(Acts adopted pursuant to Title V of the Treaty on European Union)

EUROPEAN COUNCIL COMMON STRATEGY of 11 December 1999 on Ukraine

(1999/877/CFSP)

THE EUROPEAN COUNCIL,

Having regard to the Treaty on European Union, in particular Article 13(2) thereof,

Whereas the Agreement on Partnership and Cooperation (PCA) between the European Communities, their Member States and Ukraine entered into force on 1 March 1998,

HAS ADOPTED THIS COMMON STRATEGY:

PART I

VISION OF THE EUROPEAN UNION FOR ITS PARTNERSHIP WITH UKRAINE

1. The strategic partnership between the European Union (EU) and Ukraine, based on shared values and common interests, is a vital factor enhancing peace, stability and prosperity in Europe. The freedom, independence and stability of Ukraine rank among the greatest achievements in the new Europe rid of old dividing lines. Geography as well as size, the resources of its population as well as its location along the North-South and East-West axes give Ukraine a unique position in Europe and makes it a determinant regional actor.

2. Ukraine enjoys today excellent relations with all its neighbours and has taken important steps in nation-building and towards consolidating its democracy. The fact that Ukraine has since independence been a source of regional stability, despite its domestic difficulties and diversities, is a laudable achievement. The EU welcomes the close involvement of Ukraine in the stabilisation of its region and encourages the strengthening of Ukraine's role in regional cooperation fora. The EU also welcomes Ukraine's commitment to nuclear disarmament as well as its cooperation in the maintenance of European and international peace and security, namely through the Organisation for Security and Cooperation in Europe (OSCE) and the United Nations.

3. The strategic partnership between the EU and Ukraine has been continuously reinforced since the independence of Ukraine. In this context, the Partnership and Cooperation Agreement is a significant achievement. Ukraine was the first of the Newly Independent States to sign such an agreement, thus marking the EU's and Ukraine's wish to strengthen cooperation. Through macro-financial assistance, the Tacis-programme, as well as through bilateral programmes, valuable support is provided by the EU to help Ukraine in her transition and reform process.

4. Following the current enlargement process, some future EU Member States will share an external border with Ukraine. The enlargement of the Union will further enhance economic dynamism and political stability in the region, thus increasing the possibilities for cooperation with Ukraine.

5. The European Union has the following strategic goals with regard to Ukraine:

— to contribute to the emergence of a stable, open and pluralistic democracy in Ukraine, governed by the rule of law and underpinning a stable functioning market economy which will benefit all the people of Ukraine;

— to cooperate with Ukraine in the maintenance of stability and security in Europe and the wider world, and in finding effective responses to common challenges facing the continent;

— to increase economic, political and cultural cooperation with Ukraine as well as cooperation in the field of justice and home affairs.

6. The EU acknowledges Ukraine's European aspirations and welcomes Ukraine's pro-European choice. The EU remains firmly committed to working with Ukraine at national, regional and local levels, in order to support a successful political and economic transformation in Ukraine, which will facilitate Ukraine's further rapprochement with the EU. The EU and its Member States offer to share with Ukraine their various experiences in building modern political, economic, social and administrative structures, fully recognising that the main responsibility for Ukraine's future lies with Ukraine itself.

7. The European Council therefore adopts this Common Strategy to strengthen the strategic partnership between the EU and Ukraine. The European Council recognises that a successful, stable and secure Ukraine is in the best of interests of the EU. The legal basis of the relationship between the EU and Ukraine is the Partnership and Cooperation Agreement (PCA). The full implementation of this agreement is a prerequisite for Ukraine's succesful integration into the European economy and will also help Ukraine assert its European identity.

8. The EU and its Member States will develop the coordination, coherence and complementarity of all aspects of their policy towards Ukraine. The Union, the Community and its Member States will also work together with and within regional and international organisations as well as with like-minded partners to meet the objectives set out in the PCA and this Common Strategy. The positions taken by the Community and its Member States in all relevant fora will conform to this Common Strategy. The European Council invites Ukraine to work with the EU on the basis of this Common Strategy to the benefit of both.

