

# Ukraine: Remarks by the High Representative / Vice-President Jos



*Check against delivery!*

Thank you, Minister [of Foreign Affairs of Ukraine, Dmytro] Kuleba, for your very warm welcome.

This is my first visit to Ukraine as High Representative of the European Union [for Foreign Affairs and Security Policy/Vice-President of the European Commission]. Sorry for being delayed [in my visit], but the coronavirus has been preventing us to come until it was decided that – coronavirus or not – I had to come, because if we were to wait for the coronavirus to allow me [to come], I am afraid we would have to be waiting for quite a long time.

I had the chance to have very long and interesting meetings with the President [of Ukraine, Volodymyr Zelenskyy], with the Minister of Defence [Taran Andrii] and with the Minister of Foreign Affairs [Dmytro Kuleba]. I also met representatives from the Parliament and civil society.

The message that I passed to all of them is clear: the European Union stands by Ukraine and its people. We are the strongest and the most reliable partner of Ukraine and we will continue to support the reform process, your sovereignty and territorial integrity.

We have with Ukraine the most comprehensive Association Agreement. And Ukraine is the country that receives the biggest European financial support. We are very much committed to the future of Ukraine as a free and prosperous country.

I am coming back on Saturday – in just in a few days' time – with the President of the European Council, Charles Michel, and we will be visiting the eastern part of the country, in order to have a clear understanding of the big problem that Ukraine has on its border.

Today, we have been focusing on some specific issues of our cooperation.

First, how to face the coronavirus. The coronavirus is posing a great challenge to all of us. It has been a new occasion to show the European Union's solidarity with Ukraine. We have mobilised almost €200 million in support. It is the largest amount of financial assistance to any of our Eastern partners.

We also stand ready to provide €1.2 billion in macro-financial assistance to help limit the economic fallout that the coronavirus has created, but Ukraine needs to constructively engage with the International Monetary Fund and also meet the rule of law conditions attached to this support.

The coronavirus has also aggravated the humanitarian situation in eastern Ukraine. To address specifically this issue, the European Union together with its Member States have allocated €155 million. We are the largest provider of humanitarian assistance. But the European Union is not doing that because we are a charity or an NGO [Non-Governmental Organisation], we are political institutions and it is on our common interest. When we help Ukraine, we are helping ourselves. Because we have the strongest interest in having a prosperous, democratic and stable Ukraine.

Allow me, Minister [Kuleba], to say some words about your territorial integrity and about our bilateral cooperation.

On territorial integrity, I will be short, because everything can be said in a few words. We support Ukraine's sovereignty and territorial integrity. We do not and will not recognise the illegal annexation of Crimea.

President Zelenskyy has taken important steps to give more space to dialogue and diplomacy and we are calling on Russia to reciprocate these efforts.

We have been talking about our bilateral relations during our meeting. I want to stress that we are going to have a Summit in Brussels in 10 days' time. It will be a good occasion to look at the implementation of this Association Agreement and how it is affecting the everyday lives of the Ukrainian citizens.

I am very much impressed, Minister [Kuleba] by the figures you provided me about the effect of this Association Agreement, which was signed immediately after the sad days of Maidan that we have been commemorating in the square.

The impact is evident. Let me just give you a figure on trade. In the past years, it has showed a tremendous increase of 65% and the European Union is today the most important trade partner of Ukraine. First it was Russia, but there has been a gradual shift and now we are the most important trade partner of Ukraine. We need to make full use of this Association Agreement and our Deep and Comprehensive Free Trade Area.

I am glad to perceive how Ukraine has chosen the path of reforms and made a lot of progress. You can count on our support for the reforms, for the development of the anti-corruption infrastructure and the judicial reform. They are key to respond to the wishes of the Ukrainian people and to attract new investment.

Thank you.

Link to the video: <https://audiovisual.ec.europa.eu/en/video/I-195293>

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## [EU financial regulators assess risks to the financial sector after the outbreak of COVID-19 and call for enhanced cooperation](#)

The impact of the crisis on EU banks' asset quality is a key concern as significant uncertainty about the timing and size of a recovery persists. The ESAs see a risk of decoupling of financial market performance from the underlying economic activity, and , a prolonged *lower for longer* interest rate environment which is expected to weigh on the profitability and solvency of financial institutions, as well as contributing to the build-up of valuation risks.

Directly following the COVID-19 outbreak in Europe, the ESAs' actions provided for regulatory flexibility, fostered operational resilience, and highlighted the importance of consumer protection. In light of ongoing uncertainties on the recovery from the COVID-19 pandemic, regulatory and supervisory cooperation between the ESAs, the European Systemic Risk Board (ESRB) and the European Commission remains key. In particular, the ESAs highlighted the need to implement the following policy actions:

- **monitor risks and perform stress testing:** risks to valuation, liquidity, credit and solvency have increased across financial sectors. The use and adequacy of liquidity management tools in the investment fund sector should be continuously monitored;
- **foster flexibility where and when needed:** supervisors and banks are encouraged to make use of the flexibility in the existing regulatory framework, including use of capital and liquidity buffers to absorb losses;
- **support to the real economy:** capital relief should be used in support of continued lending to the real economy in the downturn;
- **stay prepared:** EU financial institutions need to be well-prepared for any disruptions they and their clients may face at the end of the UK's transition period of leaving the EU;
- **supervise digital transformation:** it is key for financial institutions and their service providers to carefully manage their ICT and security risks, including when outsourcing ICT activities.

