



Introduction to EU Assistance in Ukraine

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TACIS

- TACIS (Technical Aid to the Commonwealth of Independent States)
 - Launched in 1991, the TACIS programme provides grant-financed technical assistance to 12 countries of the former Soviet Union including Ukraine.
 - TACIS funding provides specific support for Chornobyl Shelter Fund (€150 million).
 - Programmes continue today although TACIS has ended (€2.4 billion 1991-2002)
 - EU largest donor to Ukraine.

Partnership and Cooperation Agreement (PCA)

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 - Conclude in June 1994. Came into force in March 1998.
 - EU and Ukraine committed themselves to establishing a partnership which provides for close, mutually beneficial relations
 - The partnership is intended, in particular, to promote Ukraine's transition to a fully fledged democracy and market economy.
 - Legal basis for relations with Ukraine.



Development of EU-Ukraine Relations

- European Neighbourhood Policy (ENP)
 - Developed in 2004.
 - Shares benefits of enlargement (Since May 2004, EU and Ukraine share a border)
 - Develops privileged partnership with neighbours.



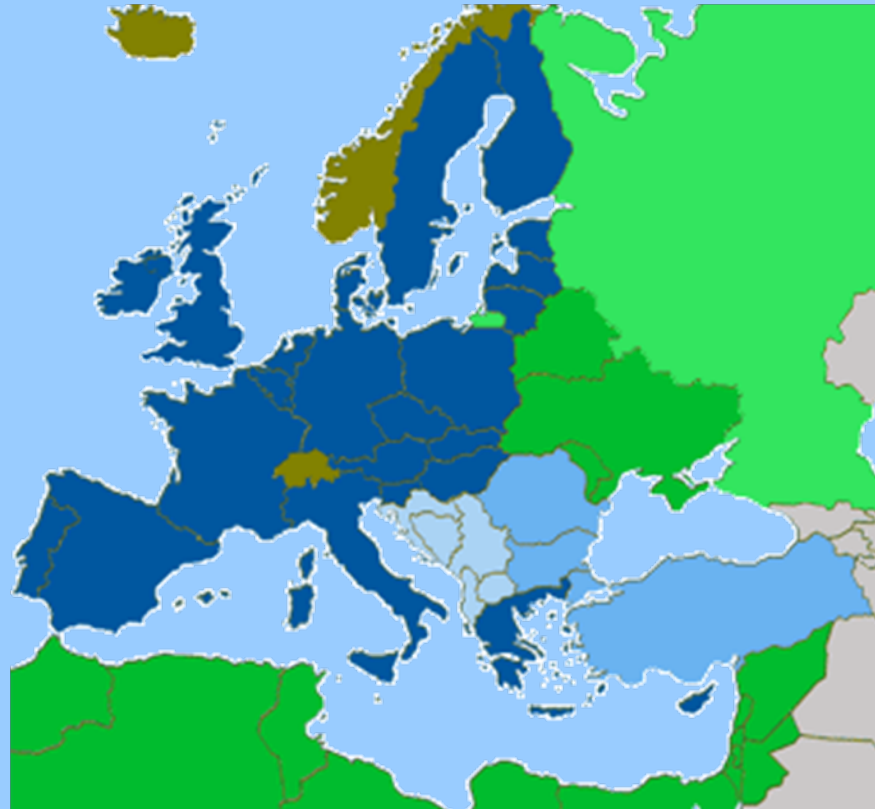
EU-Ukraine Action Plan (February 2005)

- EU-Ukraine Action Plan (February 2005)
 - Jointly agreed; creates new possibilities for partnership, economic integration and cooperation.
 - Upgrades political co-operation.
 - Upgrades financial assistance through ENPI.
 - Provides framework and priorities for EU assistance to Ukraine (next slide).

