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ANNEX



*NEIGHBOURHOOD, DEVELOPMENT AND INTERNATIONAL COOPERATION INSTRUMENT*

**MULTI-ANNUAL INDICATIVE PROGRAMME  
(2021-2027)**

# Multi-annual Indicative Programme (MIP) 2021-2027 for Ukraine

## 1. The overall lines of the EU international cooperation in the partner country/region

### 1.1. Basis for programming

Signed in 2014 and fully in force since September 2017, the **Association Agreement (AA)** and its **Deep and Comprehensive Free Trade Area (DCFTA)** is the basis of the EU-Ukraine bilateral relations. The Agreement, which is the main tool for bringing Ukraine and the EU closer together through the political association and economic integration of Ukraine with the EU, is based on common values of democracy, rule of law, respect for international law and human rights. It sets out a long-term and comprehensive reform framework for strengthening institutions, boosting integrity, transparency and accountability, enhancing security, fostering economic growth and social cohesion, upholding the respect for human rights and closing the space for corruption across various sectors. Its DCFTA, linked to the broader process of legislative approximation, contributes to further economic integration with the EU's Internal Market. The EU provides its support to Ukraine through policy development and comprehensive reforms rather than by implementing individual projects, in order to help Ukraine fulfil its commitments under the AA/DCFTA so the country can reap the full benefits this agreement offers.

The AA Agreement, by its normative power, including legal approximation to the EU *acquis*, provides a structure for modernising the legal and regulatory framework of Ukraine in the areas covered by the *acquis*, thus providing a stepping-stone for growth and development. This MIP is consistent with the priorities of the future Eastern Partnership policy as presented in the March 2020 Joint Communication<sup>1</sup> and endorsed by EU and Eastern Partnership leaders in June 2020. It is also fully aligned with the Joint Staff Working Document (JSWD) setting out the post-2020 Eastern Partnership agenda<sup>2</sup>, published on 2 July 2021, including its Economic Investment Plan and the five flagship initiatives to support socio-economic recovery and strengthen the country's resilience. The actions under this MIP will also support the delivery of key global policy objectives, such as the Sustainable Development Goals (SDGs), the Paris Agreement and the EU Green Deal, and contribute to the EU's overall goal of increasing the stability, prosperity and resilience of Ukraine as set out in the Global Strategy for the Foreign and Security Policy of the European Union<sup>3</sup>.

Like in many other countries, the socio-economic impact of the COVID-19 pandemic on Ukraine's economic growth has been significant, mainly because of the implementation of strict public health measures in Ukraine and abroad, a weakening of domestic demand, and a sharp drop in trade and investment levels. The National Bank of Ukraine (NBU) reported a decline in real GDP of 4% in 2020, compared with pre-pandemic estimates of 3.5% GDP growth over the period. In addition, foreign trade turnover fell by around 7.5% and a record foreign direct investment (FDI) net outflow from Ukraine of USD 868.2 million in 2020 was reported, compared with an FDI net inflow of USD 5,833 billion in 2019. For 2021 Ukraine's GDP growth is estimated at 3.8%, taking into account stable consumer demand and favourable foreign trade conditions as well as the rebound of key sectors such as agriculture and processing. The rise in unemployment in Ukraine was initially not as sharp as elsewhere, but by end 2020, unemployment in Ukraine had risen to 10% and remains at that level. The effects of the pandemic on employment have affected women more acutely than men, as related to social distancing measures had a large impact on sectors with higher women's employment shares.

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<sup>1</sup> JOIN (2020) 7, 18.3.2020, Eastern Partnership policy beyond 2020: Reinforcing Resilience - an Eastern Partnership that delivers for all

<sup>2</sup> SWD(2021) 186 final

<sup>3</sup> Shared Vision, Common Action: A Stronger Europe - A Global Strategy for the European Union's Foreign And Security Policy

Ukraine is part of the Common Maritime Agenda for the Black Sea<sup>4</sup>, a regional cooperation framework that promotes policies and projects on sustainable blue economy as a key sector for the seven signatory countries and that is complementary to the objectives of the Association Agreement and of the Eastern Partnership policy. The visa free regime between Ukraine and the EU continues to promote people to people contacts, bringing positive economic, social and cultural benefits to Ukraine and to the EU Member States.

At the **23<sup>rd</sup> EU-Ukraine Summit** on 12 October 2021, the Parties reaffirmed their continued commitment to strengthening the political association and economic integration of Ukraine with the EU by working together on the full implementation of the AA/DCFTA. They exchanged respective reviews of the agreement in line with to Art. 481 review of the objectives of the AA/DCFTA and with the aim of agreeing on a joint assessment by the 2022 Summit. The EU reaffirmed its commitment to supporting Ukraine's independence, sovereignty and territorial integrity within its internationally recognised borders. The EU support to Ukraine in the context of COVID-19 was highlighted as was the need to sustain reform efforts related to the fight against corruption and de-oligarchisation while acknowledging recent progress. The start of new initiatives such as the cyber security dialogue and the green dialogue but also the adequacy decision on the mutual recognition of COVID-19 vaccination certificates were welcomed. Both sides also welcomed the start of the second stage of the pre-assessment of Ukraine's readiness to start negotiations on an Agreement on Conformity Assessment and Acceptance of Industrial Products (ACAA). Three key agreements were signed during the Summit, notably a Common Aviation Area Agreement, as well as agreements for Ukraine's association to the Horizon Europe and the Creative Europe programmes.

Ukraine is undergoing and is still implementing **unprecedented reforms**, including judicial sector and public administration reform, decentralisation, anti-corruption, macro-economic stabilisation and energy sector reform with EU support. The EU bolstered its support to Ukraine in the context of its response to the COVID-19 pandemic and continues to provide financial assistance as part of supporting Ukraine's stabilisation and reform process, having mobilised, together with international financial institutions (IFIs), more than EUR 16.5 billion in grants and loans since 2014.

The **Support Group for Ukraine (SGUA)** is the focal point in the European Commission providing guidance for Ukraine's reforms and transition, in addition to helping mobilise Member States' (MS) expertise and enhancing coordination with IFIs and other donors. In doing so, SGUA coordinates closely with the **European External Action Service** and the **EU Delegation to Ukraine**.

The unprecedented financial and technical assistance is a significant source of **EU leverage in Ukraine**. EU support and its related conditionality have been instrumental in helping move forward key reforms. Together with the ambitions of the Government of Ukraine for deeper association with the EU, this leverage represents a major opportunity for continued EU engagement in the country.

Against this positive backdrop, continuous destabilisation efforts by the Russian Federation remain a serious challenge for Ukraine to move forward its reform agenda and consolidate achievements. The country, facing military aggression from Russia, *de facto* being at war and spending more than 2.5 percent of its GDP on defence, is in a place where options and choices for policy makers are severely constrained, both financially and politically. Human rights as well as the social, economic and environmental situation are deteriorating in the illegally annexed Crimea and in certain parts of the Donetsk and Luhansk regions temporarily outside the Government's control. In addition, the already dire humanitarian situation along both sides of the line of contact and in the non-government controlled areas has been aggravated by the COVID-19 pandemic.

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<sup>4</sup> [https://ec.europa.eu/oceans-and-fisheries/ocean/sea-basins/black-sea\\_fr](https://ec.europa.eu/oceans-and-fisheries/ocean/sea-basins/black-sea_fr)

Opposition to reforms by vested interests and persistent corruption, in particular at higher level, in Ukraine represent an additional serious challenge to this endeavour, for which the necessary mitigating measures, including political and policy dialogue, conditionality policy, communication, well-tailored technical and financial assistance, will be applied, in close cooperation with relevant national and international partners.