PART II

PRINCIPAL OBJECTIVES

The European Council has identified the following principal objectives:

I. Support for the democratic and economic transition process in Ukraine

II. Ensuring stability and security and meeting common challenges on the European continent

III. Support for strengthened cooperation between the EU and Ukraine within the context of EU enlargement

I. **Support for the democratic and economic transition process in Ukraine**

The EU and Ukraine have a common interest in accelerating the democratic and economic transition process in Ukraine. The successful transformation in Ukraine will bring prosperity not only to Ukraine but to the entire region. In order for this transition process to be successful, reforms must take place to consolidate democracy and the rule of law as well as economic and social reform in view of establishing a functioning market economy.

The EU proposes to strengthen cooperation with Ukraine in the following priority areas:

I(i) *The consolidation of democracy, the rule of law and public institutions in Ukraine*

9. The EU welcomes Ukraine's achievements in laying the foundations of a democratic system namely in establishing a multiparty system and adopting a parliamentary constitution. The EU acknowledges Ukraine's achievements in maintaining its unity despite the country's diverse make up.

10. The EU supports Ukraine in all its efforts aiming at the consolidation of democracy and good governance, human rights and the rule of law. The Union considers that the rule of law is a prerequisite for the development of a functioning market economy which offers opportunities and benefits to all the citizens of Ukraine. The EU supports Ukraine's efforts to reform the legal system in the framework of the PCA. A properly functioning independent judiciary, a professional police force, the development of a meritocratic, well-trained public administration at national, regional and local levels are all key elements in the effective implementation of government decisions. The EU encourages Ukraine's efforts to develop the efficiency, transparency and democratic character of its public institutions, including the development of free media. These are prerequisites for economic and social development and contribute to the building of a modern civil society.

11. The EU attaches importance to the development of civil society and a competitive, investor friendly business environment in Ukraine and encourages closer links between the peoples and non governmental organisations of the Union and Ukraine. The EU welcomes Ukraine's agreement of a Memorandum of Understanding with the OSCE and strongly recommends Ukraine to work in close cooperation with the OSCE project-coordinator in Ukraine. The EU supports Ukraine's efforts aiming at the protection and promotion of rights of minorities and calls upon Ukraine to continue its good work in this domain, including in cooperation with the High Commissioner for National Minorities.

12. The EU attaches particular importance to close cooperation with Ukraine in the framework of the Council of Europe and the OSCE. In this context, the EU urges Ukraine to fulfill its commitments and to adapt its legislation to meet the norms and standards of the Council of Europe, in particular the obligations to which Ukraine signed up on its accession to the Council of Europe in 1995. The EU takes note of the findings of the OSCE/Office for Democratic Institutions and Human Rights (ODIHR) election monitoring mission on the conduct of the 1999 presidential elections in Ukraine, to the effect that the conduct of these elections failed to meet a number of OSCE commitments and calls on Ukraine to heed the recommendations made by the OSCE monitoring mission in its report with a view to future elections.

I(ii) *Support for the economic transition process in Ukraine*

13. The EU is committed to supporting Ukraine's efforts in establishing an environment that is conducive to economic activity and will support Ukraine in its economic and social reforms.

14. The EU encourages Ukraine to establish macro-economic policies aiming at price stability, sound public finances and a sustainable current account position. In order to proceed further to price stability it is important that the central bank is allowed to operate independently of political interference. Existing prudential regulations for financial sector supervision need to be strengthened. Tax collection must be improved, and *ad hoc* tax amnesties and tax exemptions for specific sectors of the economy should be avoided.

15. The EU strongly encourages Ukraine to intensify its efforts to build a functioning market economy through greater structural, economic and administrative reforms in the context of a comprehensive reform programme agreed with the International Monetary Fund. This should include establishing and enforcing clear property rights, further privatisation, further liberalisation of prices, the raising of communal tariffs for energy, water and rents to full cost recovery levels, restructuring of business, and encouraging the growth of small and medium size enterprises. The overall pace of these reforms needs to be accelerated. As far as sectoral reform is concerned, the agriculture, energy and transport sectors deserve particular attention.

16. The introduction of a land reform process is required to facilitate, *inter alia* the long term lease of land as collateral for loans, paving the way for more investment in the agriculture sector.

17. Attracting and protecting domestic and foreign investment also plays a key role in Ukraine's development. In this context, the EU notes that allegations of corruption and poor governance are damaging to Ukraine's economic reputation. The Union will support Ukraine in developing and adopting the economic policies needed to increase domestic and foreign investment and to meet the requirements of international lenders.

18. In view of Ukraine's heavy debt service obligations, Ukraine's economic recovery will require the continued involvement of private creditors. Collaborative solutions to Ukraine's debt service problems must be found.

