote-ref-2)