



MEMORANDUM OF UNDERSTANDING

BETWEEN

THE EUROPEAN COMMISSION

AND

THE GOVERNMENT OF UKRAINE

REGARDING

THE

**NATIONAL INDICATIVE PROGRAMME FOR UKRAINE 2011-
2013 UNDER THE EUROPEAN NEIGHBOURHOOD AND
PARTNERSHIP INSTRUMENT**

The European Commission, of the one part, and the Government of Ukraine, of the other part,

with regard to the Decision of the European Commission of 2 March 2010 approving the National Indicative Programme for Ukraine 2011-2013 under the framework of the European Neighbourhood and Partnership Instrument, the priorities of which were jointly identified by the European and Ukrainian parties, taking into account the priorities of the Economic Reform Programme 2010-2014 "Prosperous society, competitive economy, efficient government",

and considering the enhanced level of the EU-Ukraine relations, in particular, the upcoming conclusion of the EU-Ukraine Association Agreement, including the establishment a Deep and Comprehensive Free Trade Area, accession to the Energy Community, EU intention to liberalise the visa regime, Ukraine's commitment to implement comprehensive internal reforms,

have agreed on the following:

1. Framework of the co-operation between the European Union and Ukraine

The European Neighbourhood and Partnership Instrument (ENPI) is a policy-driven financial instrument which has as its main aim to support the establishment of an area of prosperity and good neighbourliness involving the European Union and neighbouring partner countries. Regulation (EC) No. 1638/2006 lays down the guiding principles for the provision of European Union assistance under the Instrument.

The Partnership and Co-operation Agreement between the Community and its Member States and Ukraine, the EU-Ukraine Association Agenda currently in force, the Eastern Partnership launched in May 2009 and the ongoing negotiations on a new Association Agreement between the EU and Ukraine are the main elements of the Policy Framework which has guided the programming of EU assistance. The Country Strategy Paper 2007-13 and the National Indicative Programme 2011-13 for Ukraine have been designed on the basis of these principles and this policy framework.

The present Memorandum reflects the indicative assistance priorities for the period 2011-13 as outlined in the ENPI National Indicative Programme for Ukraine 2011-2013. The actions financed by the European Union and covered by this Memorandum of Understanding are governed by the Framework Agreement between the European Commission and the Government of Ukraine (ratified by the Law of Ukraine No 360-VI of 3 September 2008).

2. Indicative assistance priorities for the period 2011-13

Assistance provided under the ENPI National Indicative Programme for Ukraine should focus on three priority areas:

Priority Area 1: Good Governance and the Rule of Law

Sub-priority 1: Justice, Freedom and Security

Sub-priority 2: Integrated Border Management

Sub-priority 3: Public Administration Reform and Public Financial Management

Sub-priority 4: Disarmament

Priority Area 2: Facilitation of the entry into force of the EU-Ukraine Association Agreement (including a Deep and Comprehensive Free Trade Area)

Sub-priority 1: Facilitation of the entry into force of the Association Agreement

Sub-priority 2: Facilitation of the establishment of a DCFTA between the EU and Ukraine

Priority Area 3: Sustainable Development

Sub-priority 1: Energy, Environment and Climate Change, Transport

Sub-priority 2: Regional and Rural development

3. Indicative financial envelope

The overall indicative budget for the EU assistance to Ukraine under the ENPI is €470.05 million. This includes the €43.37 million earmarked for the Comprehensive Institution Building Programme (CIB), and €30.79 million for Eastern Partnership pilot regional development programmes.

The ENPI National Indicative Programme for Ukraine foresees the following indicative allocations for each priority:

<i>Co-operation priorities</i>	<i>Indicative allocation 2011-2013 (million €)</i>
Priority Area 1 Good Governance and the Rule of Law	94 - 141
Priority Area 2 Facilitation of the entry into force of the EU-Ukraine Association Agreement (including a Deep and Comprehensive Free Trade Area)	117.5 - 164.5
Priority Area 3 Sustainable Development	211.5 - 258.527
Total Indicative ENPI allocations 2011-2013	470.050

4. Final provisions

Decisions on funding will be subject to availability of funds and authorisation of the European Commission. They are also subject to the opinion of the relevant ENPI Committee.

This Memorandum does not contain obligations under the international law.

Signed in Brussels on 2 March 2011 in two versions in English and Ukrainian languages.

For the European Commission

For the Government of Ukraine



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