19. The EU is fully aware of the fact that Ukraine's economic reforms sometimes have to be pursued in a difficult external environment. EU macro-financial assistance would be pursued as appropriate, in accordance with established criteria and procedures, aiming at supporting macro-economic stabilisation and comprehensive structural reform, consistent with programmes of the International Monetary Fund and the World Bank. The EU will continue to stand ready to support economic reforms in Ukraine in those circumstances. EU macro-financial assistance helps Ukraine to open up its economy, improve economic adjustment, enhance competition, and further integrate the Ukrainian economy into the European and global economy.

20. The EU will support Ukraine through the promotion of progressive approximation of legislation towards that of the EU, especially in such areas as competition policy, standards and certification, intellectual property rights, data protection, customs procedures and environment.

21. In implementing a programme that establishes a functioning market economy, a well targeted social security system must be put in place, so that the social aspects of the transition to a market economy are taken into account.

II. **Ensuring stability and secutiry and meeting common challenges on the European continent**

The EU and Ukraine have a common interest in the maintenance of stability and security in a free and democratic Europe. The geopolitical situation of Ukraine, situated along the North-South and East-West axes gives Ukraine a unique position in Europe. The EU recognises Ukraine's regional importance. In this context, the EU proposes to strengthen cooperation with Ukraine paying particular attention to nuclear safety and to the strengthening of political dialogue, as provided for in the framework of the PCA, with a view of making it more coherent and operational.

The EU wishes to deepen cooperation with Ukraine in order to find effective responses to common challenges facing the continent on the following issues:

II(i) *Cooperation to strengthen stability and security in Europe*

22. The EU supports Ukraine's efforts to promote co-operation and stability in its region, including in the context of the Black Sea Economic Cooperation Organisation, the Council of Baltic Sea States and Georgia, Ukraine, Uzbekistan, Azerbaijan and Moldovo. The EU welcomes the positive development of Ukraine's relationship with all its neighbours and believes it has an interest in those relationships remaining strong and stable. The EU also notes Ukraine's contribution to European stability through its role as an observer to the Stability Pact for South-East Europe.

23. The EU and Ukraine share a common interest in the maintenance of stability and security in a free and democratic Europe. Strengthened mechanisms for consultations between the EU and Ukraine in the framework of the PCA, Council of Europe and United Nations, and strong cooperation between the OSCE and Ukraine, are needed to respond jointly and effectively to European and global security challenges.

24. The EU congratulates Ukraine on its election to the United Nations Security Council (2000-2002). This fact reinforces the need for the EU further to deepen and broaden its political dialogue with Ukraine at official and ministerial level, bilaterally and through EU mechanisms. The adoption of the European Security Charter will enhance the cooperation between the Member States of the OSCE.

25. The EU promotes and supports the dialogue on general and specific issues relating to crisis management and security building as developed over the past years between the Western European Union and Ukraine as well as the intensification of practical cooperation in this field, in particular through the implementation of the action plan recently drawn up between the Western European Union and Ukraine.

26. The EU is also interested in strengthening cooperation with Ukraine in the field of export controls and non-proliferation of weapons of mass destruction and their delivery vehicles, and encourages Ukraine to fulfill its obligations under the Chemical Weapons Convention.

27. Moreover, the EU encourages Ukraine to achieve the goals of the Convention on the Prohibition of the Use, Stockpiling, Production and Transfer of Anti-Personnel Mines and on their Destruction. The EU also encourages Ukraine to develop a strategy to combat the destabilising accumulation and the spread of small arms and light weapons.

II(ii) *Cooperation in the field of environment, energy and nuclear safety*

28. The EU will seek to enhance European stability and work with Ukraine in the fields of energy and nuclear safety, by supporting a comprehensive energy sector reform, *inter alia*, by continued cooperation with Ukraine on the implementation of the financial Recovery Plan for the energy sector, including price liberalisation, improved cash collection and privatisation of distribution companies. In this context, the EU will promote the efficient and environmentally responsible use of energy in Ukraine and the strengthening of new energy institutions and authorities and their policy-making capacity.

29. Nuclear safety and the decommissioning of the Chernobyl Nuclear Power Plant are a priority in EU-Ukraine relations. The EU encourages the development of an independent nuclear regulatory authority in Ukraine and urges Ukraine to stand by its commitment to implement the G7/Ukraine Memorandum of Understanding of 1995 on the closure of Chernobyl. In return, the EU will support Ukraine in financing replacement energy generating capacity in Ukraine.