All actions taken under this programming exercise shall comply with EU legislation, in particular EU restrictive measures (sanctions) adopted pursuant to Article 215 of the Treaty on the Functioning of the European Union.

## **1.2. Status of joint programming**

There are 24 EU MS present in Ukraine, of which Denmark, Finland, France, Germany, Poland and Sweden have a significant cooperation portfolio and/or a proactive and central role in policy dialogue. There is a **considerable number of joint actions** between the EU and its MS based on joint assessments and mutual interest with Ukraine, resulting in joint implementation of large-scale programmes

EU programmes in Ukraine are implemented by EU MS agencies with close involvement of other interested MS in the following areas: decentralisation (Denmark, Estonia, Germany, Poland, Slovenia and Sweden), anti-corruption (Denmark), rule of law (Estonia, France), energy efficiency (Finland, Germany and Poland), public finance management (Lithuania), vocational education and training (Germany, Finland, Poland and Estonia) and e-governance (Spain and Estonia). Implemented under the Heads of Mission's political steer, this emphasis on joint implementation of programmes aims to promote the coherence and impact of the EU and MS actions. Such joint actions are given priority in order to promote maximum use of EU and MS expertise, which is often complemented by co-funding. These will be further amplified with the implementation of the Economic and Investment Plan through which the Development Finance Institutions of EU Member States join forces with IFIs such as the European Investment Bank (EIB), the European Bank for Reconstruction and Development (EBRD) and others to facilitate and leverage public and private investments.

In addition to co-implementation of programmes by the EU and its MS, an additional powerful and advanced framework for joint work with IFIs, including under the umbrella of the G7, is in place in Ukraine. This is the upstream coordination from very early stages and alignment of the EU with IFIs in a number of sectors and reform areas. The combined leverage of the EU and IFIs in terms of financial and political weight is a powerful thrust for furthering efforts by Ukraine to reform its economy, improve its overall business environment or advance specific sectoral reforms. Such telling examples are the Ukraine Reforms Architecture (URA) programme - a joint EU-EBRD initiative<sup>5</sup> based on a holistic approach supporting reform champions across government; and the EU-World Bank (WB) joint undertaking on helping Ukraine move forward the complex land reform aiming at establishing a transparent and efficient market for agricultural land in the country. Moreover, the Economic and Investment Plan for the Eastern Partnership is a unique opportunity to catalyse the untapped economic

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<sup>5</sup> The programme is funded through the Ukraine-EBRD Stabilisation and Sustainable Growth Multi Donor Account (Multi-Donor Account, MDA), in which the EU is the largest donor. Other participating parties to the fund: Denmark, Finland, France, Germany, Italy, Japan, the Netherlands, Norway, Poland, Sweden, Switzerland, the United Kingdom and the US.

potential in the region and a guide for working with International Financial Institutions (IFIs), including for the use of the European Fund for Sustainable Development plus (EFSD+) guarantees.

At headquarters level, **regular biannual meetings between SGUA and MS** are held on reform support and policy development in Ukraine. These regular meetings allow for upstream coordination and alignment, priority setting and joint messaging. On the ground, enhanced in-country coordination with EU MS is done at the level of joint analysis, priority setting and messaging in key policy areas such as conflict response, economic growth, good governance, green transition, and human capital development and humanitarian and development response.

### **1.3. Priority areas of the EU's cooperation with the partner country/region**

Priority areas build on a consensus that has emerged from consultations on the ground between October 2020 and February 2021 with the Government of Ukraine, EU MS, the United Nations (UN), civil society, the EIB and other IFIs, as well as key bilateral donors. They further build up on the extensive structured consultation on the future of the Eastern Partnership conducted up until March 2020. They consolidate and further advance the work done under the special measures adopted in 2014-2017 as well as the Single Support Framework for EU support to Ukraine (SSF 2018-2020) and are conducive to the long-term Eastern Partnership policy objectives.

The priorities are:

Priority area 1: A resilient, sustainable and integrated economy

Priority area 2: Accountable institutions, the rule of law and security

Priority Area 3: Environmental and climate resilience

Priority Area 4: A resilient digital transformation

Priority Area 5: A resilient, gender-equal, fair and inclusive society

These priority areas also correspond to the investment areas as well as the flagship initiatives articulated in the **Economic and Investment Plan**. These investments will target in particular sustainable transport infrastructure, private sector development and small and medium enterprises (SMEs), digital transformation, as well as climate, environment and energy. The European Fund for Sustainable Development Plus (EFSD+) (EFSD+ guarantee and for blending activities) will play a critical role to mobilise public and private sector investment. The EU will step up its partnership with the International Financial Institutions to implement this. To ensure these investments lead to a sustainable impact, investments will also be made in innovation and human capital.

Considering the limited fiscal space, it will be important to develop a single project pipeline for Ukraine to ensure lending possibilities are targeted for these strategic investments. All these investments will be underpinned by the support to the country's **reforms in the rule of law, good governance and the justice sector**. These reforms will have to be in line with the EU's common values of democracy, rule of law, respect for international law and human rights, including the rights of persons belonging to national and other minorities. EU support will continue to be conditional upon Ukraine's continued progress in these areas and compliance with its international obligations. Finally, the priorities of the Common Maritime Agenda for the Black Sea are also to be considered.

### **1.4. Justification and context**

**EU integration remains a top priority for the Government of Ukraine**, which has ambitions of deeper political association and economic integration with the EU. Supporting the country's stabilisation and promoting its post-COVID-19 socio-economic recovery, including through

investments in green and digital transition and innovation, rank amongst the Government's top priorities. Accelerating and reinforcing reforms, strengthening the rule of law including fighting the influence of vested interests and ensuring the independent and effective operation of anti-corruption and law enforcement institutions, fostering economic growth, supporting the green and digital transition as well as increasing resilience including countering hybrid threats and disinformation as well as enhancing security are key areas for continued close cooperation, as stressed in the Joint Statement following the **23<sup>rd</sup> EU-Ukraine Summit**. Social sector reforms, improvement of business and investment climate, and the modernisation and greening of transport and energy infrastructure are needed to create better jobs and more equitable and sustainable economic growth, all the more so in the midst of the COVID-19 crisis.

Despite the stabilisation efforts of recent years, the **COVID-19 pandemic** hit the Ukrainian economy hard. Financial support from the International Monetary Fund (IMF) and the EU has contributed to helping Ukraine cope with the ensuing recession and a deteriorating budget outlook. This support is conditional on Ukraine's commitment to safeguarding existing achievements and advancing on the structural reforms agenda. The pandemic inevitably slowed down reform progress by diverting resources and political attention. Vulnerable groups such as the elderly, the disabled, the internally displaced, conflict-affected people in the east of Ukraine, including in the non-government controlled areas, migrants and asylum seekers are suffering the most from the effects of the crisis. Women's economic security has been hit hard – women's access to income-generating activities dropped disproportionately, while their share in unpaid care and domestic work as well as domestic violence has increased due to containment measures. The EU has mobilised a package of EUR 190 million to support Ukraine's COVID-19 response. The support is aimed both at emergency response to the health crisis and strengthening the health system, as well as at mitigating the socio-economic consequences of the pandemic.

