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**Challenges  
of Ukraine's  
Accession  
to the EU:**

**POLISH-  
UKRAINIAN  
ROADMAP**



# **Challenges of Ukraine's Accession to the EU: Polish-Ukrainian Roadmap**

edited by Paweł Marczewski



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# The European Dream

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Edwin Bendyk

In November 2013, Ukrainians gathered in Kyiv's Independence Square to protest against the refusal to sign the Association Agreement with the European Union. President Viktor Yanukovich's decision sparked the Euromaidan, which evolved into the Revolution of Dignity. The movement reached a bloody climax in February 2014, culminating in Yanukovich's escape from the country. Shortly afterward, Russia annexed Crimea, sending a clear message that it would not allow Ukraine to leave Moscow's sphere of influence.

It is worth recalling the events of more than a decade ago, as they demonstrate the strength of Ukrainians' European aspirations – and how much Russia fears them. The escalation of hostilities on 24 February 2022 only reinforced Ukrainians' conviction that there was no alternative to their country's European integration. This is why President Volodymyr Zelensky submitted Ukraine's application for EU membership immediately after the Russian attack. The application was handed over to the European Commission on 28 February 2022, while Russian forces advanced on Kyiv, Kharkiv, and Kherson, and Ukraine's defeat seemed inevitable.

Ukrainians have mounted effective resistance, making it clear that they are fighting not only for survival but also for the opportunity to realise their European dream. In response to these aspirations, the European Council decided in December 2023 to open accession negotiations.

But what is the point of investing resources in an integration process that requires extensive reforms to align the state with the requirements of functioning within the European Union's structures? After all, the war is still

ongoing, and its outcome remains uncertain – even if Ukrainians themselves have no doubt that they will win.

This uncertainty has been further reinforced by Donald Trump and his idea of a quick peace, which he has begun implementing without seeking Ukraine's consent. Worse still, in his statements, the U.S. president places the blame for the war on Ukraine and its political leaders. Concerns have arisen that Trump may push for an end to the war that would amount to Ukraine's capitulation.

Ukrainians will not agree to surrender, but they are willing to negotiate and compromise – on the condition of receiving real security guarantees. What would these guarantees entail? Politicians and experts continue to grapple with this question, as Trump's political U-turns have made it clear that even NATO membership does not necessarily provide such assurances.

The security system that European countries relied on has been shaken to its core. No one yet knows how deep the revision of transatlantic relations will be or whether the United States will actually reduce its involvement in the European security system. Regardless of the outcome, it has become clear that Europe must increase its own efforts in this area.

Ukrainians and many experts suggest that the best response to the security challenge is Ukraine's swift integration, preceded by increased military support. By contributing its military potential to the European Union, Ukraine would serve as a strong barrier against any future aggressive ambitions from Russia.

Arguments suggesting that the European Union is not only a space for development but also for security – and that Ukraine's accession is the best way to enhance its potential in both dimensions – certainly make sense. However, they do not override or alter the nature and complexity of the accession process itself.

Regardless of the strategic importance of integration, Ukraine cannot expect leniency from the European Commission when it assesses the successive stages of the accession process. It is also certain that member states will prioritise their own interests, as governments will face pressure from lobbying groups concerned about the consequences of integration. The farmers' protests at the turn of 2023 and 2024 clearly illustrated this issue.

But given the growing strategic importance of Ukraine's integration – which aims not only to expand the space for development but also to strengthen



Europe's security architecture – is it possible to limit the influence of particular interests in the negotiation process? In other words, should European governments, including the Polish government, resist pressure from lobbying groups if their demands threaten the achievement of this strategic goal in the name of security?

This is likely the approach Ukrainians are hoping for. That is why the border blockade by Polish farmers came as a great surprise to them, as did the inability – or rather the lack of willingness – of the government, first under United Right and later under the 15 October Coalition, to resolve the issue in the name of strategic interests.

Would the situation be different today, given the changing geopolitical context? We must be prepared for any answer that may come. Therefore, it is important to identify the issues that may arise during the integration process as potential sources of conflict or mobilisation for interest groups.

A thorough analysis of the issue, taking into account the perspectives of all interested parties, will not only help identify threats but, in many cases, also allow for their redefinition, turning risks into opportunities. This proactive approach to Ukraine's European integration is precisely what the roadmap for Ukraine's EU accession, prepared by Polish and Ukrainian experts, aims to support. The insights presented in the roadmap will be further explored in detailed studies.

We are convinced that the stakes of the EU enlargement process – as a key initiative adapting Europe, including Poland, to future challenges – are so high that thorough preparation is essential. This means gathering knowledge and arguments useful for negotiations and for informing the public about their progress.



The process of accession to the European Union follows a predetermined framework that applies uniformly to all candidate countries. Ukraine formally entered the accession negotiation phase in early June 2024, a stage that is both strictly structured and precisely regulated. These negotiations are divided into clusters and chapters, each corresponding to specific areas where the candidate country must implement EU laws and standards. Progress in each area requires unanimous approval from all EU member states, confirming that the necessary requirements have been met.

These requirements are divided into 35 negotiation chapters, grouped into six thematic clusters:

- Fundamentals
- Internal Market
- Competitiveness and Inclusive Growth
- Green Agenda and Sustainable Connectivity
- Resources, Agriculture and Cohesion
- External Relations<sup>1</sup>

This study, prepared by a Polish-Ukrainian team of experts, presents both Polish and Ukrainian perspectives on the key challenges within these six negotiation clusters and highlights the mutual benefits that can arise from overcoming them.

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1 "EU accession process step by step." European Commission. October 2022. [https://neighbourhood-enlargement.ec.europa.eu/system/files/2022-10/eu\\_accession\\_process\\_clusters%20%28oct%202022%29.pdf](https://neighbourhood-enlargement.ec.europa.eu/system/files/2022-10/eu_accession_process_clusters%20%28oct%202022%29.pdf) [accessed online on February 28, 2025].



# Ukraine in the EU – for European Welfare and Security

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Jan Truszczyński

Ukraine's membership in a strong and efficiently functioning European Union aligns with Poland's strategic interests. Within such a Union, Ukraine's contribution to common foreign, defence, and migration policies would enhance Poland's external security. Participation in the single market would foster tangible and lasting improvements in trade conditions with Ukraine, as well as strengthen the legal and institutional framework for direct investments in the country. This, in turn, could generate a significant growth impulse for the Polish economy – an effect that would be amplified if Poland effectively leverages its competitive advantages rooted in geographical and cultural proximity.

Two fundamental goals of any state – enhanced security and increased prosperity – will be more attainable for Poland if Ukraine becomes a member of the European Union. Thirty years ago, Poland's accession to the Union aligned with Germany's geostrategic and economic interests; today, similar considerations should shape Poland's stance on Ukraine's accession.

On the path toward this strategic goal, mutual adjustments will be necessary, and resistance from sectors affected by these changes will be inevitable. In Poland, over the past two years, farmers' protests, along with road and border crossing blockades with Ukraine, have emerged as Polish agricultural producers and road hauliers perceive the EU-liberalized trade and transport conditions with Ukraine as a significant threat to their competitiveness in the EU market. These and other sector-specific concerns will require creative and acceptable solutions, but they must not obstruct or significantly delay the achievement of the overarching objective – Ukraine's accession to the Union.

This is, of course, feasible, as demonstrated by the accession experiences of several EU countries, particularly in the agricultural sector. For instance,

in Spain's case, a seven-year transition period was established to gradually align Spanish agricultural product prices with the so-called common prices used in the European Community. Additionally, the timeline for reducing tariffs on products in which Spain's northern neighbours specialized – such as beef, cereals, and milk – was set to span multiple years.

In Poland's case, during the first four years of negotiations, the EU-15 member states firmly rejected the demand to extend EU income support mechanisms to Polish farmers. The offer they eventually made – just two months before the conclusion of the talks – proposed a gradual increase in income payments over several years, starting from an evidently insufficient 25 percent of the then-current EU level. Poland ultimately improved these terms during the final negotiations, though this came at the cost of partially reallocating funds from other Common Agricultural Policy (CAP) instruments and securing additional financial support from the Polish budget.

Even in Austria, agriculture emerged as a significant negotiating issue, with concerns over a potential decline in farmers' incomes following EU accession. As a result, the EU agreed to fund compensatory payments for farmers during the first four years following Austria's accession to the Union.

In summary, accession negotiations have consistently produced solutions that facilitated socio-economic adjustments and secured public acceptance of successive EU enlargements.

There is no reason why negotiations on Ukraine's membership cannot yield the same outcome. In the past, countries such as Spain and Poland experienced strong, and in some cases rapid, growth in GDP, exports, and foreign direct investment during the initial years following accession. Ukraine, with its still comparable demographic and skills potential and its diversified economic structure, has the opportunity to replicate Spain's and Poland's success – provided that the West establishes stable cold coexistence with Russia and effectively deters any attempts to disrupt this relationship through force.

However, before that can happen, both Ukraine and Poland face years of intense work. At the end of June 2024, Ukraine formally began accession negotiations with the 27 EU member states, following a complex and demanding set of conditions set by the EU-27. Immediately afterward, the European Commission, in cooperation with the Ukrainian administration, launched the bilateral legal screening process. This process will likely extend into 2025, with its first tangible outcome expected later this year – a detailed

assessment of the scale and scope of the work Ukraine must undertake in key horizontal negotiation clusters, known as “fundamentals.” These include areas such as justice and fundamental rights, justice/freedom/security, and democratic institutions and public administration reform.

Armed with this assessment, Ukraine should develop and submit a “roadmap” outlining its planned actions. If the EU-27 unanimously approves the roadmap, formal accession negotiations in the “fundamentals” cluster can begin. Ideally, this step will be followed – swiftly and efficiently – by the opening of negotiations in each of the remaining five thematic clusters.

The EU’s internal preparations for enlargement will soon begin to take a more concrete shape. According to the European Commission’s Political Guidelines for 2024–2029, published on July 18, 2024, the Commission plans to present member states with pre-accession policy reviews within the first 100 days of its mandate, starting in December 2024. These reviews will cover several areas, including the rule of law, the single market, food security, defence and security, climate and energy, migration, and social, economic, and territorial convergence. The Commission also intends to propose “new formats and decision-making processes” tailored to the needs of an enlarged Union.

What steps should Poland take – within the EU-Ukraine Intergovernmental Conference (IGC), in EU institutions, and through its bilateral relations with Ukraine – to effectively navigate the challenges and opportunities outlined above?

As Ukraine’s principal EU neighbour, Poland should actively highlight and promote Kyiv’s progress in aligning with EU standards while working to build the critical mass necessary for unanimous, positive negotiation decisions within the EU-27. This approach mirrors Germany’s past role in supporting Poland’s accession, even as it remained one of the strictest and most demanding evaluators of Poland’s membership preparations.

Today, Poland should aim not only to ensure negotiations with Ukraine proceed at a steady pace without unnecessary delays but, more importantly, to guarantee Ukraine’s adaptation efforts are both durable and of high quality. In the immediate term, Poland’s priority should be to secure the opening of accession negotiations in the “fundamentals” cluster during its presidency of the EU Council in the first half of 2025.

A steady pace and lasting, well-executed adaptation efforts in Ukraine could enable the conclusion of accession negotiations around 2030. Establishing

a predictable, medium-term timeline for completing the talks is crucial to maintaining motivation and momentum on both sides of the negotiating table – especially within Ukraine's political environment. Poland should, therefore, consistently advocate for the EU-27 to set a clear and desirable timeframe for negotiations.

At the same time, Poland must ensure that no transitional solution – whether required by EU member states or proposed by Ukraine – undermines the atmosphere of the talks or becomes an easy tool for populist forces and silent opponents of Ukraine's accession. If Ukraine's progress in adaptation and negotiations aligns broadly with that of other membership candidates, Poland should push for a simultaneous conclusion of talks with a group of candidates that includes Ukraine. In other words, Poland should use its voice in the EU-Ukraine Intergovernmental Conference (IGC) to prevent a scenario in which only one or more Western Balkan states gain EU membership first.

It is also in Poland's strategic interest to ensure no EU-27 member state misuses the IGC to pressure Ukraine into making concessions on purely bilateral issues unrelated to the EU's adaptation requirements. This stance equally obliges Poland to avoid linking the accession process to the complex aspects of its shared history with Ukraine.

An open question remains whether Ukrainian politicians will demonstrate the strategic capacity to maintain a consistently constructive approach to these difficult historical issues. If they do, the persistent temptation on the Polish side to use accession negotiations as leverage over Ukraine in matters of historical policy will gradually fade.

In preparing for the likely socio-economic changes following EU enlargement, next year's policy reviews – conducted by member states based on the European Commission's announced documents – will offer a key platform for Poland to present its forecasts and assessments of the expansion's consequences. This discussion will commence during Poland's presidency of the EU Council, making urgent analytical work and a well-coordinated internal debate essential this year.

Poland must also establish an efficient procedure, in cooperation with the European Commission, to ensure the formulation of agreed conclusions from all policy reviews. This task will undoubtedly be challenging, and quick results should not be expected, especially since the substance of most reviews will closely depend on ongoing discussions among EU member states regarding the future of cohesion policy and the Common Agricultural Policy.



Furthermore, these reviews will be influenced by negotiations on the EU's Multiannual Financial Framework (MFF) for the 2028–2034 period, scheduled to begin in the second half of 2025.

Within the MFF 2028–2034, it will be essential to maintain – and, where possible, expand – dedicated financial instruments composed of grants and loans for Ukraine (*Ukraine Facility*) and for candidate countries from the Western Balkans (*Growth Plan*). Securing agreement on this among EU member states should be relatively straightforward. However, the question of whether – and how many – of the nine candidate countries will gain membership during the MFF 2028–2034 period remains unresolved.

Despite this uncertainty, the various potential configurations of EU enlargement during this time – and their budgetary implications – must become a topic of discussion and agreement within the EU-27. Poland should avoid adopting a defensive stance aimed at protecting the status quo in these talks. Structural changes to the EU budget are inevitable, even without enlargement, just as the continued economic growth of Polish regions will inevitably alter Poland's position within the cohesion policy framework.

Moreover, according to calculations by the Brussels-based think tank Bruegel, even a full extrapolation of current expenditure criteria suggests that an enlargement including all nine candidate countries would result in an additional annual cost of no more than 0.17 percent of the EU-27's GDP. In practice, however, transitional arrangements will lower the effective cost significantly.