30. The EU is also interested in enhancing cooperation with Ukraine on such issues as radiation protection, waste management, decontamination and dismantling of nuclear installations, and studies in the field of fusion technology. The recently signed cooperation agreements in the fields of nuclear safety and thermonuclear fusion between Euratom and Ukraine will facilitate this cooperation.

31. Moreover, the EU encourages Ukraine to take resolute measures in the field of environmental protection. The protection of public health against pollution of drinking water, air and soil, and the sustainable and responsible use of natural resources as well as the limitation of transboundary pollution of air and water are priorities in this area.

III. **Support for strengthened cooperation between the EU and Ukraine within the context of EU enlargement**

Following the current enlargement process, some future EU Member States will share an external border with Ukraine. The EU wishes to contribute to the mutual benefit of the Union and Ukraine in this process. In this context, the EU proposes strengthened cooperation with Ukraine, paying particular attention to cooperation in the field of justice and home affairs. The EU also encourages Ukraine's participation in regional, European and world structures.

The EU could strengthen cooperation with Ukraine in the following fields:

III(i) *Support for Ukraine's integration into European and world economy*

32. The Union supports Ukraine and urges it to redouble its efforts to meet the requirements of World Trade Organisation membership. The Union encourages Ukraine to take full advantage of the possibilities offered by the PCA to facilitate two-way trade and investment. The Union will also examine the circumstances which might, in addition to the World Trade Organisation (WTO) accession, allow for the future establishment of an EU-Ukraine Free Trade Area, as foreseen in the PCA.

33. In order to facilitate a favourable investment climate in Ukraine, the EU encourages Ukraine to negotiate and ratify further bilateral investment protection agreements with EU Member States so as to stimulate foreign direct investment. The EU also encourages local, regional and national Ukrainian authorities to avail themselves of the opportunities of the new law on public concession to attract investment in public infrastructure and services.

III(ii) *Cooperation in the field of justice and home affairs*

34. The EU and Ukraine have a common interest in developing cooperation to combat illegal immigration and trafficking in human beings. The EU and Ukraine also have a common interest in developing their cooperation in the area of border security and the fight against the common scourges of organised crime, including money laundering and illegal trafficking in weapons and drugs.

35. In view of the current EU enlargement process, the EU will seek to intensify dialogue with Ukraine on the adjustment of Ukraine's visa policy with the EU through the introduction of visa requirements in accordance with EC provisions and introduction of travel documents which are sufficiently non-forgeable.

III(iii) *Regional and cross-border cooperation with neighbouring countries*

36. The EU encourages the development and strengthening of regional and cross-border cooperation initiatives involving Ukraine and its neighbouring countries. In this context, the EU will put increased emphasis on border management issues.

37. As to the development of infrastructure networks, especially in the fields of transport, telecommunications, electricity and energy-pipelines, the EU, through Tacis, pays particular attention to regional initiatives, such as Inogate (Interstate Oil and Gas Transport to Europe) and Traceca (Transport Corridor Europe Caucasus Central Asia), with the aim of improving economic cooperation in the region. The EU will explore the scope for working towards linking the Ukrainian transportation systems (road and rail) with the Trans-European networks. and will seek mutually satisfactory ways to address transport issues. In so doing so, special care will be taken to reinforce coordination with other donors and with international financial institutions, as well as to stimulate the involvement of the private sector, which will be crucial to the success of this endeavour.

INSTRUMENTS AND MEANS

General provisions

38. This Common Strategy shall be implemented in accordance with the applicable procedures of the Treaties. The Council and the Commission shall in accordance with Articles 3 and 13 of the Treaty on European Union ensure the unity, consistency and effectiveness of the Union's actions in implementing this Common Strategy.

39. The EU will contribute to the cited objectives of this Common Strategy by making appropriate use of all relevant instruments and means available to the Union, the Community and to the Member States.

40. In accordance with Articles 18 and 26 of the Treaty on European Union, the Secretary-General of the Council, High Representative for the Common Foreign and Security Policy (CFSP), in the framework of his obligations under the Treaties, shall assist the Council and the Presidency in implementing this Common Strategy with regard to those objectives and initiatives falling under the CFSP. The Commission shall be fully associated in accordance with Articles 18 and 27 of the Treaty on European Union.