The ongoing armed **conflict in the east of Ukraine** and the illegal annexation of the Crimean peninsula by the Russian Federation continue to take their toll on Ukraine's economic and human capital. The loss of the Government's control over economically important parts of the Donetsk and Luhansk regions, Russia's economic cut-off of these regions from Ukraine and hindering of traffic through the Kerch Strait to and from Ukraine's Azov Sea ports, as well as the effects of the coronavirus pandemic, further aggravate the situation. As outlined above, more than 2.5 percent of Ukraine's GDP spent on defence severely constraints the space of policy makers and at the same time puts under significant stress achievements and advances in different areas. The ongoing conflict is a real obstacle for Ukraine's socio-economic development. Russia is also exercising additional pressure on Ukraine in the maritime domain, for instance in April 2021 unilaterally declaring restrictions for foreign naval ships and state vessels in parts of the Black Sea, including near the illegally annexed Crimea and the Kerch Strait. Such unilateral decisions are inconsistent with international law (UNCLOS) and add further tensions between Kyiv and Moscow. Furthermore, the ongoing large-scale militarisation of the Crimean Peninsula by Russia, affects the security situation in the Black Sea region and beyond. Therefore, enhancing the EU - Ukraine cooperation in the maritime domain and on maritime security, including on Coast Guard functions, is also an area with upside potential. Cooperation to address the socio-economic and humanitarian consequences of the conflict needs to continue, even more so in the context of COVID-19. Strengthening Ukraine's **resilience** also entails improving management of the entry and exit crossing points to and from currently non-government-controlled territories and ensuring access to essential services, documentation, justice and entitlements of the conflict-affected population.

Ukraine's resilience also translate into countering hybrid threats, including cyber threats and tackling disinformation, as well as strengthening independent media and the strategic communications capacities of the government. Promoting the reform of law enforcement agencies and strengthening the rule of law is of particular importance for bolstering Ukraine's resilience. Assistance implementation under the Single Support Framework (SSF) 2018-2020 has shown the importance of continued EU engagement

in those areas. It has proven particularly important in supporting Ukraine's stabilisation as well as sovereignty and territorial integrity while fostering strategic communication on EU policies and support to the country.

In light of the above, and in line with the humanitarian, development and peace nexus, EU assistance should continue to support **Ukraine's stabilisation and sustainable post-COVID-19 socio-economic recovery** while helping the country advance on its reforms agenda, ultimately meeting its commitments under the AA/DCFTA. To attain these objectives, assistance under this MIP will seek to: (i) increase the resilience, sustainability and integration of the economy; (ii) reinforce the accountability of institutions and promote rule of law and security, (iii) promote environmental and climate resilience; (iv) support a resilient digital transformation; and (v) support a resilient and inclusive society, including through response to conflict, bringing the population on both sides of the contact line/administrative border line (ABL) with Crimea together, and with the non-government controlled areas of Donetsk and Luhansk regions, also through notably improved conditions at the entry and exit crossing points. These priorities reflect the convergence of EU interests and values with Ukraine's priorities, as enshrined in the AA/DCFTA, while also being conducive to SDGs and the Paris Agreement on climate change. In particular, they mirror key **2019-2024 European Commission priorities** such as the Green Deal and digital transformation, and are fully aligned to the overarching resilience framework and policy objectives set out in the Joint Communication on the **Eastern Partnership policy beyond 2020** as well as the **EU Global Strategy**.

Gender considerations will be mainstreamed in the implementation of activities, in compliance with the **EU Gender Action Plan (GAP) III**, contributing to advancing SDG 5 (Gender equality) to make sure that women and men equally contribute to and benefit from the reform and development processes and reduce gender-based violence. The involvement of EU MS in support planning and delivery will continue to be sought through Team Europe Initiatives to ensure coherence and maximise the EU impact on Ukraine's reforms. Dialogue and **coordination** with EU MS, other bilateral donors and multilateral organisations, will continue through the already well-established and enhanced collaboration with IFIs, done via routine joint missions, upstream alignment and regular country days. To these are to be added the benefits generated at Heads of Mission and Heads of Cooperation meetings as well as thematic technical working groups.

Interventions under this MIP will capitalise on **past and ongoing EU initiatives**, including regional ones, such as the Common Maritime Agenda for the Black Sea, underpinning post-2020 Eastern Partnership policy objectives, and will be coherent with actions implemented under other EU instruments. Flagship programmes in key reform sectors, several of which are implemented jointly with EU MS, include U-LEAD (decentralisation), EU4PAR (Public Administration Reform), EU4PFM (public finance management), EUACI (the EU anti-corruption initiative), the EU4Digital Initiative (harmonisation of digital markets), EU4 Environment (environmental governance, pollution, forestry), EU4Energy (energy markets), EU4Business (SME competitiveness and internationalisation), EU4Skills (Skills development) and EU4ResilientRegions (stabilisation and resilience). Here again, the Economic and Investment Plan will be key in addressing current challenges by mobilising assistance in a strategic way via the combination of financial and non-financial support, aiming at leveraging more impactful public and private investment. Its main component - the European Fund for Sustainable Development (ESFD) and its successor EFSD+) - includes various tools designed to improve the business and investment climate in Ukraine, including by incentivising sustainable private investment. This mechanism provides for loan guarantees, concessional forms of support, i.e. blending, as well as technical assistance.

Close coordination and cooperation between SGUA, EU Delegation and EUAM Ukraine under the Common Foreign and Security Policy on support to the reform of law enforcement agencies and in the civilian security sector will continue in order to ensure coherence and complementarity.

**Civil society** will be engaged in the five identified priority areas as outlined in Section 2. Support will focus on civil society's awareness-raising, capacity building, advocacy, expertise and social service provision roles. Civil society is expected to play an important role in exposing corruption, stimulating competition, public finance management, State-owned enterprises (SOE) and other governance reforms, engaging in policy dialogue as well as overseeing reform progress. Its contribution to addressing gender and conflict sensitivity issues ultimately helping promote gender equality and social cohesion in the country is expected to be equally important.

### **1.5. Duration of the MIP and option for synchronisation**

The MIP will have a duration of seven years – 2021-2027. It will be subject to a mid-term review and possibly ad-hoc reviews, as needed. Synchronisation will be done through jointly agreed documents. In case a new or updated joint document, the MIP may be reviewed accordingly.

## **2. EU support per priority area and proposals of Team Europe Initiatives (TEI)**

In addition to the priority areas and TEIs, a series of flagship initiatives for Ukraine have been included in the Joint Staff Working Document: *Recovery, resilience and reform: post 2020 Eastern Partnership priorities*. These are concrete priority projects with tangible results that have been jointly identified with the partner countries, taking into account their priorities, needs and ambitions, and are closely linked with the priorities outlined in the MIP. The five Flagships for Ukraine are presented in Annex 3.

### **2.1. Priority area 1: A resilient, sustainable and integrated economy**

Under this priority area, the EU will contribute to promoting Ukraine's sustainable and conflict sensitive post-COVID-19 socio-economic recovery and development.