The EU, particularly in the context of enlargement, must implement institutional reforms to enhance the efficiency and effectiveness of collective decision-making and action within its institutions. Poland has a strategic interest in adopting an open and creative approach to the debate on EU reforms while actively countering any attempts to delay enlargement under the pretext of completing reforms first. Such a linkage has never existed, despite multiple rounds of EU enlargement.

It is also essential to recognize that even if all nine candidate countries were admitted, the EU's total population would grow by less than 60 million people – fewer than the number who left the Union as a result of Brexit.

While pursuing its reforms, the EU should establish an institutionalised platform for regular dialogue with candidate countries, enabling them to present their views and proposals. Poland should support this approach as a means of integrating future members into the EU's structures. Similarly,

Poland should adopt a positive stance towards other forms of gradual integration, particularly those that offer direct benefits to citizens, such as continuing roaming agreements, including Ukraine in the SEPA payment area, and streamlining the recognition of professional qualifications.

It is also in Poland's strategic interest to advocate for Ukraine's participation in specific aspects of EU decision-making within the EU Council, under a status equivalent to that of an active observer. This could apply to areas where Ukraine has already achieved significant alignment, such as common foreign and security policy, the emerging common defence policy, education, culture, and healthcare.

The more such gradual integration takes place, the stronger the motivation and political will to secure Ukraine's EU membership within a reasonable timeframe. At the same time, this approach could strengthen public support for Ukraine's accession.

Proper preparation for Ukraine's EU membership requires not only legal and institutional adjustments but also the development of practical skills among tens of thousands of civil servants, judges, administrators, law enforcement officers, inspectors, and experts. They must learn to correctly apply EU law, regulations, and cooperation procedures with other member states. This is especially crucial for institutions and bodies responsible for upholding the rule of law, combating corruption, and ensuring the effective functioning of the EU single market.

Given its geographical proximity and minimal language barrier, Poland is particularly well-placed to provide technical support for Ukraine's preparations. This support could include training for Ukraine's public administration, twinning initiatives between Polish and Ukrainian offices, services, inspections, and agencies, as well as practical learning opportunities for Ukrainian partners based on the job shadowing model within Polish institutions.

Developing a comprehensive strategy for this support would be advisable, alongside government-backed tools to assist Polish applicants competing for projects funded under the EU's Ukraine Facility.

In bilateral relations between Poland and Ukraine, both countries face a range of practical tasks that require careful planning on each side of the border, along with effective cooperation between the relevant authorities and services. These tasks include preparing for the elimination of customs and sanitary border controls, adjusting the staffing capacity and operational

frameworks of all border services to align with the realities of Ukraine's future membership, modernising border railway and road infrastructure, and preparing the administrations of border voivodeships and oblasts for the joint use of INTERREG and other relevant instruments of EU cohesion policy.

Additionally, both countries must develop medium-term adaptation strategies for sectors of the Polish economy that will face increasing competitive pressure from Ukraine. Naturally, such strategies must fully consider the likely evolution of the EU's main policy priorities and instruments, as well as the conclusions drawn from the pre-accession policy reviews planned for 2025.

Many tasks lie ahead in the coming years, but all of them are achievable – provided that Ukraine's accession remains a genuine political priority, not only in Kyiv and Warsaw but also in the capitals of the other EU member states.



# Ukraine's Perseverant March Towards the EU

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Dmytro Shulha

It has been three years since Ukraine submitted its application for European Union (EU) membership in February 2022, and one year since the EU's official decision in December 2023 to begin accession negotiations. In 2024, the EU approved the negotiating framework and formally launched negotiations with Ukraine during the inaugural though largely symbolic session of the intergovernmental conference.

However, the EU has yet to open any of the 35 negotiation chapters. Since early 2024, the European Commission has been conducting the screening process to assess Ukraine's legislation for compliance with the EU acquis. The Commission plans to complete this process by autumn 2025 and aims to publish its final report no earlier than the end of that year.

However, the EU does not need to wait for the full completion of the screening process, as it can decide to open individual chapters based on the screening results for each negotiation cluster – of which there are six in total. The report on the first negotiation cluster – Fundamentals – is expected at the beginning of 2024. This will enable the EU Council to consider opening negotiations for specific chapters within this cluster.

It is both significant and symbolic that the Council could make this decision during Poland's presidency of the EU Council. Throughout 2025, during the Polish and Danish presidencies, the European Commission intends to publish reports on the remaining negotiation clusters. Ukraine expects to open at least two or three clusters in 2025, with the ultimate goal of opening all six.

Ambitions for 2025 are notably limited to opening negotiation chapters – and not even all of them. Implementation of benchmarks set by the European Commission will follow, based on the screening results of Ukrainian

legislation. These benchmarks represent Ukraine's "homework" for the respective negotiation chapters, which align with sections of the EU acquis.

This process will require time – around two years, according to the Ukrainian government's most optimistic estimates – after which the European Commission will assess whether all conditions have been met. If necessary, Ukraine may need to make further adjustments to secure a positive conclusion from the Commission, followed by an EU Council decision on closing the respective chapter. For the first fundamentals cluster, the procedure is even more complex, as it is divided into two stages.

Ukraine's path to the EU began long before 2022. The country made its definitive European choice with the victory of the Euromaidan and the signing of the Association Agreement between Ukraine and the EU in 2014, which established the Deep and Comprehensive Free Trade Area (DCFTA).

As a result, customs tariffs were liberalised – already relatively low following Ukraine's accession to the WTO in the 2000s – with conditions set for removing non-tariff barriers and integrating into specific sectors of the single market.

The special measures introduced in 2022 to support Ukraine by further opening the EU market at the start of the full-scale war accelerated and strengthened a process that had already begun in 2014. In the area of trade in goods, the most significant decision of 2022 was the removal or expansion of tariff quotas for certain agricultural products, originally set under the DCFTA.

Additional sectoral agreements were also adopted, including some that had been under negotiation even before the full-scale war, such as the agreement on road transport. Meanwhile, the granting of temporary protection status effectively provided Ukrainian citizens with freedom of movement and access to the EU labour market.

At the macro level, largely due to international assistance, the Ukrainian economy has managed to stay afloat. Although Ukraine's GDP declined by 29 percent in 2022, the economy experienced growth in 2023 and 2024, at rates of 5 percent and 4 percent respectively.

However, at the micro level, the situation remains extremely challenging. The destruction of industrial facilities, power plants, energy networks, transport and telecommunications infrastructure, and housing; the occupation of territories; landmines in agricultural fields; the loss of enterprise personnel due to emigration and mobilisation; rising costs caused by unstable

energy supplies; difficulties in export logistics; the weakening of the national currency; and the high cost of credit – all continue to undermine Ukrainian businesses.

In these conditions, the additional opening of the EU market, as previously mentioned, has been crucial in helping Ukrainian businesses survive.

The additional EU measures have enabled Ukraine to maintain its export volumes to the EU at the same level as in 2021, before the full-scale war – a significant achievement given the destruction and occupation of Ukrainian territories. Throughout the war, EU exports to Ukraine have continued to grow, further strengthening the EU's positive trade balance.

Within the Union, Poland has emerged as the primary beneficiary of this trade, serving as Ukraine's largest partner for both exports and imports among all EU member states, with a substantial trade surplus in its favour. As a result, the current EU support measures for Ukraine not only provide strategic and security benefits but also deliver trade and economic advantages for the EU itself, particularly for Poland.

These effects also encompass the inflow of investment and financial assistance to Poland from the EU, including additional subsidies for farmers, infrastructure development, and military investments from the United States. Notably, a much larger share of private investment now flows from Ukraine to Poland, rather than the other way around – a significant contrast to the dynamic between Germany and Poland two decades ago.

During the ongoing war, Ukrainian businesses have been actively relocating to Poland, establishing branches and subsidiaries as gateways to the broader European market.

Over the long term, Ukraine's integration into the EU promises even greater economic benefits. As the last major European market – with over 40 million consumers – yet to join the EU, Ukraine offers substantial growth potential. Its diverse economy creates opportunities for European businesses across multiple sectors.

Ukraine boasts a robust IT sector, with hundreds of thousands of specialists and a high level of digitalisation in services. Its defence industry is rapidly advancing, equipped with its own missile systems and other cutting-edge technologies. The country's gas storage facilities and potential for renewable energy sources make it a key player in Europe's energy sector.

The Baltic-Black Sea corridor holds strategic importance in European geo-strategy, serving as part of the Three Seas Initiative and acting as a vital transport route between Europe and Asia. Ukraine's reserves of critical minerals provide essential resources for the development of Europe's advanced industries. Its well-established pharmaceutical manufacturing sector – proven during the COVID pandemic – also plays a crucial role in European security.

Finally, Ukraine's efficient and globally competitive agricultural sector maintains a strong presence in international markets.

Ukraine's integration has the potential to strengthen the EU's competitiveness across multiple sectors – an issue of growing relevance on the European agenda. Over the past 20 years, since Poland joined the EU, global economic competition has intensified, with mounting challenges from China and other emerging players.

Simultaneously, the rise in conflicts and various crises has made it even more urgent for the EU to secure its production base, diversify supply chains, and strengthen logistics security.

The COVID pandemic triggered a shift in thinking about relocating European investments from distant Asian regions to locations closer to home – a strategy known as nearshoring. Rising geopolitical tensions will further accelerate this trend. Among the possible options, Ukraine stands out for its proximity, low production costs, and highly skilled workforce that shares European societal values, offering significant advantages for attracting European investments.

While the ongoing war complicates the situation, its eventual end will open new opportunities. However, the ultimate beneficiaries of these opportunities will depend on the actions of potential investors though it would be reasonable to expect Polish companies to play a leading role in this process.

Meanwhile, in 2023, Poland unilaterally imposed protective restrictions on agricultural products from Ukraine at the national level, acting against the position of the European Commission and in violation of EU law, which assigns external trade policy exclusively to the Union. Following this decision, Poland further escalated tensions by introducing a physical blockade at the EU-Ukraine border.

This move significantly damaged Poland's reputation – as both a promoter of Ukraine's EU integration and a reliable EU partner – particularly in Kyiv and



Brussels. The blockade not only undermined Ukraine's strategic interests, for which uninterrupted supply routes through the Polish-Ukrainian border are vital for national security during the full-scale war, but also had broader economic consequences. From a purely economic perspective, the blockade inflicted even greater harm on Polish businesses and those of other EU member states, given the existing bilateral trade balance.

These high-profile events reinforced the perception that Ukraine's integration into the EU single market conflicts with Poland's economic interests. However, analyses by economic experts on both sides reveal that genuine competition is confined to only a few sectors – primarily agriculture and road transport. Even within these sectors, competition affects only specific segments. For instance, Polish livestock farmers and food processors are unlikely to view Ukrainian grain imports as a direct threat.

In road transport, the competition with Ukrainian companies poses challenges not for the entire sector but mainly for carriers from Poland's eastern regions. These carriers face intensified Ukrainian competition while also grappling with the loss of access to the Belarusian and Russian markets. Ultimately, the opposition stems from the interests of specific segments – a clear minority within Polish business.

Complaints from this minority about competition from Ukraine are often reinforced by claims of social dumping – the argument that Ukrainian competitors enjoy unfair advantages due to their exemption from EU regulations. However, this narrative is largely misleading, as it overlooks the significantly greater competitive advantages held by Polish and other European producers and suppliers, who operate in stable, peacetime conditions. In contrast, Ukrainian businesses continue to function under the severe challenges posed by war and economic disruption.

With the onset of the full-scale war in 2022, the Ukrainian government implemented a series of liberalisation measures to support domestic businesses. These included the suspension of market surveillance mechanisms, state aid oversight, and the partial simplification of procurement procedures. However, this trend has already begun to reverse. In 2024, as part of its commitments to the EU, the government reinstated market surveillance mechanisms.

This process is set to continue, as Ukraine will be required to align its legislation with the EU *acquis* throughout the accession negotiations.

In this context, it is essential to recognise that implementing EU *acquis* standards – particularly social and environmental regulations – will further raise production and transaction costs for Ukrainian businesses. This, in turn, will lead to higher prices for goods, services, and infrastructure projects in Ukraine, ultimately increasing the overall cost of reconstruction during and after the war.

At the macro level, the rising costs will reduce state revenues and drive up public expenditures, thereby heightening the need for greater volumes of international donor assistance. This challenge emerges at a time when the long-term stability of such assistance remains uncertain, and the government is already under pressure to increase the tax burden on businesses.

Given the paradoxical dilemma of an urgent need for faster integration into the EU contrasts with the rising costs of reconstruction, the growing reliance on donor assistance, and concerns about future economic growth, it would be sensible during the negotiations to postpone the implementation of the most costly EU regulations for Ukrainian businesses until after accession – through transition periods – or at the very least, until the war concludes.

The war has profoundly shaped Ukraine's EU integration process, making it a unique case in the history of enlargement. Although the new U.S. administration has raised hopes for a swift end to the Russo-Ukrainian war by early 2025, this remains unlikely without a shift in sentiment within the Kremlin – something that would require a significant qualitative and quantitative increase in Western military-technical assistance to Ukraine, alongside intensified sanctions pressure on Moscow.

Regardless of how events unfold, the U.S. is expected to push Europe to assume greater responsibility for its own security.

The year 2025 will mark a pivotal moment for debates within the newly formed EU institutions on European security, economic development strategies, sectoral policies, future enlargement, and the Union's budget. The year will open with Poland's presidency of the EU Council, offering a strategic opportunity not only for Poland but also for strengthening Polish-Ukrainian cooperation and coordination at the European level.

First, Poland's presidency could spearhead an EU Council decision to open multiple negotiation clusters immediately upon receiving the European Commission's reports on the screening results for these clusters.

Ukraine is navigating a far more complex accession process than Poland faced during its time. The current procedure is prolonged by multiple stages, each requiring decisions from various EU institutions. Completing its “homework” by implementing the EU *acquis* is no longer sufficient; every step demands consensus within the EU Council, leaving the process vulnerable to political pressure from individual member states.

Hungarian Prime Minister Viktor Orbán, following the European Council’s decision to open negotiations with Ukraine in December 2023, highlighted this vulnerability with a remark that he would have 75 more opportunities to veto and block Ukraine’s accession. The only way to prevent such a negative scenario is through the collective political will of other member states that recognise their strategic interest in preventing individual members from artificially stalling the process.