The Council, the Commission and Member States

41. The Council, the Commission and Member States shall:

— review, according to their powers and capacities, existing actions, programmes, instruments, and policies to ensure their consistency with this Common Strategy, based on the principle objectives in Part II and taking due account of the specific initiatives in Part III;

— make full and appropriate use of existing instruments and means, in particular the PCA, as well as all relevant EU and Member States programmes, and to develop and maintain to this end an indicative inventory of the resources of the Union, the Community and Member States through which the Common Strategy will be implemented.

Coordination

42. Member States shall make additional efforts to coordinate their actions *vis-à-vis* Ukraine, including in regional and international organisations such as the Council of Europe, the UN, the OSCE, the DECD and the International Financial Institutions (IFIs), and including coordination with the Community where it has competencies.

43. Coordination between the Member States and the Commission shall also be consolidated, including through regular consultations between their respective representatives in Ukraine.

44. The Council, the Commission and Member States shall work towards more effective cooperation with regional and international organisations, and will seek with other like-minded countries to achieve the objectives of the Strategy.

45. The European Union will invite the candidate countries in the accession process launched in the Luxembourg European Council in December 1997 to associate themselves within the framework of this Common Strategy.

Implementation and review

46. The Council shall:

— ensure that each incoming Presidency presents to the Council, in the framework of its general programme, a work plan for the implementation of this Common Strategy, based on the principle objectives in Part II and taking due account of the specific initiatives in Part III,

— review and evaluate the EU's action under this Strategy and report to the European Council on progress towards its objectives not less than annually,

— review the situation in Ukraine and the state of Ukraine's cooperation in the implementation of this Strategy, including through periodic reports by the Heads of Mission, and make an assessment in its report to the European Council,

— where necessary, submit recommendations for amendments to Part II and III of this Strategy to the European Council.

47. The Commission will contribute to the above within its powers.

Cooperation with Ukraine

48. 48. The EU and its Member States will work closely together with Ukraine to implement this Common Strategy, in particular through the PCA and its institutions.

Specific initiatives

49. The EU shall pursue the specific initiatives set out in Part III of this Common Strategy which are based on the principal objectives identified in Part II. These initiatives shall be adapted when necessary and do not preclude possible new initiatives during the duration of this Common Strategy. The Council, the Commission and the Member States shall, in accordance with their respective powers and capacities, support and work towards the achievement of these specific initiatives.

PART III

SPECIFIC INITIATIVES

The following specific initiatives shall be pursued not precluding possible new initiatives:

The consolidation of democracy, the rule of law and public institutions in Ukraine

50. The EU will undertake efforts to foster democracy, good governance, human rights and the rule of law in Ukraine, by:

— supporting Ukraine's efforts to observe its international democratic and human rights obligations in accordance with the Dublin conclusions, in particular with regard to the abolition of death penalty, the promotion of good governance, and an effective and transparent legal system as well as democratic local self government, inter alia, in cooperation with the Council of Europe and the OSCE,

— establishing a regular dialogue between the ombudsman-institutions of the EU Member States and Ukraine in order to strengthen the role of this institution in Ukraine,

— encouraging Ukraine to sign, ratify and implement the relevant international instruments in the field of Human Rights, especially the second Optional Protocol of the United Nations Convention on Civil and Political Rights and the sixth Additional Protocol of the European Convention on Human Rights and Fundamental Freedoms as well as the United Nations Convention on the Status of Refugees,

— increasing cooperation among journalists and relevant authorities in order to contribute to the development of free media. The Commission in cooperation with the Member States will investigate the possibility of assisting in the transmission of a programme, such as Euronews, on Ukrainian television. Work will begin by June 2000.

Support of the economic transition process in Ukraine

51. The EU will help Ukraine advance the process of economic reform by enhancing the impact of economic policy advice, including through appropriate high-level dialogue, in the framework of the PCA, so as to promote the development of a modern, liberal market economy.

