

# History belongs to those who embrace the future

## **José Manuel Barroso, president of the European Commission, outlines the support that Europe is giving in aid of a stable, sovereign, democratic and peaceful Ukraine**

**U**kkraine can count on the European Union, now and in the future. Our meeting [with members of the Ukrainian Government at the European Commission on 13 May 2014] was a very successful one. It was an unprecedented one – it is the first time the European Commission is meeting with another government outside of the European Union that has an association agreement with us. And I think we can say there was a great convergence and the spirit was really friendly and constructive.

The situation we are seeing in Ukraine is, of course, of the greatest concern. First of all, for the Ukrainian people, but I believe it is also the greatest challenge to Europe's security since the fall of the Iron Curtain and the fall of the Berlin Wall.

It is therefore critically important that we stop the spiral of political and security escalation that we have seen over recent weeks. We need to build on the diplomatic efforts agreed in the Geneva statement and continued by the OSCE [Organization for Security and Co-operation in Europe].

The so-called referendum held in Ukraine's eastern regions is illegitimate and illegal. We will not recognise its outcome. The rights of national minorities and all persons need to be respected and upheld, but in the framework of a united and unitarian Ukrainian state.

I have made clear to Prime Minister Yatseniuk that we support all efforts made by the Ukrainian Government to promote a broad-based and inclusive national dialogue with all regions, in particular on the issue of constitutional reform.

The Ukrainian system of government, the election of the next president of Ukraine and agreements with third countries are decisions for the Ukrainian people to freely decide, without external interference.

The doctrine of limited sovereignty should belong to history books. And history belongs to those who embrace the future, not to those who try to hijack it.

From the very beginning, our policy regarding the crisis in Ukraine had a very important central objective: to support a viable, sovereign state of the republic of Ukraine; to support a democratic, stable, united and prosperous country. This is our first goal looking to the response to the crisis.

### **Measures to support Ukraine**

Our joint meeting today was therefore part of our continued support to this stable, sovereign, democratic and peaceful Ukraine.

We are acting like never before to deliver short-, medium- and long-term support measures worth €11 billion – measures that I

presented to you here in early March. Today, we have gone through this package and our joint European Agenda for Reform in detail and identified ways to support the political, economic and financial stability of Ukraine. Specifically, the new State Building Contract programme I just signed with the prime minister, worth €355 million, plus €10 million to support civil society, will help the Government of Ukraine to address short-term economic stabilisation needs and implement governance reforms in order to promote inclusive socio-economic development. This State Building Contract includes concrete steps towards building transparency and fighting against corruption, and will help to increase the government's ability to respond to citizens' demands and needs.

Another major deliverable of today's meeting was the conclusion of the Memorandum of Assistance to Ukraine that is necessary to give effect to the €1 billion Macro Financial Assistance loan programme. The EU will soon disburse the first package of €600 million of a total amount of €1.6 billion of Macro Financial Assistance.

### ***The rights of national minorities and all persons need to be respected and upheld, but in the framework of a united Ukrainian state***

These two specific actions come on top of a wide range of the European Commission's assistance to Ukraine in other areas, such as the elimination of customs duties on goods originating from Ukraine – worth nearly €500 million per year in tariff reductions; and the signature of the Memorandum of Understanding enabling gas flows from Slovakia to Ukraine, which was an important first step to diversify Ukraine's sources of gas supply. I was present in the signature of this memorandum in Bratislava recently. And the European Commission, as you know, is holding trilateral energy talks with Ukraine and Russia aimed at safeguarding the security of supply and transit of gas to and through Ukraine.

Another point is the work conducted by the Commission, endorsed yesterday by the Foreign Affairs Council, to give effect to our policy of non-recognition of Crimea's annexation by Russia.

And we are working together on many other areas, for example visa liberalisation, aviation and research.

Today ... our focus has been on the support we can give to Ukraine. Let me add a word on the actions of Russia. Our message to Russia is to engage, to implement its part of the Geneva statement, to repeal the mandate of the Federation Council to use force on Ukrainian soil and to act as a responsible stakeholder of our community of nations. Together with the prime minister, before the executive-to-executive meeting, we have also analysed the situation there. My opinion is that it is still not too late if Russia wants to work constructively. I believe it is in the interest of everybody in Europe, including Russia, to cease this kind of action and that we can turn back this page and that we can in fact come to a real de-escalation of this conflict.

European Commission president José Manuel Barroso has declared his support for the Ukrainian Government's efforts to promote an inclusive national dialogue



DEAN MOUHTAROPOULOS/GETTY IMAGES

After the signing in March of the political chapters of our Association Agreement, today's meeting shows the EU and Ukraine are jointly committed to working together towards Ukraine's political association and economic integration with the EU.