Poland’s presidency could elevate to a political Level the discussion on updating – and ultimately simplifying – the enlargement methodology by focusing on improvements and refinements. One key reform could involve reducing the number of instances that require consensus decisions from member states, particularly when opening negotiation chapters. This stage essentially serves as the EU assigning said “homework” to the candidate country and could be streamlined to avoid unnecessary delays.

Ideally, the EU would transition to making all decisions by qualified majority voting. However, this is already the norm in most EU policy areas. The exceptions – where consensus among member states remains necessary – are limited to several key areas, such as the budget, foreign and security policy, and enlargement itself. Even in these areas, it is technically possible to replace the consensus requirement with qualified majority voting, but only if all member states unanimously agree to such a change – an outcome that is clearly not politically feasible in the foreseeable future.

Nonetheless, this should not hinder Ukraine’s accession. Just as the major eastern enlargement did not paralyse the EU’s decision-making in various policy areas, the accession of Ukraine or other candidate countries – provided they align with the EU’s foreign and security policy – would not undermine the Union’s ability to function effectively.

When there is sufficient political will among member states, they can bypass veto players by using the enhanced cooperation mechanism. For instance, Poland’s presidency will inherit the ongoing issue of Hungary’s obstruction of decisions regarding Ukraine within the European Peace Facility, which

has been stalled for over a year and a half. Several member states have already proposed adopting a decision through an intergovernmental agreement among supportive countries – effectively an “all minus Hungary” approach.

The key challenge now lies in persuading France and Germany to back this strategy.

Poland's presidency, in collaboration with the new European Commission, could propose strategies to strengthen the EU's defence policy, with a primary focus on increasing funding. According to European Commissioner for Defence, Andrius Kubilius, current needs surpass existing investments in the European defence industry by several dozen times.

Integrating Ukraine into the European arms market and the joint European military-industrial complex would not only enhance collective security but also stimulate Europe's technological, industrial, and economic growth.

The EU must continue to reduce and ultimately sever trade and economic ties with Russia across all sectors, with a particular focus on energy. Following the cessation of gas transit from Russia to Slovakia and Hungary, Ukraine should also halt the transit of oil – legally Hungarian but effectively Russian – through the Druzhba pipeline from Belarus to Hungary.

In parallel, the EU must impose a complete ban on purchasing Russian liquefied natural gas (LNG), close all loopholes facilitating maritime trade of Russian oil and petroleum products within the Union, and either shut down or significantly curtail Russia's global maritime oil trade through the Baltic Sea, Moscow's primary export route for oil and petroleum products.

It is also essential to introduce restrictions on Russian goods entering the EU market – whether through sanctions or protective tariffs – covering sectors such as metals, minerals, agricultural products, fertilisers, and more. In many of these categories, Ukrainian exports could effectively fill the market gaps left by Russian goods.

Export controls at both the EU level and within individual member states – including Poland – must be strengthened to enforce compliance with the “Russia clause” in contracts with third countries. Recent statistics reveal a significant rise in exports from Poland and other member states to Central Asia, the Caucasus, and Belarus – clear indicators of sanction evasion that ultimately benefits Russia.

As a result, Russia continues to import European sniper rifles, machinery and components for armoured vehicles and artillery barrel production, as well as parts for missiles and drones. This loophole must be closed. With sufficient political will, implementing tighter controls is entirely feasible – just as similar measures were introduced to combat money laundering and terrorist financing.

Decoupling from Russia must also extend to transport corridors, given that Moscow's antagonism towards Europe is likely to endure for the foreseeable future. Land routes connecting Europe with China should avoid Belarus and Russia, instead following the Middle Corridor – linking the Black Sea, the Caucasus, the Caspian Sea, Central Asia, and China. This shift presents a strategic opportunity to strengthen joint Polish-Ukrainian transit potential.

Poland's presidency will initiate discussions on the new EU financial framework for 2028–2034, which must account for Ukraine's anticipated accession during this period. Alongside enlargement and the traditionally significant budget allocations for the Common Agricultural Policy and Cohesion Policy, the agenda will also prioritise increased security spending, the strengthening of economic competitiveness – including subsidies for new technologies and industrial production – and the continued implementation of the Green Deal.

Meeting these substantial financial needs will require expanding the EU's own resources, increasing revenue inflows into the budget, and securing off-budget financing through mechanisms such as European Investment Bank (EIB) loans and joint EU borrowing.

Ukraine – and the broader enlargement process – should not be viewed as the source of these financial challenges but rather as a catalyst for long-overdue reforms. Research from Brussels-based think tanks demonstrates that Ukraine's accession will have virtually no impact on the current division of EU member states into net recipients and net contributors within the EU budget. Countries experiencing sustained economic growth naturally transition from net recipients to net contributors – just as Poland is expected to do in the near future – regardless of Ukraine's membership in the EU.

While accession negotiations continue, it is crucial to establish stable, long-term interim frameworks for Ukraine's integration into the single market. These could take the form of amendments to the Association Agreement and/or targeted sectoral agreements, replacing the current temporary crisis

measures governing the movement of people, goods, and services between Ukraine and the EU.

If the full-scale war ends before Ukraine formally joins the EU, the legal status of the millions of Ukrainian citizens currently under temporary protection in EU member states will become an urgent issue. In parallel, for various sectors of goods and services, it would be more appropriate to replace the annually reviewed emergency decisions – enacted during the war – with stable legal frameworks that remain in place until Ukraine's eventual accession.

The development of infrastructure along the Ukrainian-Polish border is another long-overdue issue. This border is the busiest external border of the EU yet has the lowest density of border crossings – significantly lower than what once existed between Poland and Germany.

It is unacceptable that blocking the EU-Ukraine border from the Polish side remains so easy. Recently, Polish protesters exploited this vulnerability to advance domestic political issues entirely unrelated to Ukraine, using the border as a convenient leverage point to pressure the government in Warsaw. They find it easier to target the Ukrainian border than other sections of Poland's state border.

For example, in areas bordering Belarus, a state of emergency was imposed, effectively preventing such disruptions, while no similar measures have been applied along the Ukrainian border – a troubling inconsistency. Poland's central authorities must ensure they can fulfil their obligations to effectively control the EU's external border and prevent it from becoming a tool in domestic disputes.

It is crucial for the governments of Ukraine and Poland to prioritise close dialogue and establish effective dispute resolution mechanisms, underpinned by the political will to reach mutually acceptable solutions – especially in the context of Ukraine's future accession to the EU.

With genuine political commitment, there is significant scope for agreements that go beyond discussions of transition periods post-accession. These could include the development of joint projects, the creation of EU-backed financial support mechanisms, and expanded cooperation in global markets.

Such close sectoral dialogue between Ukraine and Poland is necessary across a range of topics related to the future of the EU, including the defence industry, global competitiveness, the agricultural sector, cohesion policy (regional policy and cooperation), transport logistics, and border management.

In particular, it would be beneficial to develop a shared vision for the future of cohesion policy – the EU's equalisation policy – considering Ukraine's accession, which will also impact Poland. The eastern regions of Poland bordering Ukraine stand to be among the biggest beneficiaries of this enlargement, much the way eastern Germany benefited from Poland's accession to the EU.

Polish and Ukrainian cities with well-established partnership networks will likewise gain from this process. However, it is equally important to address the need to reduce regional disparities in Ukraine, which may amplify due to uneven recovery and integration into the EU between western regions and those most affected by the war.





# Negotiation Clusters

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## Cluster 1: Fundamental Reforms

### The Polish Perspective

#### Challenges

The negotiations on the first cluster hold critical importance, as they encompass chapters addressing the quality of democratic institutions, the rule of law, and the transparency of administrative operations. These chapters will be the first to be negotiated and the last to be closed. Ensuring the fight against corruption and securing a stable, independent judiciary will be key to providing equal operating conditions for both EU-27 and Ukrainian entities. In this context, it will be vital to establish equal access and transparent procedures in public procurement, particularly within the reconstruction process, where the scale of necessary investments and the diversity of funding sources significantly heighten the risk of corruption.

However, implementing many reforms during wartime presents significant challenges, as the European Union's legal framework (*acquis communautaire*) was designed for peacetime conditions. For instance, achieving full independence for various institutions is not feasible under martial law, which inherently centralises and militarises the state. The European Union must consider these specific circumstances when assessing Ukraine's progress. Nevertheless, this reality is likely to create tensions within the negotiation process and may be leveraged by opponents of enlargement to question Ukraine's readiness for accession.

Past negative experiences with the EU's enlargement in the Balkans highlight that the lack of a clear timeline and tangible benefits can discourage political

elites from pursuing reforms – particularly in the area of the rule of law. To avoid repeating these mistakes, the negotiation process should offer a clear prospect of benefits, paired with a robust conditionality system. This would establish a strong link between pre-accession funds, participation in EU programmes, and access to the four freedoms of the single market, all tied to Ukraine's progress in implementing reforms. A cross-cluster approach will be essential to ensure consistency across sectors. It is equally crucial that benchmarks focus not only on the formal adoption of regulations but also on their full implementation, closing loopholes and preventing selective application. Each stage of integration should follow the successful enactment of reforms, allowing Ukrainian society to experience tangible, positive outcomes.

## Benefits

Building stable institutions and transparent procedures is essential for Ukraine's successful accession and long-term socio-economic development. The negotiation and reform process will not only strengthen Ukraine but also enhance its resilience. However, success hinges not just on the formal adoption of EU legislation but on its full implementation and consistent enforcement – crucial for Ukraine, Poland, and the EU as a whole. Strengthening the credibility of institutions and the legal environment – long perceived as a weakness by foreign investors – will significantly boost foreign investment inflows. Such investments were a key driver of Poland's economic growth following its EU accession and could similarly catalyse Ukraine's development. Improved institutional reliability will also enable Polish companies to operate safely in Ukraine, whether through direct investments or participation in public procurement projects.

Achieving the *fundamental* objectives represents Ukraine's greatest challenge on its path to European Union membership. Establishing a clear timeline, along with tangible benefits tied to reforms – such as access to the single market, EU funds, and programmes – should serve as powerful incentives for Ukraine and effective tools for the European Commission to support this process. Success in negotiating this cluster will be pivotal to the overall success of the accession talks. If achieved, this enlargement could bring mutual benefits to all member states, mirroring the positive outcomes of the 2004 EU expansion.

## The Ukrainian Perspective

### Challenges

Cluster 1 holds top priority in discussions with the European Community not only because it is the first to be opened and the last to be closed. It is

also crucial because it covers a range of areas that are critically important for European integration, such as the functioning of democratic institutions, civil service and judicial system reforms, the fight against corruption and organised crime, human rights, and related issues. Implementing this cluster demands comprehensive reforms that will fundamentally reshape societal relations, promoting greater transparency, efficiency, and fairness in the functioning of state institutions.

The greatest challenge for Ukraine in this cluster lies in maintaining the effective functioning of democratic institutions under wartime conditions. This presents an unprecedented situation, as no candidate country in the history of the European Union has pursued accession during a full-scale war. The conflict has compelled Ukraine to impose restrictions on citizens' rights and freedoms, suspend elections, and navigate significant challenges in ensuring the proper functioning of Parliament.

Holding elections during wartime presents extraordinary challenges related to security and logistics. A significant portion of Ukraine's population has been displaced, with many citizens living abroad or in occupied territories, while numerous active military personnel remain stationed on the front lines, unable to leave their positions to vote. In frontline regions, polling stations face the constant risk of coming under fire, further complicating the electoral process. Moreover, conducting an election campaign and fostering political competition during such a critical period could undermine national unity at a time when the country is fighting for its survival. Sociological research indicates that the majority of Ukrainian citizens oppose holding elections during the war and support extending President Volodymyr Zelensky's term until the conclusion of martial law.<sup>1</sup>

At the same time, building a robust democracy – including the effective implementation of the principle of separation of powers – is a fundamental prerequisite for the success of other critical reforms. Ensuring judicial independence, fostering professional recruitment for civil service positions, and enabling an effective fight against corruption all require a democratic government, parliament, and president who operate strictly within their constitutional limits. Therefore, the question remains open as to how democracy

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1 "Perception of the need for the Presidential elections. The press release was prepared by Anton Hrushetskyi, executive director of KIIS". Kyiv International Institute of Sociology. February 2, 2024, <https://www.kiis.com.ua/?lang=ukr&cat=reports&id=1371&page=1> [all the documents cited were accessed online on February 28, 2025].

may be strengthened in Ukraine under martial law and in the absence of the possibility to hold elections.

Another significant challenge for Ukraine in Cluster 1: Fundamental Reforms is the need to avoid the mistakes made by candidate countries from the Western Balkans. In several areas within this cluster, there are no specific EU legislative acts that must be directly implemented. Instead, the European Union sets tailored benchmarks for each candidate country. The Western Balkan states have struggled to meet these benchmarks, largely due to the complexity of required reforms and the often-ambiguous wording of the criteria. Vague terms such as “visible progress” lead to inconsistent interpretations and create flexibility in assessing a candidate country’s advancement.

Therefore, Ukraine’s effective adaptation to the EU’s requirements in judicial reform, the fight against corruption, and organised crime requires the formulation of clear and measurable benchmarks. Their implementation will help reduce political influence over these reforms.

Carrying out civil service reform will also pose an important challenge. Even before the war, Ukraine struggled to attract professionals to public service, but since the beginning of the full-scale invasion, the situation has worsened significantly. The civil service has lost many women who left for safer countries with their children in 2022, as well as men due to mobilisation into the Armed Forces of Ukraine. The lack of funding under martial law has further exacerbated staff shortages. Ukraine must find its own approach to reforming the civil service under conditions of limited financial and human resources.

## Benefits

The primary benefit of progress in Cluster 1 is that Fundamental Reforms for Ukraine will be the direct implementation of these reforms, as many of them align with the existing and persistent public demand for judicial reform and the fight against corruption. Currently, 60 percent of Ukrainians do not trust the Supreme Court of Ukraine, while 63 percent believe that corruption is the main problem of the judicial system.<sup>2</sup>

European integration has long had a positive impact on reforms related to the rule of law and the fight against corruption in Ukraine. As early as 2015, anti-corruption bodies were established to meet the requirements for obtaining

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2 “60 Percent of Ukrainians Do Not Trust the Supreme Court.” Dejure Foundation, January 18, 2024, <https://dejure.foundation/en/60-of-ukrainians-do-not-trust-the-supreme-court-and-prioritise-judicial-system-renewal-survey/>.

visa-free travel with the European Union. Decentralisation, whose effective implementation was recognised in the European Commission’s enlargement report,<sup>3</sup> was also carried out with the support of the EU. Judicial reform, which had stalled since 2018, was revitalised following the European Commission’s recommendations for opening accession talks with Ukraine. These recommendations led to the appointment of anti-corruption body leaders, the continuation of reforms in judicial self-governance institutions, and the initiation of the recruitment process for judges of the Constitutional Court.