52. The EU stands ready to provide technical assistance in support of Ukraine's economic and social reform process provided that Ukraine takes steps designed to establish the necessary, conditions to make reform possible. The EU will examine the possibility of providing technical assistance to Ukraine with a view of:

— supporting the development of a transparent and stable legal, regulator and institutional framework in Ukraine designed to promote increased economic activity and domestic and foreign investment. The Commission in cooperation with ember States and other competent bodies will prepare a report with regard to this initiative by December 2000,

— promoting the progressive approximation of Ukrainian legislation to that of the EU and its implementation, in particular in the areas of competition policy, financial services, standards and certification, fiscal policy as well as employment and intellectual property rights. The Commission is invited to make adequate proposals to this end by June 2000,

— supporting the development of the health system, in particular public health awareness and education with a view to restricting the spread of communicable diseases. The Commission in cooperation with the Membe States and other competent bodies will prepare a report with regard to this initiative by June 2001.

53. The Member States will consider means to assist Ukraine in:

— supporting the development of a well-targeted social security system, in particular addressing the social assistance and pension systems,

— supporting social dialogue and the adherence to and implementation of the International Labour Organisation Labour Standards, in particular the seven core Labour Standards. As far as ratification and implementation of legislation in the employment field is concerned, particular attention will be paid to gender equality.

Cooperation to strengthen stability and security in Europe

54. The EU will consider ways to give more continuity, flexibility and substance to the cooperation with Ukraine on stability and security in Europe and to render it more operational and effective, within the framework of the existing political dialogue, as instituted under the PCA, by:

— exploring the possibilities of establishing regular expert level Troika dialogue meetings with Ukraine in the margins of CFSP working groups on disarmament, non-proliferation, export of conventional arms with a view to organising the first meetings during the year 2000/first semester 2000. The dialogue within these groups will aim to set up cooperation between the EU and Ukraine in the following fields: non-proliferation of weapons of mass destruction, including chemical weapons and small arms and light weapons on the basis of the joint action on small arms (1999/34/CFSP),

— considering the possibility of intensifying the dialogue between the EU and Ukraine to promote responsibility and transparency in transfers of conventional arms, making full use of the EU Code of Conduct where appropriate,

— exploring the possibilities for closer cooperation in conflict prevention and crisis management, *inter alia*, in the framework of relevant international organisations, such as the United Nations and the OSCE, and in seeking a political settlement to conflicts in the region. Periodic meetings between Ukraine and the Troika of the OSCE Working Group would help achieve this. One of the aims would be to work with Ukraine to develop joint foreign policy initiatives in the area of conflict prevention and crisis management with regard to specific third countries and regions, especially in areas adjacent to Ukraine.

55. The EU will, as soon as the year 2000, take up the following specific initiatives concerning the strengthening of security and stability in Europe:

— consider facilitating the participation of Ukraine when the EU avails itself of the Western European Union for missions within the range of the Petersberg tasks,

— consider means to assist Ukraine in fulfilling the obligations of the Convention on the Prohibition of the Use, Stockpiling, Production and Transfer of Anti-Personnel Mines and on their Destruction,

— consider means to initiate cooperation between the EU and Ukraine on prevention of trafficking of small arms, which is a source of instability for Ukraine and other States of the region. The EU could after identification and analysis of the situation and needs in the region, draw up a Joint Action on this subject with a view to:

1. reinforce control capacities of police and/or local custom services;

2. tackle this specific type of criminality in training courses;

3. develop exchange of information between the EU and Europol Member States in order to improve the analysis on criminal activity concerning small arms.

Cooperation in the field of environment, energy and nuclear safety

56. The Community stands ready to support the efforts of the special Task Force established to support the Ukrainian authorities in their effort to reform the energy sector.

57. The Community support to the G7 Action Plan includes a contribution to financing the short term safety improvements of Chernobyl via the Nuclear Safety Account managed by the European Bank for Reconstruction and Development before closure, decommissioning, addressing the social consequences of closure, contributing to the Shelter Implementation Plan and participating in the financing of substitution facilities in line with previous commitments compensating for Ukraine's energy losses, provided that all necessary due diligence procedures can be concluded satisfactorily, including the establishment of an agreed position regarding the loan conditionality and the wording of the loan and guarantee agreement and provided that Ukraine stands by its commitment to implement the 1995 Memorandum of Understanding.

58. The EU will seek to support Ukraine in its effort to reduce the negative impact on public health of the environmental situation in Ukraine — notably as regards the quality of drinking water, waste water treatment, waste collection and disposal as well as air pollution. The EU will support institutional reform in the public utilities responsible for environmental services, other technical assistance projects and environmental investments.