### Background

The three ESAs cooperate regularly and closely to ensure consistency in their practices. In particular, the Joint Committee works in the areas of supervision of financial conglomerates, accounting and auditing, micro-prudential analyses of cross-sectoral developments, risks and vulnerabilities for financial stability, retail investment products and measures combating money laundering. In addition, the Joint Committee also plays an important role in the exchange of information with the ESRB.

The Joint Committee is the forum for cooperation between the European Banking Authority (EBA), European Securities and Markets Authority (ESMA) and European Insurance and Occupational Pensions Authority (EIOPA), collectively known as the ESAs.

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**The three European Supervisory Authorities (EBA, EIOPA and ESMA – ESAs) have issued their first joint risk assessment Report of the financial sector since the outbreak of the COVID-19 pandemic. The Report highlights how the pandemic has led to further amplified profitability concerns across the board and heightened liquidity challenges in segments of the investment fund sector. It particularly points to economic and market uncertainty as a key challenge going forward.**

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[Read the report](#)

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## [Press release – European values: towards a permanent monitoring mechanism against backsliding](#)



With 51 votes to 14 and one abstention, the Civil Liberties Committee adopted on Tuesday a legislative initiative report that envisions an EU mechanism being established to protect and strengthen democracy, the rule of law and fundamental rights. The text reiterates MEPs' concerns regarding "the rise and entrenchment of autocratic and illiberal tendencies", further compounded by COVID-19, as well as "corruption, disinformation and state capture", in several EU countries.

## An “Annual Monitoring Cycle” with preventive and corrective measures

Aiming to protect the European Union’s legal order, the fundamental rights of its citizens, and its international credibility from the deterioration of [Article 2 TEU values](#), MEPs propose an objective and evidence-based tool that would apply equally, objectively and fairly to all member states, while respecting the principles of subsidiarity and proportionality.

This new “Annual Monitoring Cycle” must include preventive and corrective measures, ranging from country-specific recommendations to budgetary conditionality. To this end, the three EU institutions should establish a permanent “Interinstitutional Working Group on Union Values”, which will hear from a panel of independent experts in cooperation with the [EU Agency for Fundamental Rights](#).

The Committee’s proposal aspires to integrate and complement existing mechanisms, such as those provided in [Article 7](#) TEU. MEPs regret the Council’s inability to make meaningful progress in ongoing Article 7 procedures and note that this failure “is in fact enabling continued divergence”. They welcome the Commission’s work on the Annual Rule of Law Report, among other instruments, whilst pointing out that the areas of democracy and fundamental rights should not have been omitted from it.

### Quote

“To prevent further democratic backsliding, the EU needs a change of pace to place the protection of its values at the heart of European politics. We propose a legally binding interinstitutional agreement that will consolidate and enhance existing initiatives, which will in turn increase the EU’s ability to protect itself”, said rapporteur [Michal Šimečka \(Renew, SK\)](#).

### Next steps

The report is set to be voted on by the full house at the 5-8 October plenary session.

### Background

Parliament has [asked since 2016](#) for a permanent mechanism to be established and [insisted since 2018](#) that the new tool should be linked to protecting the European Union’s budget when there are generalised deficiencies as regards the rule of law. MEPs and stakeholders alike have [referenced the European Semester](#) as a useful existing resource to draw upon.

In her inaugural address in July 2019 and in her Political Guidelines, Commission President Ursula von der Leyen pledged to respond with a proposal for a legislative act whenever Parliament, acting by a majority of its members, adopts a resolution requesting a legislative proposal. Find out more about [Parliament’s right of legislative initiative](#).

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## **EASO holds 36th meeting of Management Board via Video Conference**

The 36th meeting of the Management Board of the European Asylum Support Office (EASO) was held on 17th September 2020 via Video Conference.

During the meeting, the Management Board took stock of the situation of asylum in the EU+ on the basis of a Semi-Annual Trends Analysis Report recently published by the Agency. Members of the Management Board were also updated on EASO's operational activities in Italy, Greece, Cyprus and Malta. This year, EASO continued its operations in the four countries concerned through the implementation of needs-based Operating Plans agreed with the respective National Authorities. Extensive measures were put in place to adapt the working environment so as to ensure business continuity in the context of the current COVID-19 pandemic. During this period, EASO continued to respond to ad hoc disembarkation events most notably in Italy and supported Greek Authorities and the European Commission to implement the relocation of unaccompanied minors.

The Management Board also received updates on Governance related areas and implementation of the EASO Work Programme 2020