The assistance will contribute to developing inclusive economic and employment policies that benefit all citizens and promote decent work and equal opportunities, including by creating the conditions for the economic empowerment of women, by improving employability, in particular of youth and other vulnerable groups, including the conflict-affected population, and by creating high quality green jobs. EU support will seek to promote **an enabling business environment** with effective state aid control and fair competition, and sustaining value adding and job creating sectors, in particular by improving access to finance, services and markets for micro, small and medium-sized enterprises (MSMEs). It will help improve the coverage and quality of available statistics, including sex-disaggregated statistics. The sub-national focus of the support will contribute to reducing regional and local economic disparities in a conflict sensitive manner, including via strengthened connections and integration into regional value chains, including the EU. Green and blue economy development will contribute to Ukraine's green transition to a more sustainable and just market economy by tapping into relevant opportunities. Investment in renewables and clean energy infrastructure and a closer integration of Ukraine into European raw materials and battery value chains will further contribute to the green transition as part of the implementation of the Memorandum of Understanding between the European Union and Ukraine on a Strategic Partnership on Raw Materials.

The EU will also contribute to increased trade opportunities for Ukraine through a **more efficient implementation of the DCFTA**. This should include support in the regulatory approximation process, as well as enforcement and institutional framework, in the following key areas: sanitary and phytosanitary measures, technical standards, customs cooperation, public procurement procedures, protection of intellectual property rights (including geographical indications), and implementation of trade and sustainable development provisions (environment and labour).



**The conflict-affected and other vulnerable regions in eastern and southern Ukraine, including the Sea of Azov region and regions adjacent to the administrative border line (ABL) with Crimea, which has been illegally annexed by the Russian Federation,** will continue to receive particular attention. EU support will also seek to improve corporate governance in state-owned enterprises thereby contributing to corporate success and economic growth and maintaining investors' confidence strong.

**Sustainable and smart infrastructure development and investments** will be one of the key features of the planned approach to economic recovery and sustainable development. Actions will significantly contribute also to regional integration (e.g. improving connections through investments in the extended indicative core TEN-T network and the development of sustainable and smart transport (including the rail sector and inland waterways) as well as the **integration of energy markets and enhanced energy infrastructure capacity** to uptake and transport renewable energy. In the transport sector, attention will be paid also to road safety and sustainable urban transport.

Investments may include improving maritime connections over the Black Sea, including competitive interconnections for multimodal transport, infrastructures, green-shipping, eco-ports and ports as smart hubs.

Support for the reform process, including through increasing the diversification and sustainability of the economy, greening investments, creating high quality green jobs and the implementation of high environmental standards will contribute to increasing the development and convergence of regions and municipalities for the benefit of citizens, including in the coal regions in transition and in the Sea of Azov region.

Cooperation in the areas of **education and science** and Ukraine's integration into the European Education and Research Areas are important commitments under the Association Agreement. High quality and modern (including digital) education accessible by everyone and a competitive research and innovation (R&I) system are driving forces for economic growth in Ukraine.

This priority links, *inter alia* **with Flagship 1, 2 and 3** of the Economic and Investment Plan: *Supporting a sustainable, innovative, green and competitive economy – direct support to 100 000 SMEs* (flagship 1), *Economic transition for rural areas – assistance to over 10 000 small farms* (flagship 2) and *Improving connectivity by upgrading border crossing points* (flagship 3), to be funded under the EFSD+ and where appropriate via bilateral/regional allocations under NDICI.

### **2.1.1. Specific objectives related to the priority area**

The **specific objectives** are:

- Improving connectivity (transport & energy) infrastructure (also via investment support) and efficiency of transport services, including at borders and entry/exit points on the line of contact in eastern Ukraine and in Crimea, with a focus on sustainable, multimodal and smart transport and contribute to the green transition of the economy (specific objective 1);
- Enabling a positive business environment and competitive markets and supporting value-adding and job creating sectors of the economy, including green and blue economy, that will contribute to the green transition of the economy (specific objective 2);
- Fostering more decent work, better employability (including skills development), a high-quality, innovative, accessible and inclusive education system, including vocational education and training (specific objective 3);

- Increase research and innovation opportunities and capacities, access to finance, increase availability of advice on green economy that can stimulate business, support diversification of the economy and shift production towards more knowledge-intensive, sustainable, and higher value-added products with low carbon footprint (specific objective 4).

### **2.1.2.Expected results per specific objective**

**For specific objective 1:** (i) improved transport connectivity in line with the indicative extension of the core TEN-T network and improved transport efficiency and urban mobility in cities, with a focus on sustainable, multimodal and smart transport, thus contributing to climate change mitigation, and improved management of flows of goods and persons at borders as well as entry and exit crossing points on the line of contact in eastern Ukraine and administrative border line with Crimea; (ii) enhanced energy infrastructure capacity to uptake and transport renewable energy.

**For specific objective 2:** (i) improved business regulation and administration, strengthened start-ups and SMEs, particularly those with green and digital business models, including those based on circular economy, and strengthened connections and integration into regional value chains, including the EU; (ii) improved corporate governance and ownership policies for state-owned enterprises; and (iii) improved legislation, procedures and practices in the implementation of competition and state aid control system; (iv) better governed financial services sector; (v) improved access to finance, services and markets for micro, MSMEs in government-controlled conflict-affected and vulnerable regions; (vi) improved renewables and clean energy infrastructure for developing raw materials and battery value chains and enhanced integration of Ukraine into European value chains.

**For specific objective 3:** (i) improved employment services and working conditions through the adoption, implementation and enforcement of policies and legislation, in line with international standards and the EU *acquis*. (ii) improved quality, accessibility and inclusiveness of the education system; (iii) increased efficiency and effectiveness of the vocational education and training system to respond to labour market needs.

**For specific objective 4:** (i) strengthened resilience of the research and innovation ecosystems; and (ii) increased effectiveness of Ukraine association to the Horizon Europe Programme.

**Risks:** (i) lack of understanding of development and job creation opportunities provided by the green transition; (ii) lack of will to bear extra costs, in particular by industry, to reach high environmental standards, and pay decisively more for greenhouse gasses emissions and invest into more energy and resource efficient technologies; (iii) low capacity of private households, municipalities and SMEs to invest or access viable financing options to increase environmental performance; and (iv) further delays in the reform process, including adoption of laws and related implementation due to lack of capacity and vested interests, and resulting monopolisation, lack of willingness of government to undertake socially unpopular reforms.

**Mitigating measures:** (i) communication support about the benefits of green transition; (ii) support to access to financing; and (iii) continuous policy dialogue and technical assistance, complemented by (iv) close cooperation with IFIs to ensure policy first approach to support investments.

### **2.1.3.Indicators (including baseline and targets), per expected result**

**Specific objective 1:** Improving connectivity (transport & energy) infrastructure (also via investment support) and efficiency of transport services, including at borders and entry/exit crossing points on the line of contact in eastern Ukraine and the administrative border line with Crimea, with a focus on sustainable, multimodal and smart transport and contribute to the green transition of the economy (specific objective 1);

Expected result (i): improved transport connectivity in line with the indicative extension of the core TEN-T network and improved transport efficiency and urban mobility in cities, with a focus on

sustainable, multimodal and smart transport, thus contributing to climate change mitigation, and improved management of flows of goods and persons at borders as well as entry and exit crossing points on the line of contact in eastern Ukraine and administrative border line with Crimea.

Indicators:

- Number of projects earmarked in Ukraine in the 2019 EaP Indicative TEN-T Investment Action Plan (ongoing or finalised work)
- Higher and faster throughput of persons and goods at borders and crossing points towards and from currently non-government-controlled areas of the national territory

Expected result (ii) enhanced energy infrastructure capacity to uptake and transport renewable energy

Indicators:

- Improved continuity and reliability of electricity supply
  - Reduced System Average Interruption Duration Index (SAIDI)
  - Reduced ENS (energy not served) – average non-supplied electricity
- Increased capacity of renewable energy generation (installed capacity, MW)

**Specific objective 2:** Enabling a positive business environment and competitive markets and supporting value-adding and job creating sectors of the economy, including green and blue economy, that will contribute to the green transition of the economy.