It is evident that the prospect of joining the European Union fundamentally reinforces the political will to implement essential reforms. Crucially, these reforms are not merely steps toward European integration but also catalysts for profound societal change within Ukraine. Decentralisation, for example, enabled Ukrainian society to demonstrate greater resilience and organise self-defence during the initial stages of the full-scale invasion in 2022. Additionally, the anti-corruption bodies established in response to EU requirements are actively uncovering significant corruption cases, such as the arrest of the former chairman of the Supreme Court of Ukraine for bribery.

The path to the European Union, coupled with strong public support among Ukrainians for EU accession, will act as a driving force compelling Ukrainian politicians to pursue complex reforms helping them navigate resistance from vested interests and counter the influence of less scrupulous actors.

## Cluster 2: Internal Market

### The Polish Perspective

#### Challenges

After the start of Russia’s full-scale invasion and the blockade of the Black Sea, the European Union introduced Autonomous Trade Measures (ATM), which allowed the complete liberalisation of trade and duty-free access for all Ukrainian goods to the EU market. This led to an increased inflow of goods, particularly into countries bordering Ukraine, and helped sustain Ukrainian exports during Russia’s blockade. However, the full liberalisation of market access also created tensions in Central Europe.

3 *Ukraine 2023 Report*, European Commission, November 8, 2023, [https://neighbourhood-enlargement.ec.europa.eu/system/files/2023-11/SWD\\_2023\\_699%20Ukraine%20report.pdf](https://neighbourhood-enlargement.ec.europa.eu/system/files/2023-11/SWD_2023_699%20Ukraine%20report.pdf).

The reopening of the Black Sea trade route in the second half of 2023 allowed Ukraine to restore its maritime exports, easing pressure on EU markets. Although mechanisms were adopted in 2024 to introduce quotas in case of market disruptions caused by excessive imports (automatic safeguard), these measures do not cover all goods.

After the expiration of the ATM in June 2025 and the return to trade rules based on the Deep and Comprehensive Free Trade Area (DCFTA), discussions on Ukraine's full access to the single market will resume. What should follow is a gradual liberalisation of Ukraine's market access, taking into account the country's progress in effectively implementing EU requirements and the situation in individual sectors.

It will be essential to strike a balance between opening the EU market – especially in countries bordering Ukraine – to Ukrainian products and ensuring sufficient time for producers in EU member states to adapt to this liberalisation. Mechanisms must be developed to achieve this balance. For instance, the Enrico Letta report proposed the creation of an Enlargement Solidarity Facility, aimed at mitigating potential costs of enlargement for specific countries, sectors, or regions.

For Ukraine, the key challenge will be aligning with European standards while maintaining competitiveness. Cluster 2 also includes the development of effective regulatory and oversight mechanisms, such as market supervision and state aid control. Establishing these institutions not just on paper but ensuring their independence, quality of work, and well-trained personnel will pose a major challenge for Ukraine's bureaucratic apparatus. However, achieving this will serve as a real guarantee of a level playing field in the enlarged EU market.

This task may be even more complex given that the European Union itself is not static but continues to evolve legislatively – both by simplifying restrictions imposed on businesses and by reassessing areas such as state aid policies.

## Benefits

The adaptation of Ukrainian producers to the rules of the single market could become a lasting foundation for Ukraine's economic growth and lead to a further increase in trade. The main economic benefit of EU membership is unrestricted access to the Union's export market. Ukraine is already an important trading partner for Central European countries and a potentially

growing consumer market. Compared to the period before Russia’s invasion, Polish exports to Ukraine have increased by approximately 80 percent.

Over time, Ukrainian producers should become more deeply integrated into EU value chains, particularly in processing industries in Central Europe, which would help reduce trade tensions. Ukrainian supplies of agricultural raw materials and other resources, subsequently processed within the EU, present an attractive opportunity for economies such as Poland’s. However, Ukraine’s resource potential extends beyond agricultural commodities – it includes minerals, critical and strategic raw materials essential for European security, as well as resources crucial for the green and digital transition and opportunities in agri-food processing.

Effective implementation of EU standards by Ukraine and reinforced market oversight institutions present a mutually beneficial opportunity for both Poland and Ukraine: increased profits for Polish companies, knowledge transfer, including European standards to Ukraine, added value for Ukraine’s economy, job creation in both countries, and secure raw material supplies for the entire EU.

## The Ukrainian Perspective

The Internal Market cluster focuses specifically on economic integration and regulatory frameworks that facilitate the free movement of goods, services, capital and labour within the European Union. Ukraine faces significant challenges in adopting European financial services regulations and ensuring cross-border capital mobility. However, international labour mobility will be perhaps the most sensitive issue following Ukraine’s accession to the EU, given its economic, social and demographic difficulties.

### Challenges

#### Brain drain in Ukraine and labour market imbalances

There are no barriers to international labour mobility within the European single market. Following Russia’s full-scale invasion of Ukraine in February 2022, EU member states opened their borders to Ukrainian citizens, granting them temporary protection and work permits. According to estimates by the Centre for Economic Strategy, approximately 3.3 million Ukrainians remain in the EU, with only 26 percent definitively planning to return as of January 2024.<sup>4</sup> Depending on the scenario, between 1.4 and 2.3 million Ukrainian

4 Ukrainian Refugees: Future Abroad and Plans for Return. The Third Wave of the Research.” Centre for Economic Strategy. <https://ces.org.ua>.

refugees could remain in the EU,<sup>5</sup> although the actual number could be higher, as adult males are not allowed to leave Ukraine under martial law.

After Poland joined the EU in 2004, around 6.6% of Poles relocated to the 'old' member states in pursuit of better job opportunities.<sup>6</sup> Considering the significant disparity in per capita income – and living standards more broadly – between Ukraine and the EU, a similar or even larger outflow of labour from Ukraine after its accession appears likely, even under the most optimistic post-war scenario.

Moreover, it is important to recognise that the labour market landscapes at the time of EU accession differ significantly between Poland and Ukraine. Ukraine faces a far more complex demographic situation, marked by an ageing population, high emigration rates, and low birth rates, all of which contribute to a shrinking labour force. These demographic challenges intensify labour market imbalances and could further accelerate the outflow of workers following EU accession.

## Benefits

### Creating the opportunities for “circular migration” and human capital exchange

Restrictions on international labour mobility may deter potential migrants from relocating. However, such restrictions can also inadvertently encourage permanent relocation. After Poland's accession in 2004, some 'old' member states initially imposed restrictions on the inflow of Polish workers to prevent disruptions in their domestic labour markets; these restrictions were fully lifted by 2011.

A complete liberalisation of labour mobility facilitated the transformation of Polish emigration patterns into so-called *circular migration* (temporary and repetitive movement of people between their home country and another country, typically for work or education).<sup>7</sup>

Ukraine, however, will join the EU in a different era than Poland – one in which young workers are significantly more fluid in terms of occupation and geographical location. This increases the likelihood of establishing a circular

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5 Ibid.

6 P. Kaczmarczyk, “Labour Market Impacts of Post-Accession Migration from Poland,” in *Free Movement of Workers and Labour Market Adjustment: Recent Experiences from OECD Countries and the European Union*, OECD Publishing (Paris), 2012, <https://doi.org/10.1787/9789264177185-10-en>.

7 A White, “Polish Return and Double Return Migration,” *Europe-Asia Studies* 66, no. 1 (2014): 25–49, <https://doi.org/10.1080/09668136.2013.855021>.



migration pattern. Temporary restrictions would likely disrupt this process, encouraging Ukrainians to relocate permanently to the EU rather than engage in temporary or seasonal work. Such a shift would not only exacerbate the loss of skilled workers in Ukraine but also reduce the potential benefits of circular migration for both Ukraine and the EU.

Circular migration enables workers to gain skills and experience abroad while contributing to the economies of both their home and host countries. This approach fosters sustainable labour exchange, mitigates the risk of brain drain, and helps alleviate labour shortages in destination countries. At the same time, it ensures that migrants can return home with enhanced skills and savings, which can further stimulate economic development within their own communities.

**It would therefore be most beneficial for both the Ukrainian and EU labour markets to liberalise international labour flows immediately after Ukraine’s accession, rather than repeating the experiment of temporary restrictions. This immediate liberalisation would foster the development of circular migration patterns, which are essential for maximising the economic and social benefits of labour mobility for both Ukraine and the EU.**

## Cluster 3: Competitiveness and Inclusive Growth

### The Polish Perspective

#### Challenges

Integrating Ukraine’s informal economy into the official economic system will pose a particular challenge. This process will require changes not only in fiscal policy but also in the functioning of various institutions. Ukraine will have to make key economic decisions affecting competitiveness, including balancing real wage growth and productivity as well as reforming the pension system

A major challenge for Ukraine, Poland, and the entire EU will be the shift of the EU’s eastern border. Just as Polish customs authorities took on the role of controlling goods entering the EU from the east after the 2004 accession, Ukraine will assume this responsibility once it joins the Union. Protecting the market from counterfeit goods and piracy will be crucial not only for the proper functioning of the single market but also for Ukraine’s own economy.

Two levels of action are necessary in this area. First, modernising equipment, infrastructure, and IT systems. Second, improving procedures, particularly by strengthening anti-corruption measures, increasing transparency in border control operations, and providing staff training.

Ukraine's eastern border is much longer than Poland's and is affected by ongoing military operations. Implementing reforms in border services during wartime will be extremely challenging, but efforts must be made to develop procedures, prepare systems, and train personnel in advance.

Efforts to combat tax fraud will also be crucial within Cluster 3, which focuses on competitiveness. Ukraine has already made significant progress in harmonising regulations, but further steps must include reforms in VAT and excise duty legislation, along with stronger cooperation with EU member state authorities.

A key issue for the economy and businesses will be the implementation of dedicated solutions for small and medium-sized enterprises (SMEs), particularly in addressing payment delays. SMEs play a vital role in the single market, making it essential to establish uniform rules across the EU. For Ukrainian businesses, adapting to single market requirements will undoubtedly be a major challenge.

### **Benefits**

Ukraine has the potential to enhance Europe's competitiveness through its highly educated society, natural resources, and capacity for producing low-cost, clean energy. This potential is already recognised by global non-EU players such as the United Kingdom and the United States. Additionally, Ukraine's inclusion in the customs union would expand the single market with duty-free trade, generating greater profits for EU exporters.

The pace of Ukraine's economic growth will depend on how effectively it implements institutional reforms. Following Poland's post-accession development path would ensure sustained, stable, and high economic growth, strengthening Ukraine's significance within the EU. Amid stagnation and the challenges of rising global protectionism, the European Union could use Ukraine's accession as an opportunity to implement reforms that would help revitalise the European economy.

Poland, Lithuania, and Ukraine will share responsibility for protecting the EU's external borders with the same two countries – Russia and Belarus. This cooperation will be crucial in preventing illegal imports from outside

the EU and will enable these three countries to focus on securing the eastern border, assuming Moldova's accession efforts continue to develop positively.

Ensuring border security, strengthening anti-corruption measures, and combating tax fraud can significantly support Ukraine's efforts to improve its budgetary situation, undermined by such practices. Stabilising Ukraine's budget – as part of broader reforms – aims to ensure equal opportunities for different entities within Ukraine while also preventing discrimination against external actors.

Uniform operating conditions will also support the growth of SMEs, which play a significant role in the EU economy. The lesson of Brexit demonstrates that single market membership is particularly beneficial for SMEs, as it reduces transaction costs within the EU – costs that often act as a barrier for smaller firms looking to engage in export activities.

Ensuring that SMEs can operate effectively and on equal terms in the Ukrainian market is an important priority from Poland's perspective. The pre-accession period will also create favourable conditions for the dynamic development of SMEs in Ukraine. Moreover, many Ukrainian businesses that relocated to Poland following Russia's full-scale invasion have already adopted a transnational character, maintaining business ties in both Poland and Ukraine.

## **The Ukrainian Perspective**

### **Challenges**

The European sovereign debt crisis demonstrated that macroeconomic imbalances in a single state can threaten economic stability in the entire economic union through reduced demand and the disruption of value chains. Overall, the ongoing war has seriously affected macroeconomic stability and public finance sustainability in Ukraine. Additionally, Ukraine needs to adopt European regulations in macroeconomic forecasting, numerical fiscal rules, and a medium-term budgetary framework.

Improving public finance sustainability can be achieved through progress in other areas, particularly taxation and the customs union. Although Ukraine has made some progress in aligning its customs legislation with the European acquis, the State Customs Service still needs to strengthen its administrative capacity to fully comply with EU procedures and optimise state revenue. Additionally, as Ukraine is set to become one of the largest border EU members after accession, modernising IT infrastructure and closing

loopholes that could enable corruption are essential for safeguarding the EU's international security.

Ukraine has made significant progress in aligning its taxation policies with European VAT and excise duties regulations. However, a considerable portion of potential tax revenue continues to be lost to the shadow market.

Regarding key challenges in the field of enterprise and industrial policy, a significant proportion of SMEs in Ukraine are grappling with labour force shortages, a challenge that needs immediate attention. Ukraine requires a comprehensive employment strategy that takes into account the issues arising from the war. This strategy should include inclusive measures to keep women, veterans, and people with disabilities economically active and successfully integrate them into the labour force. Currently, such initiatives are primarily funded by private donors and small-scale governmental programmes.

### **Benefits**

Prior to the war, Ukraine maintained a relatively high level of public finance sustainability and, as of 2021, mostly complied with EU fiscal rules. Despite the devastating effects of the war, Ukraine continues to improve its budgetary procedures.

The necessity to raise public revenues has served as a powerful incentive for initiating reforms in taxation and customs procedures. Recent reforms in Ukraine's taxation and customs procedures have focused on streamlining processes and increasing transparency to combat corruption and improve efficiency. The government has introduced electronic customs declarations and digital platforms for tax filing to reduce bureaucratic delays and promote compliance.

Additionally, new measures have been implemented to strengthen tax collection and close loopholes, helping to increase public revenues amid the economic challenges posed by the ongoing conflict. Therefore, once the war is over, there is a significant chance for substantial improvement in public finance sustainability in Ukraine.