Action Plan & Assistance Priorities

- Assistance priorities are identified on the basis of the policy objectives defined in the EU-Ukraine Action Plan. Assistance priorities apply to all instruments and programmes.
 - Political dialogue and reform
 - Economic and social reform and development
 - Trade, market and regulatory reform
 - Cooperation in justice, freedom and security
 - Transport, energy, information society and environment
 - People-to-people contacts

European Neighbourhood Policy and ENPI



European Neighbourhood and Partnership Instrument (ENPI)

- Replaced TACIS from 1 January 2007.
 - Increases funding to ENPI countries by 12% (average €1.6 billion a year)
 - More flexible instrument than TACIS.
 - Introduces targeted technical assistance (twinning).
 - Offers opportunities for sectoral and budgetary support.
 - national but also its
 - Covers not only national, but also transnational/regional, cross-border and thematic components.

Strategy for Ukraine (2007-2013)

- Assistance provided under the national ENPI envelope for Ukraine will focus on the following three priority areas:
 - *Priority Area 1: Support for Democratic Development and Good Governance*
 - Sub-priority 1: Public administration reform and public finance management
 - Sub-priority 2: Rule of law and judicial reform
 - Sub-priority 3: Human rights, civil society development and local government
 - Sub-priority 4: Education, science and people-to-people contacts/exchanges

Strategy for Ukraine (2007-2013)

- *Priority Area 2: Support for Regulatory Reform and Administrative Capacity Building*
 - Sub-priority 1: Promoting mutual trade, improving the investment climate and strengthening social reform
 - Sub-priority 2: Sector-specific regulatory aspects
- *Priority Area 3: Support for Infrastructure Development*
 - Sub-priority 1: (non-nuclear) Energy
 - Sub-priority 2: Transport
 - Sub-priority 3: Environment
 - Sub-priority 4: Border management and migration including re-admission related issues

Twinning



- Twinning is a joint initiative by the European Commission, the EU Member States and partner countries, including Ukraine.
- Twinning offers institution building support for Ukrainian authorities through civil servant exchange with Member States.
- Twinning supports institutional reform based on solutions that have proven successful in Central and Eastern European countries.
- Twinning offers direct technical co-operation between public bodies of EU Member States and partner countries' administrations giving civil servants the opportunity to exchange best practices and experiences in a given field of expertise. It mobilises significant human and financial resources to stimulate progress in Ukraine.
- Twinning will become the main instrument to “support legislative approximation to meet EU norms and standards” in Ukraine as provided by the EU-Ukraine Action Plan and the EU-Ukraine Partnership and Cooperation Agreement.

Twinning



- The following twinning projects are currently being implemented with the following Member States:
 - Harmonisation with EU norms of the legislation and standards of Ukraine in the field of Civil Aviation (France, Poland)
 - Regulatory and Legal Capacity Strengthening of Energy Regulation in NERC (Italy, Austria, Czech Republic)
 - Strengthening the enforcement of competition law and policy in Ukraine (France, Hungary)
 - Strengthening of Standardisation, Market Surveillance, Metrology and Legal Metrology, Conformity Assessment and Consumers Policy in Ukraine (France, Germany)
 - Boosting Ukrainian space cooperation with the European Union Ukraine (France, Germany)
 - Assistance to the State Control and Revision Service in introducing Public Internal Financial Control (Sweden)
 - Strengthening of the National Accreditation Agency of Ukraine (Netherlands, Sweden)

Annual Action Plan for Ukraine (2007)

- €120 million plus €22 million allocated under the Governance Facility (This amount has been to the Energy component of the Action Programme.)
- Priorities:
 - Readmission-related assistance and EUBAM flanking measures (35 M€)
 - Financial support to Ukraine following agreement on readmission and visa facilitation agreements aimed at improving Ukraine's capacity to reduce the influx of irregular migrants at Ukraine's Eastern border.
 - Part of the action will aim at reinforcing the capacity of the Ukrainian Border Guards by providing them with additional equipment, following the assessment issued by the EU BAM (Border assistance Mission) at the Ukrainian-Moldovan border.