Expected result (i): improved business regulation and administration, strengthened start-ups and SMEs, particularly those with green and digital business models, including those based on circular economy, and strengthened connections and integration into regional value chains, including the EU.

Indicators:

- Evidence and nature of regulatory and administrative measures initiated by the Government of Ukraine to improve the business environment, particularly supporting green and digital transformation
- Number of start-ups/SMEs receiving EU support, including the percentage of women-led businesses
- Share of enterprises with innovative/digital /green/blue/circular economy business models receiving EU support, with sex disaggregation of SME owner/manager, if feasible
- Percentage growth of SMEs receiving EU support who engage in exporting activities, including to EU

Expected result (ii): improved corporate governance and ownership policies for state-owned enterprises (SOEs)

Indicators:

- Level of alignment of Ukrainian legislation on corporate governance of SOEs with OECD Guidelines
- Evidence of overarching state ownership policy and individual ownership policies for economically important SOEs
- Evidence of application of transparency and disclosure policies in economically important SOEs

Expected result (iii): improved legislation, procedures and practices in the implementation of competition and state aid control system

Indicators:

- Level of compliance of the legislative framework and enforcement practices in Ukraine and EU

Expected result (iv): Better governed financial services sector

Indicators:

- Evidence of improved alignment with international and EU standards (such as Basel III principles) and implementation. Evidence of increased convergence of non-banking regulatory framework towards international and EU standards and progress in their implementation. Number of green sustainable financial instruments introduced.
- The share of state participation in the banking sector. Evidence of corporate governance policy in commercial and state-owned banks.

Expected result (v): Improved access to finance, services and markets for micro, small and medium-sized enterprises (MSMEs) in conflict-affected and vulnerable regions

Indicators:

- Number of MSMEs that scaled up their activities with EU support (if possible disaggregated by region and sex of owner/manager if feasible)
- Value-added contribution of MSMEs to local economy (disaggregated by region)

Expected result (vi): improved renewables and clean energy infrastructure for developing raw materials and battery value chains and enhanced integration of Ukraine into European value chains

Indicators:

- Level of alignment of the Ukrainian extractive industry regulatory framework with the EU acquis and best practices, in particular as regards environmental, social and good governance standards.
- Number of joint venture projects supporting integration of sustainable raw material and battery value chains

**Specific objective 3:** Fostering more decent work, better employability (including skills development), a high-quality, innovative, accessible and inclusive education system, including vocational education and training

Expected result (i): improved employment services and working conditions through the adoption, implementation and enforcement of relevant policies and legislation, in line with international standards and the EU *acquis*.

Indicators:

- Employment rate, sex-disaggregated
- Number of registered cases of incidents at work (including professional diseases)

Expected result (ii): Improved quality, accessibility and inclusiveness of the education system.

Indicators:

- Success rate of 15-year olds in reading, mathematics and science, sex-disaggregated
- Development of educational standards for grades 10 to 12

Expected result (iii): Increased efficiency, effectiveness and inclusiveness of the vocational education and training system to respond to labour market needs

Indicators:

- Percentage of people enrolled in VET institutions, sex disaggregated
- Percentage of upper secondary education and VET graduates employed according to obtained qualification
- Number of modernised VET institutions financed by EU donors

**Specific objective 4:** Increase research and innovation opportunities and capacities, access to finance, increase availability of advice on green and blue economy that can stimulate business, support diversification of the economy and shift production towards more knowledge-intensive, sustainable, and higher value-added products with low carbon footprint.

Expected result (i): strengthened resilience of the research and innovation ecosystems

Indicator:

- Research and development spending as share of GDP (gross expenditure on R&D)

Expected result (ii): increased effectiveness of Ukraine association to the Horizon Europe Programme

Indicator:

- Participation of Ukrainian entities in the Horizon Europe Programme

#### **2.1.4. Possible use of blending and guarantees for investment under EFSD+**

Together with the bilateral and regional assistance, the European Fund for Sustainable Development Plus (EFSD+) will play a critical role to scale up and mobilise significant volumes of investments to ensure the implementation of the Economic and Investment Plan. The priority areas corresponding to the areas covered by the Economic and Investment Plan could be partly implemented through blending and guarantees under the EFSD+. These financial tools will aim to facilitate access to finance for the private sector; SME's integration into EU value chains (including European raw materials and battery) and support to business incubators. Moreover, they will serve to improve transport and infrastructure and rehabilitate infrastructure/public buildings (hospitals, schools) in conflict-affected and vulnerable regions.

#### **2.2. Priority area 2: Accountable institutions, the rule of law and security**

Under this priority area, the EU will seek to contribute to advancing Ukraine's reforms agenda, particularly in the areas of **rule of law, anti-corruption, public administration, decentralisation, rights of minorities, integrated border management, fight against organised crime, and law enforcement**. This will ultimately help the country meet key Association Agreement commitments, including in the area of protection of rights of persons belonging to national minorities, improving the business climate and attracting foreign investment. Finally yet importantly, successful reforms in this domain will provide a stark and positive contrast to the situation in the non-government controlled areas and will counterbalance anti-Ukrainian propaganda in those areas.

At the EU-Ukraine Summit on 12 October 2021, the Partners emphasised the importance of accelerating and reinforcing reform efforts, in particular regarding a comprehensive and consistent implementation of judicial reforms and in the fight against corruption and the influence of vested interests. Good governance and democratic institutions, security, rule of law, successful anti-corruption policies, the fight against organised crime, including through cooperation with Europol and CEPOL and security are

the backbone of strong and resilient states and societies. They are also preconditions for a functioning market economy and for sustainable growth. Digital transformation of government services is an important horizontal objective to pursue, as it will help reduce the space for corruption. Support to the collection and use of statistics for evidence-based decision-making will increase the accountability of the government ultimately contributing to increased transparency.

### **2.2.1. Specific objectives related to the priority area**

The **specific objectives** are:

- Improving the overall performance of the Ukrainian public administration, including citizens' access to administrative and social services, ensuring merit-based, depoliticised and gender-sensitive recruitment of civil servants, and introducing general administrative procedures; (specific objective 1);
- Strengthening the rule of law and reducing corruption, including high-level corruption, through continuation and reinforcement of comprehensive justice and anti-corruption reforms (specific objective 2);
- Consolidating the multilevel governance through continuation of the decentralisation reform (specific objective 3);
- Ensuring security and safety of the people of Ukraine, through Integrated Border Management (IBM), including enhancing maritime domain awareness, security interaction and cooperation with the EU, encompassing also the Coast Guard functions; development of national and regional crisis management systems; including through cooperation with Europol, CEPOL and EMCDDA, improving the efficiency of the law enforcement system, ensuring respect of human rights and functioning in accordance with the best European and International practices (specific objective 4).

Civil society engagement will be supported in advancing governance, rule of law, law enforcement and anti-corruption reforms and promoting public administration transparency, accountability, inclusive, evidence-based and gender-sensitive policy-making and integrity in both the public and private sector.

Activities under this priority area will help advance SDG 5 (Gender equality), 8 (Decent work and economic growth), 9 (Industry, innovation and infrastructure), 10 (Reduced inequalities) and 16 (Peace, justice and strong institutions).