Closer association between the EU and Ukraine was something we proposed to, not imposed on, Ukraine and its people.

And we remain committed to concluding the signature procedure of the remaining chapters of the Association Agreement as soon as possible after the presidential elections on 25 May. We received clear assurances from the Ukrainian side that it is exactly the goal

of the Ukrainian authorities. As I have said in the past, this agreement was never an agreement against someone, but for something: for democracy, prosperity and well-being of all the Ukrainian people. And we continue to stand by these goals. ■

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*Excerpts from the press statement by European Commission president José Manuel Barroso after the visit of Prime Minister Arseniy Yatseniuk and members of the Government of Ukraine, Brussels, 13 May 2014*



# Building trust in global supply chains



By **Philippe Amon**  
Chairman & CEO, SICPA

Safe international trade is essential for the economic growth governments are currently seeking, but it is threatened by the ever-evolving asymmetrical threat of fraud and illicit activity. These crimes, be they through sale of counterfeits, contraband, tax evasion, avoidance of quality controls or theft of intellectual property, damage government revenues, undermine policies and put public health and citizens' well-being at risk.

International cooperation is crucial to tackling the issue, as are clear policies

and a strong framework at national level. Leading governments are well-placed to set a positive example by being ambitious in this area – ensuring their individual and collective approaches take advantage of the best new solutions available and by setting an example of proactive cooperation. There is a win-win to be achieved through putting in place robust national systems that can be linked across borders to build an interoperable international network.

SICPA is at the forefront of those in the private sector investing in developing up-to-date tools for governments so they can meet these challenges now and in the future. Our SICPATRACE® platform is designed to accommodate a broad range of products, to protect licit industries and help promote the conditions suitable for economic development and investment.

Our approach builds on our long experience providing security inks and security features to protect bank notes and through working in partnership with governments. SICPA has developed a modern toolbox that can be implemented in a modular way and adapted to take account of national needs and priorities. At the core of the approach is secure track and trace, which provides transparency and

control for governments across the length of complex supply chains that criminals are so adept at exploiting.

## **Digital technology needs to be complemented by material-based security**

Secure track and trace is based on marking legitimate products securely so as to guarantee authenticity and give each item a unique identity, so that it can be monitored through its life cycle from manufacturer to consumer. Digital technology is essential for monitoring and for the full exploitation of data, but to protect against the vulnerabilities of cyberspace, secure marking needs to use material-based features such as high-security inks.

To meet government needs, a secure tracking and tracing system should be modular and adaptable to a wide range of products – be they excisable goods, consumables likely to be fraudulently traded, medicines or sensitive equipment. At each stage there are benefits. At the beginning of the supply chain benefits include production control, which tackles the mis- or under-declaration that results in tax losses. There are further tax and health gains from preventing diversion frauds, adulteration and illegitimate repackaging. At inspection stages



## About SICPA

Founded in 1927 and headquartered in Lausanne Switzerland, SICPA is a trusted provider of secured identification, traceability and authentication solutions and services to central banks, governments and high-security printers around the world. High-technology security inks are at the core of the company's expertise and for more than 60 years SICPA has been at the forefront of research and innovation in this area.

SICPA inks and security features protect the majority of the world's bank notes, security and value documents

from counterfeiting and fraud. They range from inks developed for specific printing processes to solutions adapted for varnishing and theft-deterrence systems.

SICPA Government Security Solutions integrates material-based security features and digital technology to offer solutions and services to governments, ensuring product authentication, traceability and protection as well as tax reconciliation and production controls.

Operating on five continents, SICPA is a global company supporting governments in more than 200 countries.

there are tools to counter corruption. Business intelligence, risk profiling and reporting modules exploiting 'big data' ensure best use of enforcement resources. Real-time information of evidential quality improves the 'hit rates' of enforcers for seizures and prosecutions.

### Implementation requires a holistic approach and expertise

SICPA knows from its extensive practical experience in countries across the globe that implementing a successful control system requires a holistic approach and proven expertise. It needs to address the needs of all stakeholders so that implementation is not slowed by unnecessary resistance. Permissive legislation needs to be in place. A good

system is unintrusive and has minimal impact on production processes – it copes with difficult industrial environments. The integrity of data capture is crucial – it has to be highly accurate and the means acceptable to all supply chain actors. It has to be collected and stored in a way that respects commercial sensitivities but which nevertheless allows governments to reap the benefits of 'big data' manipulation. It requires a fully reliable and secured system of aggregation so that, for example, a bulk package does not require unpacking. Checks by the authorities need to be quick and easy, compatible with trade facilitation schemes based on AEO and contain anti-corruption safeguards.

The cost of illicit trade is high. The benefits of combating it are significant.

The technology now exists to do so successfully. It is a tool par excellence of good governance. We stand ready to support governments to make it happen!

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