59. The next 'Environment for Europe' conference will be held in September 2002 in Kyiv and will provide the opportunity to increase awareness in Ukraine of environmental issues. Member States and the Commission will consider the possibility of offering technical assistance/support to the Ministry of Environmental Protection and Nuclear Safety with the preparation and planning of the conference.

Support for Ukraine's integration into European and world economy

60. The EU remains ready to maintain and, if appropriate, to enhance its support for Ukraine's efforts to meet the requirements of WTO accession. Special attention will be given to removing obstacles to trade and investment in Ukraine, starting with the elimination of trade measures incompatible with PCA and WTO.

61. The EU will examine the circumstances which might, in addition to WTO accession, allow for the future establishment of an EU-Ukraine Free Trade Area as provided for in Article 4 of the PCA. The on-going joint economic feasibility study of the Free Trade Area will provide important input to evaluate the situation.

62. The Commission will examine ways to deepen the investment dialogue with Ukraine in the framework of the PCA Sub-Committee on trade and investment and will report to the Council by June 2000.

Cooperation in the field of justice and home affairs

63. In view of the EU's current enlargement process, also taking into account Ukraine's position as an important transit country providing a conduit for the cross-border flow of a wide range of non-legal activities, the EU and Ukraine have a particular interest in stepping up cooperation in the field of justice and home affairs. The EU proposes to concentrate its efforts with a view to:

— assessing the scale of illegal immigration via Ukraine. The Member States in association with the Commission will produce a strengths/weaknesses/opportunities/threats ('SWOT') analysis of the existing mechanisms to combat these problems by the end of 2000; where weaknesses are identified, the EU will consider remedial action,

— improving cooperation regarding the readmission of own nationals, persons without nationality and third country nationals, including the conclusion of a readmission agreement,

— supporting a full application of the Geneva Convention, including the right to seek asylum and respect for the principles of non-refoulement,

— establishing a regular dialogue between the judicial authorities of the Member States and Ukraine in civil and criminal matters, including by encouraging Ukraine to sign, ratify and implement key conventions, such as the United Nations Convention on Transnational Organised Crime,

— offering to provide practical help to Ukraine in implementing its legislation on money laundering as soon as it is enacted,

— establishing cooperation between EU Member States' law enforcement agencies, Europol and Ukrainian law enforcement authorities.

64. An informal network will be established in Kyiv consisting of EU Member States Embassies, Commission and relevant international organisation representatives in order to improve the exchange and analysis of information in justice and home affairs. A dialogue, within the framework of the PCA, between the Member States, the Commission, including the liaison officers in Kyiv and competent Ukrainian bodies will make it possible to analyse Ukraine's requirements in this area more precisely. A report will be submitted to the Council by the end of 2000.

Regional and cross-border cooperation with neighbouring countries

65. The EU will seek to encourage the development and strengthening of regional and cross-border cooperation initiatives involving Ukraine and its neighbouring countries, by:

— making targeted use of existing cross-border cooperation, regional and inter-State programmes. In this context, special attention will be devoted to border management issues, including the technical modernisation of border crossing points on Ukraine's borders with Hungary, Poland, Romania and Slovakia,

— further developing Tacis programmes aimed at improving the development of infrastructure networks, such as Inogate and Traceca in order to improve economic cooperation in the region.

Cooperation in the fields of culture, twinning and exchange programmes

66. The EU will support the fostering of closer links between public institutions, civil society and non governmental organisations of the Union and Ukraine, by:

— promoting educational and scientific exchange programmes between schools, universities and research institutes, also paying due attention to the Science and Technology Centre in Ukraine,

— promoting twinning programmes between national, regional and local administrations as well as professional associations, trade unions, non-governmental organisations and the media.

The Commission and the Member States will coordinate their programmes. The Commission will study the possibility of bringing Community programmes into play for this purpose (Tacis, Tempus and Democracy). The Member States' bilateral instruments will also be used.

On the basis of an inventory of existing instruments (to be drawn up by the Commission in cooperation with the General Secretariat of the Council) and an identification mission to Ukraine, the Commission will report to the Council by June 2000 and will thereafter submit proposals for action as appropriate.

PART IV

Duration

67. This Common Strategy shall apply from the date of its publication for an initial period of four years. It may be prolonged, reviewed and, if necessary, adapted by the European Council on the recommendation of the Council.

Publication

68. This Common Strategy shall be published in the Official Journal.

Done at Helsinki,11 December 1999.

For the European Council

The President

P. LIPPONEN