**Risks:** (i) lack of political willingness to properly implement or pursue the good governance and in particular the rule of law and anti-corruption reforms; and (ii) obstruction of reform efforts by actors within the state apparatus as well as vested interests; (iii) weak managerial and operational capacities of the beneficiary institutions, lack of budget allocations; (iv) lack of gender mainstreaming in policy planning due to suboptimal capacity of the government

**Mitigating measures:** (i) continuation of policy and political dialogue in coordination with relevant national and international partners; (ii) continuation of strategic and well-tailored technical and financial assistance, in particular to rule of law and anti-corruption actors and support to integrity promotion initiatives in the public and private sector, re-prioritisation of assistance where needed; (iii) including relevant conditionalities in future assistance programmes and (iv) promoting transparency and accountability by improving and streamlining administrative procedures and processes, i.a. with support of digitalisation; (v) systematically building institutional capacity of the beneficiaries, including on gender-sensitive policy planning and implementation; (vi) reinforced communication.

### **2.2.2. Expected results per specific objective**

**For specific objective 1:** (i) improved professionalism, accountability, effectiveness, efficiency and gender sensitivity of Ukrainian public administration; (ii) introduction of general administrative

procedures; (iii) increased provision of electronic services to citizens and businesses; and (iv) improved efficiency and effectiveness of the public finance management system.

**For specific objective 2:** (i) strengthened independence, integrity, transparency, accountability, effectiveness and efficiency of the judicial and anti-corruption institutions; (ii) key judicial governance bodies reformed, and selection processes should in addition be conducted through selection procedures with meaningful participation of international experts in order to ensure the integrity of the candidates and the public trust in the selection process (iii) improved access to fair and professional justice services including modern e-justice solutions available for citizens and companies, improved public trust in the judiciary; and (iv) increased public awareness of and engagement in anti-corruption and integrity issues.

**For specific objective 3:** (i) multilevel governance that rests on a robust legal framework in line with the European Charter of Local Self-Government, and that is more transparent, accountable and responsive to the needs of the population.

**For specific objective 4:** (i) Ukraine's police force becomes a modern professional organisation, which takes a community-oriented policing approach and adequately maintains public order in full observance of human rights; and (ii) public safety is increased and fight against serious crime (including cybercrime) is improved as a result of enhanced cooperation between the law enforcement institutions and the introduction of modern investigative techniques, including IT solutions and the use of biometric identifiers; (iii) Ukraine's level of integrated border management is close or equal to average EU performance levels, specifically as regards maritime borders, strengthened performance, professionalism of the Ukrainian Coast Guard, improved maritime domain awareness, enhanced capacity to deter illegal activities at sea (e.g. smuggling, trafficking, illegal waste dumping, illegal, unreported, unregulated/IUU fishing); increased interoperability with EU counterparts.

### **2.2.3. Indicators (including baseline and targets), per expected result**

**Specific objective 1:** Improving the overall performance of the Ukrainian public administration, including citizens' access to administrative and social services, ensuring merit-based, depoliticised and gender-sensitive recruitment of civil servants, and introducing general administrative procedures

Expected result (i): Improved professionalism, accountability, effectiveness, efficiency and gender sensitivity of Ukrainian public administration, ensuring merit-based, depoliticized and gender-sensitive recruitment of civil servants, and introducing the system of general administrative procedures

Indicator:

- UN E-Government Development Index (EGDI) general – 2020 baseline value 0.7119 out of 1, target – above 0.72
- Ratio of men and women in civil service, including at decision-making positions

Expected result (ii): Introduction of general administrative procedures

Indicator:

- Adoption of the Law on general administrative procedure

Expected result (iii): Increased provision of e-public services to citizens and businesses

Indicator:

- UN E-Government Development Index (EGDI), Online Services sub-Index

Expected result (iv): Improved efficiency and effectiveness of the public finance management (PFM) system

Indicator:

- Progress in improving the PFM system and budget transparency as per public expenditure and financial accountability (PEFA) and other internationally recognised assessment tools

**Specific objective 2:** Strengthening the rule of law and reducing corruption, including high-level corruption, through continuation and reinforcement of comprehensive justice and anti-corruption reforms.

Expected result (i): Strengthened independence, integrity, transparency, accountability, effectiveness and efficiency of the judicial and anti-corruption institutions

Indicators:

- The extent to which appointments, evaluation and career development within the judiciary and anti-corruption agencies are transparent and merit-based, with sex disaggregation of the number of appointed judges, if relevant
- Level of performance of specialised anti-corruption institutions supported by the EU as evidenced by the final decisions of the High Anti-Corruption Courts

Expected result (ii): Improved access to fair and professional justice services including modern e-justice solutions available for Ukrainian citizens and companies, improved public trust in the judiciary.

Indicators:

- Availability of e-justice solutions and their inter-operability with other IT systems (qualitative indicator)
- Recovery rate by creditors in insolvency proceedings
- Percentage of citizens that trust the judiciary.

Expected result (iii): Increased public awareness of and engagement in anti-corruption and integrity issues

Indicator:

- Ukraine's ranking in the Transparency International's Corruption Perception Index.
- Total (cumulative) number of views of integrity awareness and anti-corruption productions by investigative journalism outlets in Ukraine per year).

**Specific objective 3:** Consolidating the multilevel governance through continuation of the decentralisation reform

Expected result (i): A multilevel governance, that rests on a robust legal framework in line with the European Charter of Local Self-Government, and that is more transparent, accountable and responsive to the needs of the population

Indicators:

- Constitutional and legal framework adopted and enforced: (baseline end 2020: constitutional amendments in the field of decentralisation remained on hold; key laws outlining organisation and competences of local authorities and the scope of supervision by central authorities were not adopted; target: the changes to the constitutions and the legal framework are in line with the European Charter of Local Self-Government and are properly enforced).



- Increased share of own-source revenues of local authorities in local budgets ensuring stable financing of the local self-government to respect its autonomy and support its capacities.
- Improved delivery of local administrative services through well-functioning Administrative Service Centres for the benefit of the citizens

**Specific objective 4:** Ensuring security and safety of the people of Ukraine, through, improving efficiency of law-enforcement system, ensuring respect of human rights and functioning in accordance with the best European and International practices

Expected result (i): Ukraine's police force becomes a modern professional organisation, which takes a community-oriented policing approach and adequately maintains public order in full observance of human rights

Indicator:

- Police efficiency increased and as confirmed by police performance measurement results

Expected result (ii): Public safety is increased and fight against serious crime (including cybercrime) is improved as a result of enhanced cooperation between the institutions in charge of investigating and prosecuting crime and the introduction of modern investigative techniques, including IT solutions and the use of biometric identifiers.

Indicator:

- Ukraine's law-enforcement capacity to define priorities of which types of serious and organised crime to fight is increased and it demonstrates measurable improvements in fighting organised crime.
- Number of training programmes on cybercrime and electronic evidence and operations involving Ukraine in the framework of EMPACT
- Ukraine's performance in the area of IBM, including maritime borders, is close or equal to EU average performance level

#### **2.2.4. Possible use of blending and guarantees for investment under EFSD+**

This priority area corresponding to the areas covered by the Economic and Investment Plan, could be partly implemented through the European Fund for Sustainable Development Plus (EFSD+), which will play a critical role to scaling up and mobilising significant volumes of investments. Guarantees and/or blending for investment under EFSD+ will be used to support the above defined priorities (e.g. within the Public Administration Reform, e-government and public sector digital infrastructure projects, decentralisation projects at local level with regional authorities and/or municipalities, or development of digital solutions for public sector) and will complement other implementation modalities.

