

Brief points of interest of the Ukrainian Business to discuss at the debates “Eastern partnership – new challenge for EU businesses”

by Ms. Anna Zvolikevych, Director, EU Ukraine Business Council

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1. What Business knows about the EaP and what EaP says about business?

Ukrainian business organizations were not involved and did not demonstrate interest in the European Neighborhood Policy Action Plan with Ukraine (initiated in 2004 and signed early 2005), which remained mostly political and intergovernmental level document. Although already this document contained provisions which were of direct interest for business organizations and enterprises both from the EU and Ukraine. At that time for Ukrainian business more important and concrete issue about international relations was at which conditions Ukraine would join the WTO.

Eastern Partnership initiative coincided in time with raising the level of interest of Ukrainian business and its willingness to be better involved into the negotiations on the EU Ukraine Association agreement, in particular on deep and comprehensive FTA (DCFTAs) – its trade part.

Joint Declaration of the Prague Eastern Partnership Summit, signed in Prague on 7th May 2009 contains very important provisions for business, including on boosting domestic reforms, promoting economic integration and convergence with EU policies through DCFTAs, facilitating both bilateral and regional cooperation.

Ukrainian Business saw the establishment of Civil Society Forum under the EaP initiative as an opportunity to use external influence and support to support necessary domestic reforms, to strengthen social dialogue as well as to develop contacts with other business organizations and businesses both from the EU and Eastern partnership countries.

To make practical use of this interest it is very important to involve business organizations into the work of the official thematic platforms established under the EaP initiative where it is relevant; to provide business organizations with more information about opportunities and state of play under the EaP and its flagship initiatives.

It is vital to make clear and transparent for business the activities under the EaP especially in economic, trade, social and energy, environmental spheres. But sometimes it is not less important to explain them in the language which business can understand.

Reciprocal communication between business and governmental authorities under the EaP would secure the success of implementation of the EaP ambitious goals and their enforcement in the Eastern partner countries.

2. Eastern Partnership in bilateral and regional context: ongoing negotiations on the EU Ukraine Association Agreement, including DCFTA, opportunities and challenges for businesses

The Joint Declaration of the Prague Eastern Partnership Summit outlines both deeper bilateral engagement and focus on multilateral cooperation.

At the bilateral level the future Association Agreement's provisions on energy, environment, social and macroeconomic cooperation at large is of vital interest for the business as they foresee implementation of the EU *acquis communautaire* which will directly influence on their economic activities.

Changes in regulations and standards as well as institutional reforms should be discussed with business in advance to make such steps more efficient and enforceable. If properly involved and explained the business would be an ally for making internal reforms, especially institutional one.

Comprehensive Institution Building programmes (CIB) should also be directed to Ukrainian business through the EU business organizations in form of technical assistance in trade-related matters (training, seminars to strengthen the capacities) and voice of national business in the national decision making process.

Visa liberalizations and simplification of granting visas to businessmen, facilitation of qualified labor movement is of great importance in building networking and learning the EU experience, improving social policy.

Energy efficiency, climate change policy and environmental management is a key element to increase competitiveness of the Ukrainian industry, avoid social turbulences and take advantage of existing potential in producing green energy. Adopting and enforcement of necessary legislation will impact business but also will give opportunities as for big companies and for the SMEs.

At the multilateral level historically good relations already exist between businesses, cooperation is already ongoing under the Black Sea Synergy programme of the EU, in the level of regions of the Eastern partnership countries, between business organizations, employers organizations, industrial associations and unions.

Ukraine as a more developed country in the relations with the EU among the Eastern partnership countries is a natural leader to share its experience, expert skills, build networks, both deliver and benefit from opportunities of deeper economic cooperation.

Potential conflict prevention by strengthening economic and social stability by developing European Union Strategy for Crimea and better involvement of Crimea in the Eastern Partnership can be part of multilateral approach.

EaP Thematic Platform 2 "Economic Integrations and Convergence with EU policies" in its core objectives for 2009–2011 specified as a priority Trade and Trade related regulatory approximation linked to DCFTAs. For this priority dedicated panel ("Trade Panel") was established, which is aimed, in particular, to **provide involvement of business community**.

The Ukrainian business is interested in taking active part to support this goal of the Thematic Platform, to propose its views through EaP Civil Society Forum working group 2 on organizations by the Trade Panel of the first business to business meeting in the second half of 2010.



3. Eastern Partnership is an opportunity to develop strong civil society and business organizations and to address them as equal partners in the dialog with Governments, to participate at the decision making process

Proper and efficient dialogue with civil society organizations is developing and should be supported both in Ukraine and others Eastern Partnership Countries. Business represents the part of civil society and the EU model and experience of involvement of civil society into legislative or regulatory elaboration process in external trade issues is of value.

Provisions on sustainable development, which are obligatory part of the EU DCFTAs with other countries, foresee creating of dialogue with civil society organizations. This should be strengthened by activities under the EaP initiative and one of the solutions might be EaP Business Forum, which was recommended to be created by the EaP Civil Society Forum Working Group 2.

Practical steps in this direction will give a good signal to the business organizations of the EaP countries. This will help to increase their involvement and deepen their interest in the initiative. So the necessary internal pressure for national reforms and deeper regional integration would be provided.