Since February 2022, Ukrainian entrepreneurs have made significant efforts to establish and develop commercial links with European partners. Removing administrative barriers to international trade and investment is expected to provide a strong boost to Ukraine's SME sector.

Prior to the Russian full-scale invasion, Ukraine relied heavily on maritime international trade, and even after February 2022, maritime trade remains essential. Following Ukraine’s accession and the adoption of regulations ensuring the efficient and secure functioning of the customs union, EU landlocked member states will have the opportunity to reach new partners in a cost-efficient way and expand their international trade. Ideally, this opportunity will also serve as an incentive to improve cross-border connectivity between Ukraine and EU member states.

## Cluster 4: Green Agenda and Sustainable Connectivity

### The Polish Perspective

#### Challenges

A significant challenge for Ukraine will be expanding its renewable energy generation capacity and increasing its share in gross final energy consumption. The EU’s energy transition strategy, outlined in the European Green Deal, prioritizes a systematic increase in the share of renewable energy sources (RES) in final energy consumption. Under the revised Renewable Energy Directive, the EU has set a target of 42.5 percent RES share by 2030. While Ukraine has adopted a less ambitious goal – 27 percent by 2030, as outlined in the Energy Community acquis (REDII) – achieving this will be difficult given the country’s current energy mix. Before the Russian invasion, RES accounted for less than 11 percent of Ukraine’s gross final energy consumption.

#### Benefits

Ukraine theoretically holds the highest potential for renewable energy sources (RES) among Southeast European countries, though estimates vary. The Ukrainian government projects that wind energy potential along the Black Sea and Sea of Azov coasts could reach 140 GW. Meanwhile, Ukrainian scholars estimate the country’s total renewable energy potential at approximately 874 GW, including 83 GW from solar, 438 GW from onshore wind, and 250 GW from offshore wind. At the Ukraine Recovery Conference in London in June 2023, the Ukrainian Ministry of Energy outlined ambitious investment plans for the energy sector. By 2050, Ukraine aims to achieve 230 GW of solar and wind capacity, 38 GW of energy storage, and 69 GW of electrolyser capacity for green hydrogen production. Regardless of which estimates

prove most accurate, it is evident that Ukraine has the capacity to generate substantial amounts of clean energy. According to the UNECE, bioenergy, hydro, solar, and wind could account for nearly 80 percent of Ukraine's total energy generation by 2050.

Increasing RES generation capacity and its share in gross final energy consumption will enhance Ukraine's energy security and sovereignty. A decentralized electricity system, leveraging greater RES potential, will strengthen the country's resilience against current and potential future external threats, particularly from Russia.

Ukraine has substantial potential for developing biomethane projects. According to the Ukrainian National Committee for Energy Regulation, the country could produce up to 22 bcm of biomethane annually, with a portion available for export to the EU. Ukraine already has the necessary resources and infrastructure, including transmission networks that require no major upgrades for biomethane transport. Additionally, the country possesses abundant feedstock resources and vast arable land suitable for agricultural biomethane production. With the EU targeting 35 bcm of biomethane production per year by 2030, Ukraine could supply up to 20 percent of this demand.

Cooperation between the EU and Ukraine on hydrogen presents significant opportunities for both sides. Ukrainian researchers estimate that with adequate wind power development, the country could produce up to 19.5 million tonnes of green hydrogen annually – twice the EU's production target for 2030. The EU already considers Ukraine a key potential supplier of green hydrogen, alongside the North Sea and Mediterranean regions. In February 2023, the EU and Ukraine signed a memorandum of understanding on a strategic partnership for biomethane, hydrogen, and other synthetic gases. The European Commission's first list of such projects, published in November 2023, includes a hydrogen corridor linking Ukraine with Slovakia, the Czech Republic, Austria, and Germany.

## The Ukrainian Perspective

### Challenges

Due to Russia's full-scale war, damages and losses to Ukraine's energy sector alone exceed €50 billion.<sup>8</sup> The extensive destruction of power generation

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8 "Damages and Losses to Ukraine's Energy Sector Due to Russia's Full-Scale Invasion Exceeded \$56 Billion – KSE Institute Estimate as of May 2024." Kyiv School of Economics. May 2024. -cal adres: <https://kse.ua/.....>]

facilities, including renewables and hydropower, as well as power distribution and transmission systems, complicates energy transition planning while short-term emergency needs take precedence. Energy system development must also align with a long-term economic and industrial development strategy. Considering given the war-related disruptions and large-scale destruction of industrial infrastructure, formulating such a strategy remains a significant challenge.

The overall cost of Ukraine's reconstruction and economic recovery, based on the principle of building back better, is estimated at nearly €500 billion over the next decade.<sup>9</sup> This amount is equivalent to the annual investments required for implementation of the European Green Deal across the entire EU.<sup>10</sup> Financing both reconstruction and EU accession simultaneously will demand significant investment. However, due to changes in the EU's budgetary system and policies, Ukraine will not be able to rely on the same scale of financial support from the Union that Poland received during its accession.

Ukraine faces not only limited access to financing but also a nationwide labour shortage and a lack of experienced personnel at all levels – from local to national – to plan, manage, and implement policies and projects. The construction sector is already facing a 50 percent increase in skilled labour shortages.<sup>11</sup> Similarly, even when funding is secured for renewable energy projects, municipalities struggle to find SMEs capable of procuring and installing the necessary equipment.

Ukraine's climate targets remain misaligned with those of the EU, despite being more ambitious than previous commitments. The country's 2030 climate goal<sup>12</sup> outlined in its Nationally Determined Contribution (NDC) to the Paris Agreement adopted in 2021, aims to stabilise or slightly reduce greenhouse gas emissions over the decade while allowing for increases in the industrial, agriculture, and transport sectors. Emission reductions are primarily expected in the energy and building sectors, both extensively covered in

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9 "Updated Ukraine Recovery and Reconstruction Needs Assessment Released." World Bank. February 15, 2024, <https://www.worldbank.org/en/news/press-release/2024/02/15/updated-ukraine-recovery-and-reconstruction-needs-assessment-released>.

10 European Environment Agency. Investments into the Sustainability Transition. 2024. <https://www.eea.europa.eu/publications/investments-into-the-sustainability-transition>.

11 "Survey: Shortage of Workers at Construction Sites in Ukraine Is up to 50%." 2024. Open4Business. <https://open4business.com.ua/en/survey-shortage-of-workers-at-construction-sites-in-ukraine-is-up-to-50-survey/>.

12 "Що змінить нова кліматична мета України до 2030 року?" 2024, Commons. <https://commons.com.ua/uk/sho-zminit-nova-klimatichna-meta-ukrayini-do-2030-roku/>.

Ukraine's recently adopted National Energy and Climate Plan.<sup>13</sup> The plan sets a target for renewable energy sources to comprise at least 27 percent of final energy consumption by 2030, compared to the EU's target of 42.5 percent.

## Benefits

Ukraine's EU integration is not a new process for the country, Brussels, or Poland. The process accelerated in 2014 following the Revolution of Dignity and the onset of Russia's invasion, with the signing and ratification of the Association Agreement. Since then, Ukraine has advanced reforms, including those aligned with the European Green Deal principles.<sup>14</sup>

Key transformations over the past decade include the launch of a competitive electricity market in line with the EU's Third Energy Package directives, synchronization with the European electricity grid (ENTSO-E), transposition of major EU energy efficiency directives into national legislation, and diversification of energy supplies and production. Consequently, the EU accession negotiations and further reforms will build upon this foundation rather than starting from scratch.

The EU's approach to achieving climate neutrality focuses on reducing the energy intensity of GDP through economic modernization, which directly contributes to lowering greenhouse gas emissions. Inevitably, as Ukraine integrates new technologies, expands its manufacturing and services sectors, and adopts the energy efficiency-first principle, its economy will continue to transform and benefit from EU accession.

Together with Poland, Ukraine has the potential to become a key producer of equipment and materials essential for both the country's sustainable reconstruction and Europe's green transition. This could include establishing or expanding the production of heat pumps, solar panels, wind turbines, insulation materials, and other critical components.

Furthermore, examples from other Central and Eastern European countries suggest that increasing investment while efficiently transforming the

13 DiXi Group, Ukraine has approved the National Energy and Climate Plan, developed with the participation of DiXi Group, June 25, 2024, <https://dixigroup.org/en/ukraine-has-approved-the-national-energy-and-climate-plan-developed-with-the-participation-of-dixi-group/>.

14 Ukraine and European Green Deal: Annual Monitoring Report 2023. Resource & Analysis Center, 2024, <https://rac.org.ua/en/eu-accession/european-green-deal/ukraine-and-european-green-deal-annual-monitoring-report-2023/>.



economy toward a green and sustainable model can help decouple potential population outflow from labour productivity growth.<sup>15</sup>

While legacy power generation in Ukraine remains largely state-owned, the country has significant potential to attract foreign investment in renewable energy, battery production, and energy efficiency. Furthermore, Ukraine's domestic building materials sector could supply a substantial share of the construction materials needed to rebuild the thousands of residential, commercial, and infrastructure sites destroyed by the Russian military.<sup>16</sup>

This presents an opportunity to create hundreds of thousands of green jobs, particularly as the government has already expressed its ambition for Ukraine to become a green hub of Europe.<sup>17</sup>

When planning Ukraine's transport systems and infrastructure development, it will be essential to align with key trends shaping EU policies: low-carbon transport and the gradual automation of transport systems. These priorities will drive significant transformations across all sectors – road, rail, air, intermodal, and urban infrastructure.

Prioritisation of rail freight transport and electrifying both goods and passenger transit will foster stronger physical and economic ties with Poland.<sup>18</sup> One potential future modification of the TEN-T corridor could include a direct rail connection between Kyiv and Warsaw.<sup>19</sup>

Additionally, due to its lower population and building density, Ukraine may have the opportunity to upgrade a larger share of its roads and railways to EU standards compared to Poland. This will further support and accelerate Ukraine's integration into the EU.

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15 "Structural Shifts Will Shape Ukraine's Energy and Climate Future: Lessons from the EU Accession of Poland and Romania." Vox Ukraine. 2024. <https://voxukraine.org/en/structural-shifts-will-shape-ukraine-s-energy-and-climate-future-lessons-from-the-eu-accession-of-poland-and-romania>.

16 "Can Ukraine's Reconstruction Be Localised?" openDemocracy. 2024. <https://www.opendemocracy.net/en/odr/ukraine-russia-reconstruction-localisation-building-materials/>.

17 "Green Jobs and Post-War Reconstruction in Ukraine." Razom We Stand. 2024. <https://razomwestand.org/en/article/report-green-jobs-and-post-war-reconstruction-ukraine>.

18 "Proposals for a Green Recovery in Ukraine." Green Deal Ukraina. 2024. <https://greendealukraina.org/products/analytical-reports/proposals-for-a-green-recovery-in-ukraine>.

19 "Trailblazers: Ukraine's Road to the EU and What the Polish Experience Can Teach Us." , WiseEuropa. January 30, 2024. <https://wise-europa.eu/en/2024/01/30/trailblazers-ukraines-road-to-the-eu-and-what-the-polish-experience-can-teach-us/>.

## Cluster 5: Resources, Agriculture, and Cohesion

### The Polish Perspective

Ukraine's participation in the Common Agricultural Policy (CAP) is potentially one of the most challenging issues in the negotiation process. The CAP undergoes reform with each budgetary perspective and every EU enlargement – and this is likely to be the case once again.

Since 2014, the CAP has become increasingly liberalised, with most production quotas phased out, although this could be subject to revision in the next budgetary cycle. Recent CAP reforms have focused on linking agricultural policy to climate goals, which will likely become a political point of contention during the next policy review.

### Challenges

Ukraine is a significant competitor for EU agricultural producers, particularly for certain products such as soybeans and sunflower seeds, where Ukrainian production exceeds that of the entire European Union. Ukraine also maintains high production levels of potatoes, maize, and cabbage – after accession, it would become the largest producer of these crops in the EU.

However, it is important to note that a large share of Ukrainian agricultural exports is directed outside the EU. Many Ukrainian agricultural products have enjoyed duty-free access to the EU market since 2016, when the Deep and Comprehensive Free Trade Area (DCFTA) agreement entered into force. This has not significantly disrupted EU markets, although this could change after accession. Nevertheless, proper preparation by member states can greatly mitigate any potential negative effects.

Additionally, the full alignment of Ukrainian agriculture with EU phytosanitary standards – currently only partially implemented – will help level the playing field with EU producers.

### Negative Budgetary Impact

The cost of Ukraine's accession to the CAP is widely seen as a major challenge due to the funding required for direct payments to Ukrainian farmers and for rural development funds in the country.

An internal EU Council study estimated that Ukraine's membership could cost the European Union €96.5 billion over seven years, leading to a 20 per cent reduction in subsidies for current member states. However, these estimates are based on current CAP rules, which are likely to change. In addition,

new EU members typically undergo transitional periods regarding subsidy levels, with the length of these periods and the payment amounts expected to be key negotiation topics.

Another issue will be the need to prevent excessive payments to large agricultural holdings in Ukraine. According to the Ukrainian Agribusiness Club, in 2017, Ukraine had 93 agroholdings, each with an area exceeding 10,000 hectares, collectively covering around 30 percent of Ukraine's agricultural land. However, the average farm size in Ukraine is 64 hectares, similar to the average farm size in France, indicating that most Ukrainian farms are family-run enterprises.

Ukraine's EU accession costs could also be mitigated through alternative funding sources. These could include links to reconstruction funds, partial financing by international institutions such as the G7, IMF, World Bank, and EBRD, as well as reparations collected from frozen Russian assets.

## **Benefits**

### **Higher Revenues for Ukraine and a Large Market for EU Countries**

Historically, EU accession has positively impacted the economies of joining countries, and Ukraine stands to benefit further from the CAP. Enlargement would also benefit other EU member states, as Ukraine – with a population exceeding 30 million – offers the potential to become a rapidly growing market for EU agri-food producers. Although Ukraine's agricultural sector operates on a large scale, many of its industries remain underdeveloped, presenting investment opportunities for EU countries. Participation in the CAP would also provide Ukraine with economic benefits to help finance the reconstruction of its agricultural sector after the war. The Kyiv School of Economics estimates these costs at \$56 billion.

### **Food Security**

Reducing dependence on food imports from third countries represents a key element of Europe's security strategy. The EU already relies on Ukraine for several essential agricultural products – for example, Ukraine supplies 80 percent of the EU's sunflower oil imports. Ukraine also serves as a major supplier of feed grains and plant-based protein meals, which the EU currently imports largely from non-member countries. Aligning Ukrainian agriculture with EU environmental standards would also help preserve Ukraine's soil resources, a particularly important goal given the potential decline in soil quality across many EU countries due to climate change.