### **2.3. Priority area 3: Environmental and climate resilience**

Supporting the reform process, including the recovery through 'building back better,' can contribute **to sustainable growth** and Ukraine's transition towards a **climate-neutral economy** around mid-century, in line with the Association Agreement, key 2019-2024 Commission priorities (Green Deal and digitalisation) and post-2020 Eastern Partnership policy objectives. The focused dialogue between the EU and Ukraine on the Green Deal and Ukraine's economy green transformation, launched in February 2021, will also support this process.

In 2021, Ukraine raised its ambition as regards contribution to international efforts on climate change mitigation and adaptation. In a focused dialogue on Green Transition with the EU, Ukraine set a target for climate neutrality by 2060 in the National 2030 Economic Strategy adopted in March 2021. It adopted and communicated to the UNFCCC the 2nd Nationally Determined Contribution to Paris Agreement, envisaging GHG emissions cut by 65% by 2030 and climate neutrality by 2060. It adopted the National Environmental Security and Climate Adaptation Strategy in October 2021 and joined the Global Methane Pledge and Powering Past Coal Alliance at COP26 in Glasgow.

Ukraine is preparing its own “Ukraine Green Deal” concept, including an intergovernmental set up, to be structured around its Nationally Determined Contribution (NDC) implementation plan, currently in preparation and planned to be ready by January 2022. This is expected to lead to sectoral strategies and actions with timelines and budget needs. Ukraine has also started to reflect on how to finance its green transition and a concept of a Climate Fund is being developed. A well designed and managed Climate Fund based on the Energy Efficiency Fund would help redirect the proceedings from environmental taxes back to the economy to support green modernisations.

Supporting both climate mitigation and adaptation will increase Ukraine’s resilience to the impacts of **climate change** and boost opportunities for **growth and job creation**. The national and sectoral (agriculture) climate adaptation strategies that have been prepared as well as several adaptation plans for specific regions and ecosystems are expected to be adopted in the 2021-27 period. Attention will be paid to their implementation including to the capacities needed to do so.

Supporting Ukraine in reducing pollution, fighting biodiversity loss, illegal logging, deforestation and supporting Ukraine’s transition to a resource efficient, clean and circular economy will increase its resilience to environmental degradation, open new, sustainable business opportunities and help Ukraine manage its valuable natural resources aligning the country with the European Green Deal, an ambition and a process that Ukraine engages on with the European Commission through a dedicated and focused dialogue.

The promotion of environmental and climate resilience will facilitate also the transition to a sustainable blue economy. This includes the protection of the marine environment by supporting policies and projects addressing marine litter, ships and ports pollution; improving the management of living marine resources (including the fight against Illegal Unreported and Unregulated (IUU) fishing and the sustainable development of aquaculture); increasing the valorisation of biodiversity and natural heritage, and better sharing of marine data collection.

Progress in energy efficiency will be pursued as well as the modernisation of waste and wastewater management. Clean energy transition and gradual phase-out of coal in the electricity sector will be supported simultaneously with further market integration of electricity and gas sectors with the EU. In the sector of agriculture and forestry, including land, assistance will target **transparent governance**, the **sustainable development of rural areas** and a **transition towards sustainable food systems**, in line with the Commission's Farm to Fork Strategy.

Women’s empowerment in environmental decision-making, improved gender balance in managerial positions in the sector, integration of gender perspective and women’s diverse experiences, knowledge, needs and capacities will help to shape and implement sustainable development policies.

Public awareness actions among governments, businesses and citizens will contribute to furthering a society-wide consensus on Ukraine’s economy green transformation.

This priority links, *inter alia*, **with Flagship 5** of the Economic and Investment Plan: *Increasing energy efficiency – and support for renewable hydrogen*, to be funded under the EFSD+ and where appropriate via bilateral/regional allocations under NDICI-Global Europe.

### 2.3.1. Specific objectives related to the priority area

The **specific objectives** are:

- Supporting conducive reforms and enhancing strengthening the investment climate, also contributing to sustainable economic growth investments, by to supporting the green transition, reduction of greenhouse gas emissions and pollution, and increasing energy efficiency leading to sustainable economic growth (specific objective 1)
- Promoting sustainable use of natural resources, pollution reduction and biodiversity enhancement protection, including through sustainable food systems and agriculture, as well as enforcement of environmental legislation, by increasing energy efficiency, promotion of circular economy and supporting adaptation to climate change and risk disaster prevention (specific objective 2)

Environmental and energy civil society organisations (CSOs) and think tanks and general population at large will be supported in their awareness raising, advocacy and quality expertise provision roles. Specific awareness actions to be foreseen to get industry, private stakeholders, cities on board when it comes to commitments to reduce emissions.

Activities under this priority area will help advance SDG 2 (Zero Hunger), SDG 6 (Clean Water and Sanitation), SDG 7 (Affordable and clean energy), SDG 8 (Decent work and economic growth), SDG 9 (Industry, innovation and infrastructure), SDG 11 (Sustainable cities and communities), SDG 12 (Sustainable consumption and production), SDG 13 (Climate action), SDG 14 (sustainable use the oceans, seas and marine resources) and SDG 15 (Life on Land).

**Risks:** (i) lack of understanding of development and job creation opportunities provided by the green transition; (ii) lack of will to bear extra costs to reach high environmental standards; (iii) low capacity of private households, municipalities and SMEs to invest or access viable financing options to increase environmental performance; and (iv) further delays in the reform process, including adoption of laws and related implementation due to lack of capacity and resistance from vested interests, and resulting monopolisation; (v) lack/low level of understanding of the growth opportunities offered by the capacity to integrate the gender perspective in sustainable green and blue economy development policy.

**Mitigating measures:** (i) communication support about the benefits of green transition; (ii) support to access to financing; and (iii) continuous policy dialogue and technical assistance, complemented by (iv) close cooperation with IFIs to ensure policy first approach to support investments; (v) assistance will be designed in a flexible manner allowing for rapid reorientation of funds; (vi) continuation of political and policy dialogue with the Government; (vii) awareness raising; and (viii) capacity building activities to mobilise stakeholders on gender analysis and gender mainstreaming in sustainable blue economy opportunities both in terms of socio-economic growth and green transition development policy.

### 2.3.2. Expected results per specific objective

**For specific objective 1:** (i) energy sector reforms, climate and environmental legislation are enhanced in line with commitments under the Association Agreement; (ii) increased share in energy supply and enhanced use of renewable energy sources, including hydrogen, and development of environmentally sustainable industrial processes and technologies, through development of enabling framework, support to investments and innovation; (iii) gradual progress towards just transition of coal regions including development of a multi-stakeholder process in this area; (iv) enhanced mobilisation of support to green transition, development of carbon pricing, sustainable use of resources and circular economy, switch to low-carbon technologies, provision of business advice, knowledge and access to finance on green transition and resource efficiency, increased public awareness on these topics and encouragement of climate neutrality pledges among governments (including at the local and regional level), businesses and population; and (v) enhanced mobilisation of support for increasing air quality and enhancing

biodiversity. Increased progress and investments in energy efficiency, modernisation of public buildings and housing.