Annual Action Plan for Ukraine (2007)

- Twining and ENP Support Technical assistance (20 M€)
 - EU support Ukrainian-owned reform and development processes, covering priority sectors (including the police and law enforcement sector, environment sector, judiciary reform and transport).
- Support to the implementation of Ukraine's energy strategy (87 M€ + 22 M€)
 - Budgetary support to help Ukraine implement the energy chapter of the EU-Ukraine Action Plan and the Energy MOU aimed at :
 - the gradual convergence of Ukrainian laws and regulations towards the principles of the EU internal electricity and gas markets
 - development of gas and oil transport infrastructure
 - restructuring of the solid fuel mines
 - significant progress on energy efficiency and the use of renewable energy sources.

Annual Action Plans for Ukraine (2008-9)

- *The allocation for 2008 (adopted) is 122 M€ , topped up by 16.6 M€ from the Governance Facility:*
 - *Promoting mutual trade by removing technical barriers to trade between Ukraine and the EU* 45
 - *Support to the implementation of Ukraine's strategy in the area of energy efficiency and renewable sources of energy* 70
 - *Twinning and ENP Support Technical Assistance* 23.6
- *Priority areas for the Annual Action Programme 2009 (estimated allocation 116M€) are expected to be Sector Budget Support in transport and environment, as well continuation of twinning and technical assistance in various sectors.*

SPECIFIC ACTIVITIES RELATED TO ENVIRONMENT and INFRASTRUCTURE

- Waste management in Donetsk Oblast (1999 and 2003 National Action Programmes completed in October 2007) aiming at designing and implementing regional strategy for domestic waste management. The projects had a strong pilot component for selective waste collection and valorisation.
 - ⇒ completed, but currently considering financing Business Plan for Equipment Leasing project.

Local Development in 4 selected towns

Project title: “Sustainable Local Development” (3.0 M€)
Tacis Ukraine National Action Programme 2004 (on-going)

Objectives:

The purpose of the project is to promote and demonstrate in a few middle-size cities, a comprehensive and holistic approach on sustainable local development. The project will build on results of the AP 2002 “Municipal Services Support” project and previous Tacis experience. The project will design and develop a comprehensive sustainable development strategy in the selected municipalities. In addition, the project will design, procure and monitor substantial works for upgrading municipality’s essential services, such as water supply and treatment or other utilities. A follow up to this Technical Assistance is anticipated in terms of a works project to be funded under Action Programme 2005.

Project starting date:

October 2007

Project duration:

48 months



Project title: "**Sustainable integrated land use of Eurasian Steppes**" (2,6 M€); Tacis Regional Action Programme 2004(on-going)

Objectives:

The sustainable management of the steppe ecosystem

The mainstreaming of biodiversity concerns into rural land use policy and practice at the regional, national and local levels

Support for the application of innovative financing mechanisms to provide long-term economic and social benefits from the sustainable management of the steppe ecosystem.


=> under separate project, identification of small investment projects to be funded by EIB

Project starting date:

June 2007

Project duration:

36 months



Project title: “**Environmental collaboration for the Black Sea**” (2,5 M€); Tacis Regional Action Programme 2004 (on-going)

Objective:

A reduction of municipal, industrial and agricultural pollution, in particular nutrients, flowing into the Black Sea, via attributing water flows or directly;

Increase and/or maintenance of biodiversity – numbers and population size of different species – indicating a higher level of protection of the marine environment.

Project starting date:

March 2007

Project duration:

24 months



Project title: “Mykolaiv municipal water project” (Service contract; 3.0 M€)

Objective:

The action will make considerable progress toward reaching national and EU standards for drinking water and wastewater discharge in the city of Mykolaiv. The measures under the project will generate significant improvements and are planned to be followed by a medium to long-term investment plan, which will bring the city into full compliance. The project is also expected to provide benefits in terms of climate change mitigation.

Project starting date:

December 2007

Project duration:

36 months

Country: Ukraine