## The EU as a Stronger Player in the Global Food Market

Experts estimate that an enlarged EU would produce approximately one-third of the world's wheat, strengthening the Union's role as a stabiliser in global food security. This would also help limit Russia's ability to exploit its market position in this sector. Such a development would mark a significant step toward strategic autonomy, a goal EU leaders have set for the Union's future policy.

## The Ukrainian Perspective

### Challenges

Polish stakeholders frequently express concerns regarding competition with Ukrainian agricultural products, potential shifts in the allocation of Cohesion Policy funds, and the redistribution of Common Agricultural Policy (CAP) funds following Ukraine's accession.

### Competition in the market of agricultural products

Ukraine possesses vast expanses of arable land and is a leading global producer of grain and sunflower oil. Economies of scale contribute significantly to the competitiveness of Ukrainian agricultural products. The removal of administrative trade barriers for Ukrainian goods in June 2022 triggered large-scale protests by Polish farmers, who demanded restrictions on Ukrainian agricultural imports to the EU. Competition in the agricultural sector remains one of the primary challenges in Ukrainian-Polish relations.

### Cohesion Policy funds allocation

For 2021–2027, the total Cohesion Policy Budget (CPB) exceeds €529 billion, of which €368 billion is a projected contribution from the EU budget.<sup>20</sup>

Poland's GDP per capita has reached 80 percent of the EU average.<sup>21</sup> However, the country continues to face substantial regional inequalities.<sup>22</sup> Consequently, Poland has been the largest beneficiary of the 2014–2020 and 2021–2027 Cohesion Policy budgets. For 2021–2027, Poland's planned spending amounts to approximately €92 billion.<sup>23</sup> In recent years, Poland has been the largest net recipient of EU funds – for instance, in 2022, the net inflow amounted to

20 Cohesion Open Data Platform. Cohesion Policy 2021–2027. [https://cohesiondata.ec.europa.eu/cohesion\\_overview/21-27](https://cohesiondata.ec.europa.eu/cohesion_overview/21-27).

21 World Bank. "GDP per Capita, PPP (Current International \$)." <https://data.worldbank.org/indicator/NY.GDP.PCAP.PP.CD>.

22 A. Czudec, R. Kata, and M. Wosiek. "Reducing the Development Gaps between Regions in Poland with the Use of European Union Funds." *Technological and Economic Development of Economy* 25, no. 3 (2019): 447–471. <https://doi.org/10.3846/tede.2019.9483>.

23 2021–2027 Cohesion Policy..., [https://cohesiondata.ec.europa.eu/cohesion\\_overview/21-27](https://cohesiondata.ec.europa.eu/cohesion_overview/21-27).

around €12 billion – with a significant share of funding coming from the Cohesion Policy Budget (CPB).<sup>24</sup>

One of the key challenges associated with Ukraine's accession is the potential reduction in Cohesion Policy funding for Poland. Ukraine's GDP per capita is only 23 percent of the EU average, with extreme regional inequalities exacerbated by occupation and war damage.<sup>25</sup> Following Ukraine's accession, Poland may transition from being a net recipient of EU funds to a net contributor.

### **CAP funding allocation**

Poland is among the top five recipients of Common Agricultural Policy (CAP) funding. Approximately 40 percent of agricultural income in Poland comes from direct payments and subsidies under CAP.<sup>26</sup>

The level of labour productivity in Polish agriculture is nearly three times lower than the EU average, meaning that substantial funding has only a moderate impact on farmers' welfare.<sup>27</sup> Since Poland's EU accession, the agricultural sector has seen limited modernisation, and farmers have become increasingly dependent on CAP financing over the past two decades.

With 28.8 million hectares of arable land as of the end of 2021, Ukraine possesses more farmland than any current EU member state. Consequently, Ukraine's inclusion in CAP could lead to a reduction in funding for Poland. Given the low productivity levels and high reliance on EU direct payments and subsidies, such a shift could negatively affect the incomes of Polish farmers.

### **Benefits**

Cooperation between Poland and Ukraine could yield significant benefits for both countries. The potential advantages include the development of international agricultural value chains, increased bargaining power in CAP negotiations with Brussels, and enhanced strategic autonomy.

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24 B. Busch, B. Kauder, S. Sultan, *Wohin fließt das Geld aus dem EU-Haushalt? Nettozahler und Nettoempfänger in der EU*, IW-Report, no. 48 (2023), Cologne, German Economic Institute, <https://www.iwkoeln.de/en/studies/berthold-busch-bjoern-kauder-samina-sultan-net-contributors-and-net-recipients-in-the-eu-eng.html>.

25 As of 2022, calculations based on: GDP *per capita*, PPP (current international \$), <https://data.worldbank.org/indicator/NY.GDP.PCAP.PP.CD>.

26 European Commission, CAP Expenditure: Share of Direct Payments and Total Subsidies in Agricultural Factor Income, [https://agriculture.ec.europa.eu/data-and-analysis/financing/cap-expenditure\\_en](https://agriculture.ec.europa.eu/data-and-analysis/financing/cap-expenditure_en).

27 Eurostat, Statistics on Agricultural Output per Worker, [https://ec.europa.eu/eurostat/databrowser/view/aact\\_ali01\\_custom\\_9960305/default/table?lang=en](https://ec.europa.eu/eurostat/databrowser/view/aact_ali01_custom_9960305/default/table?lang=en).

### **Ukrainian and Polish agriculture: cooperation instead of competition**

In Ukraine, crop production represents approximately 85 percent of total agricultural output value, whereas livestock farming remains relatively modest, constituting only 15 percent.<sup>28</sup> In contrast, Poland has a more diversified production structure, with crop production accounting for 49 percent and livestock farming for 51 percent.<sup>29</sup>

Crops account for over half of Ukrainian agri-food exports to the EU.<sup>30</sup> Ukrainian cereals used for the production of grain and industrial crops account for 47 percent and 38 percent of sown area, respectively.<sup>31</sup> In Poland, cereals used for the production of grain account for 64 percent of the sown area.<sup>32</sup>

Regarding livestock farming, milk and cattle account for approximately 32 percent of Poland's livestock farming output,<sup>33</sup> while in Ukraine, the respective figure represents only 9 percent.<sup>34</sup>

Poland and Ukraine operate under different agricultural production models. Ukraine benefits from favourable conditions for large-scale, export-oriented crop production, whereas Polish agriculture is more diversified. The grain market appears to be the primary area of competition between Ukrainian and Polish producers. However, this segment represents only a minor part of Poland's agricultural sector. A potential challenge for a single group of producers should not dictate the broader opportunities for cooperation between Ukrainian and Polish farmers. Otherwise, Ukrainian and Polish producers, specializing in different agricultural segments, stand to benefit from expanding international value chains.

### **Strategic autonomy**

The European Union's strategy for achieving strategic autonomy in agricultural trade focuses on reducing dependence on external sources while

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28 As for 2021, based on data from the State Statistics Service of Ukraine.

29 As for 2021, based on data from the Eurostat, [https://ec.europa.eu/eurostat/databrowser/view/aact\\_eaa01\\_\\_custom\\_11373615/default/table?lang=en](https://ec.europa.eu/eurostat/databrowser/view/aact_eaa01__custom_11373615/default/table?lang=en).

30 As for 2021–2023, based on State Customs Service of Ukraine open data, <https://data.gov.ua/dataset/scsu-bi-trade-src>.

31 As for 2023, based on State Statistics Service of Ukraine, <https://data.gov.ua/dataset/scsu-bi-trade-src>.

32 As for 2023, based on Eurostat, [https://ec.europa.eu/eurostat/databrowser/view/apro\\_cpsh1\\_\\_custom\\_11370257/default/table?lang=en](https://ec.europa.eu/eurostat/databrowser/view/apro_cpsh1__custom_11370257/default/table?lang=en).

33 As for 2021, based on Eurostat, [https://ec.europa.eu/eurostat/databrowser/view/aact\\_eaa01\\_\\_custom\\_11373615/default/table?lang=en](https://ec.europa.eu/eurostat/databrowser/view/aact_eaa01__custom_11373615/default/table?lang=en).

34 As for 2021, based on data from the State Statistics Service of Ukraine on agricultural production and prices.

ensuring food security and sustainability. This approach includes strengthening domestic agricultural production, investing in technological innovations, and implementing policies that enhance the resilience of supply chains.

Currently, Poland maintains agricultural trade with China, Russia, and its allied states.<sup>35</sup> Expanding trade with Ukraine would help decrease dependency on these less stable partners and facilitate greater regional security.

**CAP membership and mutual interests**

Although various estimations exist regarding the fiscal burden of Ukraine’s accession, too many uncertainties prevent reliable conclusions. The next multiannual budget framework remains unknown, and accession negotiations have only just begun. It is highly possible that Ukraine will not have full access to CAP funding immediately after accession, similar to Poland’s experience.

Although Poland is one of the primary recipients of CAP funds, Polish farmers have reasons to be dissatisfied with the current policy direction. Without delving into all the complexities of CAP, it is worth noting that Poland could benefit from having Ukraine as an ally in negotiations with Brussels, particularly given Ukraine’s vast arable land and significant population size.

**Cluster 6: External Relations**

**The Polish Perspective**

**Challenges**

Ensuring stability and advancing integration processes in the European Union’s (EU) eastern neighbourhood.

**Benefits**

The stability of the region and the successful integration of certain countries into the structures of the EU are *sine qua non* conditions for the entire enlargement process. For the EU, the only realistic option is to export stability. If the Community were to import instability as a result of its geographical eastward shift, enlargement might never happen. Ukraine and Poland must do everything possible to ensure that the first scenario prevails.

35 Statistics Poland, Baza danych. Dziedziczne Bazy Wiedzy, <https://dbw.stat.gov.pl/baza-danych>.

External relations, including defence and security policy, are among the least contentious and easiest areas in Ukraine's EU negotiations. No major issues are expected on the Polish side either, as Poland has a vested interest in close cooperation with Ukraine in these matters. However, the main challenge lies in their strategic dimension.

External relations will encompass three key aspects for Ukraine.

The most significant challenge – one in which Poland and Ukraine should assume leading roles – is the eastward shift of the European Union due to its evolving geographical borders. This shift necessitates stability both in the countries undergoing enlargement, including Ukraine, Moldova, and Georgia, and in the eastern neighbours of an expanding EU, such as Russia, Belarus, and the Central Asian states. The Eastern Partnership, initiated by Poland and Sweden, achieved partial success but became outdated with the outbreak of war. Consequently, the EU's eastern policy requires re-evaluation and redefinition.

Secondly, during the pre-accession period, shaping public opinion in EU member states will be crucial as Ukraine progresses through individual negotiation chapters, each of which may present significant challenges. This process will conclude only when the Accession Treaty is ratified by all member states, some of which may require a referendum.

During negotiations, Poland will not necessarily be an easy partner, as differences in interests – particularly in areas such as agricultural and cohesion policy – may arise. However, Poland will play a key role in persuading other EU member states during the ratification process.

Thirdly, in its annual report on the EU enlargement process, the European Commission emphasizes the importance of a candidate country's alignment with the EU's position on external relations. For instance, Serbia has faced criticism for its failure to align with the EU's stance on Russia. Ukraine, by contrast, does not encounter this issue, as its strategic interests are fully aligned with those of the EU – a convergence further reinforced by Russian aggression.

At a more detailed level, Ukraine should resume applying the European Convention on Human Rights, which was temporarily suspended due to the war; fully accede to and ratify the Statute of the International Criminal Court; finalize its accession to the OECD; and fully align its trade policy with the EU, as required by the Deep and Comprehensive Free Trade Area (DCFTA). Additionally, Ukraine should establish a legal framework for implementing



development policies toward third countries. However, these areas are relatively uncontroversial, so implementing these measures should not pose significant difficulties.

Despite the adoption of a unified legal framework in the Treaty of Lisbon and the unification of the European Union's previously existing pillar structure, the Common Security and Defence Policy (CSDP) remains largely inter-governmental. This structure significantly facilitates Ukraine's integration with the EU, enabling it to make a meaningful contribution to a policy *in statu nascendi* – one that is still in the process of development.

In the realm of security and defence policy, Ukraine is undergoing rapid integration with NATO, aligning with its operational standards and equipment. It has also formally submitted an application for NATO membership. For the Alliance, the European Union – of which 23 members are also NATO members – remains its closest partner in adopting a comprehensive approach to crisis management, conducting operations that require both military and civilian resources, enhancing cybersecurity, and advancing counterterrorism efforts.

In the coming years, the European Union must accelerate the development of its defence capabilities and allocate significantly larger funds not only to national defence policies but also to joint initiatives. This remains a nascent policy, in which Ukraine and Poland can play leading roles – especially as they are (Poland) or will be (Ukraine) states on the EU's external border.

Ukraine should integrate into the existing institutional framework of the Common Security and Defence Policy (CSDP), including PESCO (on an optional basis), the European Defence Agency – with which it already maintains a broad cooperation agreement – the European Defence Fund, and the European Peace Facility. Additionally, Ukraine has previously contributed to EU civilian missions, such as Operation ATALANTA.

## **The Ukrainian Perspective**

Russia's full-scale aggression has underscored the urgent need to adapt and reform the CSDP in response to the new security realities in the region. These changes are particularly pressing, both for Ukraine – given the start of its EU accession talks and the need to close Cluster 6 – and for its immediate neighbours in Central Europe, with Poland playing a particularly significant role.

## Challenges

In this context, the fundamental challenge in the field of defence and security – encompassing both the bilateral dimension of Polish-Ukrainian relations and the supranational level of the EU's common policy – is to strengthen the pan-European contribution to countering Russian aggression, expand existing financial and political instruments, and develop new mechanisms within the framework of the CSDP.

Despite the international consolidation of support for Ukraine since 2022, the broader security policy context in the region is evolving. The potential reduction of military assistance from the United States and a weakening of its leadership role, along with possible shifts in the domestic policies of several EU member states, will increasingly underscore the need for regional cooperation, particularly among countries facing similar security challenges.

At the same time, Poland's expanding role in Central European security, its ambition to exert greater influence on pan-European policy, and Ukraine's integration into the EU are shifting from challenges to opportunities.

## Benefits

Cooperation between Ukraine and Poland within the framework of Ukraine's gradual accession to the EU, particularly in the area of common foreign and defence policy, has the potential to yield significant benefits for both sides. The following key advantages merit further discussion:

- Practical influence on the transformation of the EU's common foreign and defence policy and the strengthening of Poland's and Ukraine's potential in Europe through the use of EU instruments;
- Organising systematic, long-term high-quality training for personnel, not only for Ukraine's Defence Forces but also for Poland and other EU countries;
- Integrating production capacities in the defence sector.

### **Practical influence on the transformation of the EU's Common Foreign and Defence Policy and the strengthening of Poland's and Ukraine's potential in Europe through the use of EU instruments.**

Russia's aggression has led to fundamental changes in the approach to integration in security and defence matters. Moreover, for individual EU member states, particularly Poland, advocating for a stronger Common Defence Policy is now beneficial not only due to the high level of threat from Russia but also because of the opportunity to enhance Poland's role as one of the

leading actors in security and defence, both within the EU and in the broader transatlantic space.<sup>36</sup>

Precisely because of the Russian threat, several aspects of certain instruments within the common security and defence policy have already undergone significant changes, such as the European Peace Facility. As a result, between 2022 and 2024, the European Union accumulated €11.1 billion<sup>37</sup> through this extra-budgetary mechanism alone, in addition to the initially limited budget of €5.69 billion planned<sup>38</sup> for this fund in March 2021. This is a striking example of how, in response to the direct threat from Russia and the need to support Ukraine as a future member of the EU, the instruments of the common security and defence policy have evolved into one of the key methods of indirect military support for Ukraine.

For both Kyiv and Warsaw, it is favourable in this context that a shift is currently taking place – from placing the entire security burden on NATO structures and programs to recognizing the EU’s potential to complement the alliance as a key pillar of European security.<sup>39</sup> Institutionally, this process will be supported by the establishment of the NATO-Ukraine Joint Analysis, Training, and Education Centre (JATEC) in Poland, which will enhance Poland’s ability to act as an active advocate for ongoing changes in common European policy. Access to real-time data and familiarity with Ukraine support programs – at the intersection of European defence policy on one side and new NATO programs on the other – will distinguish Poland in terms of quality from other EU member states.

Poland and Ukraine can also influence the transformation of the EU’s common defence policy through initiatives currently being discussed at the international level that, if approved, will leave an irreversible mark on European policy. This is particularly relevant to the politically sensitive issue for the EU and its member states of establishing a joint security zone over part of Ukraine’s territory to protect critical infrastructure and civilians.

36 A. van Rij, M. Parzonka, *Poland could be Europe’s rising star on defence and security*, Chatham House, June 19, 2024, <https://www.chathamhouse.org/2024/07/poland-could-be-europes-rising-star-defence-and-security>.

37 O. Krentz, *Common security and defence policy*, European Parliament, April 2024, <https://www.europarl.europa.eu/factsheets/en/sheet/159/common-security-and-defence-policy>.

38 *European Peace Facility*, European Council, <https://www.consilium.europa.eu/en/policies/european-peace-facility/>.

39 A. van Rij, M. Parzonka, *Poland could be Europe’s rising star on defence and security*, Chatam House.

Poland is one of the key potential partners in supporting the coverage of parts of western and southern Ukraine, with possible formats ranging from joint air defence operations to intelligence data exchange. If such agreements are reached – and even more so if they involve more than one EU member state – they will clearly define the need for greater militarization of the EU's common security and defence policy mechanisms. Changes can especially be expected in the recently adopted European Defence Industry Strategy, the first of its kind in the history of the EU.<sup>40</sup>

**Organizing systematic, long-term, high-quality training for personnel not only for Ukraine's defence forces but also for Poland and other EU countries**

Poland and Ukraine already have a concrete example of tangible mutual benefits from cooperation within the competencies of the EU high representative for foreign affairs and security policy – a position established in 2022 as part of the European Union Military Assistance Mission for Ukraine (EUMAM UA), funded by the European Peace Facility. With two main centres located in Germany and Poland, it is in Poland that the Combined Arms Training Command has been established. In addition to conducting training, it serves as the pan-European coordinator for the training and education of Ukrainian soldiers.

The institutional structure itself demonstrates the long-term potential and effectiveness of this mechanism. It is implemented within the framework of the EU's common foreign and security policy and funded by the European Peace Facility to support Ukraine and repel Russian aggression.

At the same time, this tool allows Poland to act as a coordinator of the process, as the initiative serves as an umbrella for training programs involving 24 EU member states, the United States, Norway, and the United Kingdom.

Cooperation in this area is particularly beneficial, as it successfully integrates the supranational level of the EU's common defence policy with Polish-Ukrainian relations. Warsaw's willingness to flexibly adjust its proposals, whether at the level of bilateral contacts or within the framework of EUMAM, was formally confirmed in the Agreement on Security Cooperation between Ukraine and the Republic of Poland, signed in July 2024.<sup>41</sup>

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40 "First Ever Defence Industrial Strategy and a New Defence Industry Programme to Enhance Europe's Readiness and Security." European Commission. March 5, 2024. [https://ec.europa.eu/commission/presscorner/detail/en/ip\\_24\\_1321](https://ec.europa.eu/commission/presscorner/detail/en/ip_24_1321).

41 "Agreement on Security Cooperation between Ukraine and the Republic of Poland." Official Website of the President of Ukraine. June 8, 2024. <https://www.president.gov.ua/en/news/ugoda-pro>

## Integrating production capacities in the defence sector

Joint procurement planning and the development of new production capacities in the defence industry are among the biggest challenges for the EU's common defence policy and its individual member states. For this reason, the countries that have provided intensive military assistance to Ukraine since 2022 – such as Poland – should advocate for changes at the EU level. The European Union's political intention to support Ukraine directly aligns with both the EU's own transformation needs as a contracting entity in defence procurement and the member states' need to strengthen their defence capabilities in light of the depletion of their previous weapon stockpiles.

**The European Defence Industrial Strategy and the European Defence Industry Programme will play an unprecedented role** in shifting the common defence policy from short-term planning and immediate response to a long-term framework.<sup>42</sup> In these new conditions, which are reshaping the very nature of the EU, Ukraine and Poland will clearly benefit from supporting joint initiatives, as outlined below.

Firstly, this involves expanding financial and administrative capacities, particularly at the level of the European Defence Agency (EDA). Currently, the agency lacks the institutional capability to serve as a coordinating and financial tool for large-scale joint defence procurements.

Secondly, the European Union can act as a donor – including through the creation of a new special fund – to support joint production between Ukraine and Poland on one side and other Central European EU member states on the other. A potential long-term partnership between Kyiv and Warsaw would enable joint enforcement of the necessary financing for shared production, as even at the bilateral level, in the Agreement on Security Cooperation, this is identified as a priority.

To avoid a political veto, for example from Hungary, and to minimize opposition from other EU member states, an initial option could involve a loan to finance such a fund. The EU has already applied this approach in recent history, as seen in the Next Generation EU programme.<sup>43</sup>

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42 "The European Defence Industry Programme at a Glance." European Commission. [https://defence-industry-space.ec.europa.eu/eu-defence-industry/edip-future-defence\\_en](https://defence-industry-space.ec.europa.eu/eu-defence-industry/edip-future-defence_en).

43 M. Bergmann, *Europe Needs a Paradigm Shift in How It Supports Ukraine*, The Center for Strategic and International Studies, January 17, 2024, <https://www.csis.org/analysis/europe-needs-paradigm-shift-how-it-supports-ukraine>.

Thirdly, Poland can actively support the expansion of already adopted initiatives that are qualitatively new to the EU's common defence policy but remain limited in scale. Among them is the ASAP programme (the Act in Support of Ammunition Production),<sup>44</sup> created to increase the quantity and accelerate the production of ammunition, as well as mechanisms aimed at joint procurement – including missiles and air defence systems.

A key opportunity in this context is that, in 2024, the European Union finally moved towards more practical implementation of these programmes. In March 2024, the EDIPRA Work Programme was approved.

**In conclusion, security and defence are the areas where Poland and Ukraine share the most significant and aligned mutual interests, creating opportunities for close cooperation. Unlike other aspects of Ukraine's integration into the European Union, the common security and defence policy provides more avenues for collaboration and virtually no space for competition, which might otherwise prevent Warsaw and Kyiv from adopting a unified stance.**

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44 *The Act in Support of Ammunition Production (ASAP) at a glance*, European Commission, [https://defence-industry-space.ec.europa.eu/eu-defence-industry/asap-boosting-defence-production\\_en](https://defence-industry-space.ec.europa.eu/eu-defence-industry/asap-boosting-defence-production_en).

# Ukraine in the Reinforced EU

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Danuta Hübner

Elections, rising geopolitical tensions, and unavoidable challenges shaped the world in 2024, while 2025 promises even greater instability and uncertainty. Globalisation, which has lifted hundreds of millions of people out of poverty and underdevelopment, has also empowered national interests to assert themselves forcefully in the politics shaping international relations. The future of the global order hinges on how Russia's aggression against Ukraine concludes and whether it strengthens the position of Russia's allies – authoritarian forces intent on reshaping this order.

For the European Union (EU), how the war ends is more than a strategic issue; it is an existential one from a security perspective. Deepening geopolitical divisions compel the EU to defend its democratic model, strengthen its economic competitiveness, and build its defence capabilities.

Today, Ukraine's accession has become increasingly crucial in shaping Europe's role in the 21st century. Yet, history offers little time to complete this geostrategically vital Union enlargement.

Once again, the EU is driving geopolitical change through enlargement. Its political will and capacity to act are under scrutiny, viewed through the lens of global expectations. In the year ahead, this requires launching as many negotiations with Ukraine as possible under both the Polish and Danish presidencies, ensuring sustained financial support for the functioning of the Ukrainian state, as well as for reforms and military assistance. It also involves fully leveraging the potential of progressive integration that benefits both sides, efficiently conducting a comprehensive review of European policies and linking it to the reform of the Multiannual Financial Framework, while maintaining EU unity in addressing all these challenges.

At the same time, the EU will implement the large-scale Competitiveness Compass programme and continue strengthening its defence capabilities. It is essential that Ukraine actively participates in this effort.

This reinvention of Europe introduces new opportunities for Ukraine in its preparations for membership, while also bringing new commitments to strengthening the EU's internal transformation and its position within the evolving global order. In this context, Ukraine's early involvement in building the EU's multidimensional competitiveness offers essential added value that cannot be overstated. This approach would also help shift the prevailing perception of enlargement, which remains largely framed in terms of costs and risks.

Ukraine holds enormous potential to enhance Europe's competitiveness and global influence. Its role as a cornerstone of the post-war security architecture will be particularly significant. The European policy review planned for this year should adopt this forward-looking perspective.

Ukraine holds significant development potential that aligns closely with Europe's strategic economic, technological, and raw materials objectives. With a well-designed reform of the Common Agricultural Policy, Ukraine could also emerge as a key contributor to global food security.

I expect the Polish presidency – along with those that follow – to actively identify shared interests between Ukraine and the EU, as well as potential areas of conflict that, if overlooked, could obstruct the accession process. The European Commission should play a central role in these efforts. Ukraine will likely aim to ensure that, during these discussions, throughout the negotiations, and prior to joining the Union, it can engage in meaningful dialogue with its own stakeholders.

Some of these reflections and actions must be tied to the broader review of European policies. It is unrealistic to pretend that the EU does not need to prepare for this enlargement, which presents challenges unlike any previous eastern expansions, but also offers significant geostrategic benefits. The upcoming European policy review, announced in the Commission's March 2024 document, should focus not only on leveraging the economic potential of this eighth enlargement but also on maximising its political impact.

The lack of consensus among member states on treaty changes has increased the likelihood that the reform of European policies will proceed primarily through secondary legislation, such as regulations, which do not require unanimity. The policy review must also address institutional matters essential for the functioning of an enlarged Union, particularly with the addition of new member states from the eighth enlargement.



These discussions will likely include candidate countries, with their outcomes reflected in the accession treaties. It is in the interest of both sides to highlight Ukraine's competitive potential in manufacturing, technology, the defence industry, and energy – moving beyond the narrow perception of Ukraine as primarily an agricultural economy.

This focus is especially critical given that, more than ever before, enlargement is occurring amid geopolitical instability and the ongoing reshaping of the EU's competitiveness, alongside its unprecedented drive to strengthen its defence capabilities.

Ukraine offers significant potential as a partner in stabilising supply chains, thanks to its vast trade capacity, strong productivity and innovation dynamics, and opportunities related to energy security. Access to critical raw materials could further help reduce the EU's dependence on third countries.

Ukraine's investment needs will be highly diverse, ranging from basic infrastructure and the defence industry to essential services required for normal life. The country will likely aim to leverage the technological and innovative expertise it developed during the war.

However, Ukraine must also address the persistent perception of corruption. While meeting formal requirements is essential, changing this perception demands deeper cultural shifts – an especially complex challenge.

The policy review will naturally include the European budget, with a particular focus on the multiannual financial framework for 2028–2034 – the period during which a major enlargement is likely to occur.

The EU is already using European funds to finance investments and support reforms. New forms of European projects and funding are also expected, potentially with a reduced role for national envelopes and further reform of the own resources system. These changes could create additional space to finance new EU priorities while easing pressure on national budgets.

Ukraine must not view political mobilisation for major changes in European integration as someone else's responsibility. Constructive engagement in building Europe's competitive advantages and an effective decision-making system, a strong commitment to strengthening the rule of law, thorough preparation for membership, and sustained efforts to ensure the stability and resilience of democratic institutions – alongside a deep understanding of the vital role of civil society – will all demonstrate that Ukraine takes responsibility for Europe's future.

For many years, Ukraine will not have the luxury of building its future gradually, step by step. Post-war challenges, integration efforts, reforms, and demographic recovery will all unfold simultaneously, alongside infrastructure reconstruction – small-scale during the war and large-scale in times of peace and under security guarantees.

These fundamental changes for Ukrainians will likely occur amid ideological and political transformation, and possibly systemic uncertainty and disorder. To navigate this complex landscape, Ukraine will need unity at both the political and civic levels to collectively shape a clear vision for its future.

A geopolitically divided world, including countries such as Turkey, China, the United States, and the United Kingdom increasingly recognise Ukraine's economic and investment potential. In this context, the interests of American investors could significantly influence the current United States administration's approach to how the war ends, ultimately strengthening Ukraine's bargaining position.

It is therefore crucial to fully utilise and accelerate the potential of progressive integration, creating a more decisive and politically ambitious plan for gradually incorporating Ukraine into Europe's political, economic, and social systems – supported by strong interest from both Ukraine and the EU.

This approach is especially important for various interconnected areas of the internal market. Progressive integration will speed up regulatory convergence, deepen economic integration, and strengthen territorial ties. It will also help build trust among partners.

Although most member states recognise the need to keep Ukraine's membership at the top of the political agenda, some EU members may still seek to block it at key stages requiring unanimity in the Council. While negotiations open at the cluster level and close at the chapter level, each step still demands the Council's approval.

Member states rejected the European Parliament's proposal to abandon unanimity for approving intermediate stages of accession negotiations and for authorising partial payments tied to reform implementation, which could prolong the talks, increasing the risk of endless negotiations. To some extent, this reflects a deeper issue of trust between European institutions. The accession process itself is also a period of trust-building, which is vital for successful integration. Experience shows that political trust is quickly lost but takes extensive time to rebuild.

Ukraine must continuously build alliances within the EU – not only with successive presidencies but also across member states, governments, and parliaments, where political dynamics will shift as new parties come to power following elections. It is in Ukraine's interest to anticipate vulnerabilities and potential risks.

A lasting political will to move in the same direction will be a key driving force behind Ukraine's accession process. Political forces must support Ukrainian society in its aspiration to join the EU regardless of when elections take place or their outcomes. Throughout the negotiations, difficult and unpopular decisions will inevitably be required. Ukraine's negotiating position and the outcomes of the talks may face resistance from various domestic groups, and a referendum on accession remains a possibility.

Political will and unity are essential not only for winning the war but also for anchoring Ukraine within the EU and NATO. Government effectiveness will depend not only on electoral legitimacy but also on a commitment to transparency, dialogue, and engagement with civil society. The authorities must also establish robust mechanisms to combat disinformation in all its forms.

It is still not too late to convince Ukraine of the need – or rather, the necessity – to integrate the legal tradition of assessing the impact of legislation on the economy and Ukrainian businesses into the accession process. Doing so would significantly streamline the preparation of negotiating positions, promote transparency in government-business relations, provide credible information to the European Commission, and strengthen the quality of Ukraine's administration and expertise – factors that directly influence the quality of membership.

Assessing the impact of adopted European legislation will help identify necessary transition periods, determine required investments for economic restructuring, and streamline the development of a negotiating position. It will also enable the same teams of experts and officials to remain involved throughout the entire process – from screening and identifying adaptation gaps to legal alignment, impact assessment, structural adjustments, negotiating positions, and final implementation.

Such continuity will strengthen the effectiveness and credibility of Ukraine's administration.

Regulatory impact assessment will also help identify weaknesses in the competitiveness of small and medium-sized enterprises (SMEs), which dominate

Ukraine's economy but often lack the resources to secure expert support during the membership preparation process. European funds, along with bilateral support from member states, can help bridge this gap while fostering connections between businesses that enable shifts in business models.

At every opportunity, it is essential to emphasise Ukraine's ability to implement the European legal framework. Achieving this often requires institutional reforms, new personnel, and efficient coordination. Throughout the negotiations – and certainly by the time of accession – Ukraine must demonstrate either full implementation or a highly advanced capacity to fulfil its commitments.

The consistently high support of Ukrainian society for EU membership is often taken for granted. However, past experience shows that future challenges could erode this support – yet such risks are often overlooked. While Russia's continued role in spreading anti-European disinformation is clear, challenges within the accession process itself could also trigger negative reactions among the public and political circles. These include the outcomes of negotiations, delays in the process, and the actions of interest groups in both member states and Ukraine.

It may therefore be worthwhile to establish an effective system for public communication – one that provides reliable information, rapid responses, and fosters an active political majority in parliament. This approach should also include investing in civil society and empowering uncensored media to gain a deeper understanding of the accession process, ensuring accuracy and transparency in public discourse.

Given the multidimensional nature of the accession process, the authorities bear the responsibility of ensuring proper coordination at every stage. Effective coordination is not only a key condition for success during the accession process but also remains essential after Ukraine joins the EU. This responsibility extends beyond the highest levels of the political system to include intermediate levels of government administration and local authorities.

Weak coordination can also hinder the European Commission's understanding of Ukraine's progress, as it often has to independently seek information on the involvement of third countries in supporting Ukraine's European aspirations.

In the negotiations, Ukraine will commit to implementing far-reaching changes in its legal and institutional systems, alongside structural reforms and improvements to the business environment. As previously mentioned,

Ukraine must demonstrate its ability to implement these changes even before joining the EU.

The reforms will cover key areas such as the labour market, demographic challenges, education and skills development, and the functioning of state-owned enterprises – including their restructuring and privatisation. Public finances, the tax system, public procurement, and competition rules will also require significant adjustments. Our report addresses some specific sectors that demand focused attention, while others call for deeper analysis. This includes not only energy and transport but also the financial sector, particularly banks and capital market institutions.

Regional disparities in development will remain a major challenge for Ukraine, having been drastically deepened by the war and further exacerbated by centralisation and limited support for local authorities. Regardless of how European cohesion policy and its funding evolve, and irrespective of Ukraine's position within this system, there is a clear need to strengthen local and regional administrations.

The devastation of Ukraine's natural environment not only underscores the need for transition periods but also demands massive investments to restore its usability. The involvement of various institutions in refining methods for assessing environmental damage and improving the monitoring of environmental crimes is particularly significant.

Poland required nearly a decade-long transition period, but for Ukraine, the scale of this challenge – aggravated by extensive mined territory and the sheer size of the country – is almost unimaginable. This aspect of Ukraine's reconstruction must be factored into investment plans at both local and regional levels, where significant disparities will inevitably emerge, calling for well-designed policies and strategies around state centralisation.

Creating a multidimensional environment conducive to investment is not a challenge that can be deferred and forthwith action is essential.

The structure of the negotiations underscores the importance and far-reaching impact of the economic criteria for Ukraine's EU accession. These criteria focus on ensuring Ukraine has a functioning market economy and the capacity to handle competitive pressure and market dynamics within the Union. Naturally, everything related to the internal market holds fundamental significance, as its smooth functioning must be preserved for Ukraine to fully benefit from its mechanisms.

Since 2024, the EU has been debating the need to further improve the internal market by addressing its fragmentation and incompleteness – factors that undermine Europe's interests. Ukraine's representatives are likely participating in these discussions.

The war in Ukraine complicates efforts to determine how quickly the country can offer businesses a reasonable degree of predictability in decision-making and how fast companies can adapt to the internal market. This remains a critical aspect of the conditionality process.

Interest group pressure will undoubtedly emerge during the negotiations, and many stakeholders are likely familiar with the principles of the European Transparency Register. While Ukrainian companies are being tested by wartime conditions, Ukraine must implement effective policies to ensure that businesses can adjust to new rules and a changing environment.

In this context, conducting a thorough assessment of the new legislation's economic impact would be particularly valuable.

Ukraine's macroeconomic stability currently relies on external financial support. U.S. funding for 2025 has been secured through the efforts of the previous administration and is being channelled via the World Bank.

Stability is essential for the functioning of a market economy, as is a well-developed, barrier-free, and operational financial sector. The demand for foreign direct investment will be enormous, making the removal of barriers to capital flows a priority. Despite the constraints of a wartime economy, Ukraine has managed to maintain the stability of its financial sector. However, predicting the systemic situation – both fiscal and monetary – immediately after the war remains impossible.

Inflation should also be factored into these macroeconomic considerations, as post-war conditions may create a particularly fertile environment for its rise. Recent surveys show that inflation is becoming a growing concern for Ukrainians, alongside persistent frustration with corruption.

The post-war period could intensify market and structural imbalances, trigger macroeconomic instability, and prolong Ukraine's reliance on major donors to sustain state functions.

Ukraine's authorities will face difficult decisions on key issues such as the exchange rate system, the pension system, and policies vital to the country's economic competitiveness – particularly the balance between real wage growth and productivity.

When evaluating Ukraine's post-war market economy, it is essential to consider the state and role of the informal economy. Businesses operating within this sector will need to transition into the official economy, which will require an efficient and transparent tax administration.

The negotiations will also need to address the potential need for, and feasibility of, temporary exemptions from market pricing mechanisms in certain sectors – most notably the energy sector and possibly healthcare, particularly regarding the pricing of medicines.

Negotiations covering justice and home affairs will be crucial, but verifying implementation in this area will present significant challenges. The European Commission is likely to demand near-perfect results and stronger guarantees of compliance with EU law than in other sectors.

Transition periods for Ukraine in matters fundamental to security are unlikely – unless initiated by the EU itself. Member states are expected to show heightened sensitivity regarding crime prevention and protection against illegal migration. The question of whether Ukraine can effectively secure the EU's external borders – especially given its complex geopolitical position – is also likely to remain open for some time.

The European Commission will continue to monitor the alignment of Ukraine's legal system with EU law even after Ukraine joins the Union. It will also be responsible for initiating infringement proceedings against Ukraine before the Court of Justice of the European Union, which holds the authority to impose penalties if necessary.

It is particularly important for Ukraine to use the process of transposing directives as an opportunity to strengthen the quality of its legal framework. In this context, preparing the judiciary to handle preliminary questions and directly apply EU law in cases where transposition gaps exist would also be highly beneficial.

Determining when Ukraine can implement public administration reform and revisit the issue of state decentralisation will likely be challenging. Although Ukraine will become the largest EU member state by territory, it continues to strengthen centralisation – an approach likely driven by the war. However, Ukraine will eventually need independent local governments to act as catalysts for growth, employment, business expansion, civil society development, and deeper engagement with the EU.

Civil society has played a crucial role in recent years. Political willingness to accept its role in peacetime will be essential, particularly in monitoring administrative and political structures, balancing the demands of stability and democracy, and advancing reforms.

I previously emphasised that the challenges associated with preparing for membership strengthen the case for proper coordination of the entire process. However, for the overall effectiveness of accession – covering the harmonisation of laws, the smooth conduct of negotiations, the implementation of commitments, the maintenance of political support and public opinion, and administrative and political efficiency post-accession – close cooperation between the government and parliament is particularly vital.

It would be prudent to establish binding strategic government documents for the entire pre-accession period, covering both the preparation and negotiation process, with formal endorsement by parliament. Parliament's decisions regarding its internal organisation at various stages of preparation will undoubtedly be significant. Different models of parliamentary engagement with the government, the EU, and member states already exist, and some countries have adapted their organisational systems depending on the stage of preparations.

The choice of model will depend on the desired level of parliamentary involvement – not only in cooperating with the government but also in parliamentary diplomacy, the engagement of sectoral committees, and the balance between political engagement and legislative work. Parliament should be regularly informed about negotiating positions and the progress of negotiations, provide strong political backing to the government, and, most importantly, ensure the continuity of the process regardless of election outcomes.

Accession to the European Union remains the most effective guarantee of the irreversibility of progress and reforms. However, it is essential to acknowledge the challenges highlighted by recent experiences in Polish-Ukrainian relations. These experiences reveal potential risks in Ukraine's interactions with Central and Eastern European countries, often rooted in historically conditioned emotions.

Awareness of these sensitivities is crucial, particularly during difficult moments, as this enlargement represents the most geopolitically significant European project of our time. It is also worth remembering that many past enlargements of an integrating Europe have been closely tied to the stabilisation of democracy – a challenge that persists today.



Unresolved neighbourly conflicts have persisted throughout the history of European integration. However, there appears to be little political will within the EU to allow such disputes to hinder internal cooperation. It is equally essential to ensure accession cannot be obstructed by historical bilateral disputes.

The current eighth enlargement has gained significant momentum. The Western Balkans, concerned about the geopolitical importance of Ukraine, have drastically accelerated their accession processes. The European Commission's broad adoption of the principle of paying for reforms and promoting progressive integration has helped mitigate potential risks of internal market disruptions.

It is crucial to ensure that negotiations and screening can proceed simultaneously. However, it is equally important to recognise that the Commission's constructive approach does not equate to leniency.

Finally, coordination is imperative. Central and Eastern European countries often lack well-functioning administrations supported by strong institutional traditions and competitive salaries. Public administration structures in these countries are typically not designed for the horizontal coordination required for complex processes such as preparing for EU membership. It is essential to ensure the highest level of coordination throughout the accession preparation process and to maximise the efficiency of negotiations, particularly given this process is multifaceted and influenced by many factors.

Equally important is safeguarding the administration responsible for Ukraine's accession from political shifts, ensuring both the continuity of the process and the acceptance of agreements already negotiated.

As previously mentioned, Ukraine will be managing several important and complex processes simultaneously for many years to come. The success of these efforts will depend not only on political will but also on effective coordination and the continuity of administrative responsibility, regardless of political shifts.

On the side of support for Ukraine, the EU and other donors must recognise that any disruptions, reductions in assistance, or delays in the accession process would effectively amount to concessions to Russia. To mitigate this risk, the EU must establish a contingency plan to address such scenarios.



# Biographical notes

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**Jan Truszczyński** is a diplomat and public official who served as Deputy Minister of Foreign Affairs from 2001 to 2005. He is a lecturer at Vistula University and the Polish Institute of Diplomacy. An expert in European integration at the Ministry of Foreign Affairs from 1982 to 1988 who served as Deputy Ambassador of Poland's Mission to the European Communities from 1989 to 1993; from 1996 to 2001, he was Poland's Permanent Representative to the EU and advisor to the President on EU affairs (2001). He served as Poland's chief negotiator for EU accession, as Undersecretary and Secretary of State at the Ministry of Foreign Affairs (2001–2005) and later as Deputy Director-General at DG Enlargement and DG Education and Culture from 2007, and Director-General of DG Education and Culture from 2010 to 2014.

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Since November 2013, when Ukrainians first gathered in Kyiv's Independence Square to protest President Viktor Yanukovich's refusal to sign the Association Agreement with the European Union, they have remained unwavering in their European aspirations. The full-scale Russian invasion on 24 February 2022 only cemented their conviction that European integration is not merely a choice but an existential necessity for their country. In response, President Volodymyr Zelensky moved swiftly to prepare Ukraine's EU membership application, submitting it in the immediate aftermath of the Russian attack. By early June 2024, accession negotiations had formally begun. This study, crafted by a Polish-Ukrainian team of experts, offers a dual perspective on the challenges and opportunities within the six negotiation clusters, illuminating the mutual benefits that Poland and Ukraine stand to gain by overcoming these obstacles together.