**For specific objective 2:** (i) enhanced mobilisation of support for increasing air quality and biodiversity protection increased progress and investments in energy efficiency, modernisation of public buildings and housing; (ii) knowledge and access to finance on green transition and resource efficiency; (iii) sustainable use of resources and circular economy; (iv) improved and transparent governance of agricultural and forestry resources, including land, and sustainable development of food systems (e.g. via organic farming) and of rural areas and small farms integrated into consolidated value chains; (viii) enhanced modernisation of waste and wastewater management through implementation of new technologies and investments, development of regulatory framework in the waste sector, with a view also to stimulating circular economy initiatives; and (iv) enhanced mobilisation of support to green transition, to decouple carbon emissions and pollution and economic growth, and public awareness among governments, businesses and population.

### **2.3.3. Indicators (including baseline and targets), per expected result**

**Specific objective 1:** Supporting conducive reforms and enhancing investment climate, also contributing to promoting investments, to support a green transition, reduce Greenhouse gas emissions and pollution, leading to sustainable economic growth

Expected result (i): energy sector reforms, climate and environmental legislation are enhanced in line with bilateral and multilateral commitments under the Association Agreement and the Paris Agreement – inter alia.

Indicator:

- Electricity and gas market concentration decreased (Increased number of main companies that have a market coverage for at least 5 % of the total national net electricity generation and gas production, and increased number of companies supplying gas and electricity to the wholesale market and retail consumers).

Expected result (ii): Increased share in energy supply and enhanced use of renewable energy sources, including hydrogen, and development of environmentally sustainable industrial processes and technologies, through development of enabling framework, support to investments and innovation

Indicator:

- Increased overall share of renewable sources in the gross final energy consumption (%)

Expected result (iii): Gradual progress towards just transition of coal regions including development of a multi-stakeholder process in this area

Indicator:

- Reduced GHG emissions

Expected result (iv): enhanced mobilisation of support to green transition, development of carbon pricing, sustainable use of resources and circular economy, switch to low-carbon technologies, provision of business advice, knowledge and access to finance on green transition and resource efficiency, increased public awareness on these topics and encouragement of climate neutrality pledges among governments (including at the local and regional level), businesses and population

Indicators:

- Number of smallholders, government officials, businesses, households reached with EU supported interventions.

- Increased air quality and enhance biodiversity– target to be defined by Association Annexes update and Ukraine’s international obligations

Expected result (v): enhanced mobilisation of support for increasing air quality and enhancing biodiversity

Indicators:

- Number of smallholders, government officials, businesses, households reached with EU supported interventions
- Number of actions for increasing air quality and enhancing biodiversity

**Specific objective 2:** Promoting sustainable use of natural resources, pollution reduction and biodiversity enhancement, including through sustainable food systems, agriculture and enforcement of environmental legislation, by increasing energy efficiency, promoting circular economy, supporting adaptation to climate change and risk disaster prevention.

Expected result (i): Increased progress and investments in energy efficiency modernisation of public buildings and housing

Indicators:

- Number of residential buildings having applied to the Ukrainian Energy Efficiency Fund for a grant for thermo-modernisation of their dwellings;
- Number of households benefitting from the grants offers by the Ukrainian Energy Efficiency Fund;
- Number of thermally renovated public buildings (schools, hospitals, etc) with at least 20% reduction of energy consumption via IFIs programmes supported by the EU

Expected result (ii): improved and transparent governance of agricultural and forestry resources, including land, and sustainable development of food systems (e.g. via organic farming) and of rural areas and small farms integrated into consolidated value chains.

Indicator:

- “Decreased percentage of illegal logging and related trade and of illegal, unreported and unregulated (IUU) fishing”

Expected result (iii): enhanced modernisation of waste and wastewater management through implementation of new technologies and investments, development of regulatory framework in the waste sector, with view also to stimulating circular economy initiatives

Indicators:

- Reduced environmental pollution (water, air, sea)
- Increased waste water treatment capacity
- Number of circular economy initiatives / businesses supported
- Number of implemented EU directives included in Annex XXX to the Association Agreement;

Expected result (iv): enhanced mobilisation of support to green transition, to decouple carbon emissions and pollution and economic growth, and public awareness among governments, businesses and population.

Indicator:

- Number of government officials, businesses, smallholders, households reached with EU supported interventions, with sex disaggregation where relevant

#### 2.3.4. Possible use of blending and guarantees for investment under EFSD+

The European Fund for Sustainable Development Plus (EFSD+) will play a critical role in scaling up and mobilising significant volumes of investments to ensure the implementation of the Economic and Investment Plan. Blending and guarantees for investment under EFSD+ will be used to support the above-defined priorities, and to complement other implementation modalities (e.g. to support the land reform, for energy infrastructure investments, projects at local level with municipalities, or utilities companies).

Digital and green transition are horizontal priorities.

### 2.4. Priority area 4: A resilient digital transformation

The EU will continue to invest further in the **digital transformation** of Ukraine, in line with EU legislation and best practices. Work in this field will support the legislative and institutional alignment of Ukraine's digital sector with the EU and will aim to extend the benefits of the Digital Single Market in order to support the full implementation of Ukraine's commitments in the Association Agreement.

The EU will also further support the **strengthening of e-governance** in order to increase efficiency, transparency and accountability for public administrations and thus facilitate reforms. EU support will aim at reinforcing a well-functioning e-government ecosystem, which is able to provide high quality digital infrastructure and services to citizens and businesses and bridge digital gaps between different population groups in Ukraine, including residents of the non-government controlled areas of Donetsk and Luhansk.

Investments supporting the modernisation of various sectors of the economy (automation of electric power networks management, intelligent transport systems, digitalisation of education and vocational education and training, etc.) and the development of high-speed Internet through fibre or fixed broadband will help enhance digitalisation.

**Enhanced digital innovation** will also be pursued, notably through strengthening the digital ecosystem and enhancing the capacities of SMEs, innovative businesses and the government to conduct innovation policy.

A robust digital presence in Ukraine, while enabling growth and driving sustainable development, will also support the country's **cyber resilience**. In the context of the **ongoing conflict in eastern Ukraine** and the illegal annexation of Crimea and Sevastopol, Ukraine will continue to face violations of its territorial integrity and destabilisation attempts by the Russian Federation, including **cyber threats**. Building resilience to cybersecurity challenges will strengthen Ukraine's position to countering hybrid threats linked to the conflict in eastern Ukraine, but not only. This is essential also for the overall trust in digital government, the modernisation of economic sectors and the alignment with the EU 5G policies.

This priority links, *inter alia*, with **Flagship 4** of the Economic and Investment Plan: *Boosting the digital transformation – modernising public IT infrastructure*, to be funded under the EFSD+ and where appropriate via bilateral/regional allocations under NDICI-Global Europe.

### 2.4.1 Specific objectives related to the priority area

The **specific objectives** are:

- Supporting digital transformation and innovation to promote sustainable economic growth (specific objective 1);
- Countering hybrid threats through addressing cybersecurity challenges (specific objective 2).

**Risks:** (i) decreasing of the prioritisation of digital transformation across the government due to political changes; (ii) obstruction of efforts to approximate with the EU legislation and standards due to vested interests; (iii) lack of sufficient budgetary resources to the digital transformation projects requiring substantial public investment; (iv) lack of political will and institutional capacity to pursue reforms of the Research & Innovation sector in line with EU peer review recommendations; (v) major cyber-attack(s) undermining the trust in digital ecosystem.

**Mitigating measures:** (i) continuation of political dialogue in coordination with international partners and enhanced engagement with civil society, R&I actors, and business sector; (ii) full implementation of the EU-Ukrainian Association Agreement including further integration of Ukrainian digital sector with the EU with benefits to Ukraine; (iii) long-term and sustainable institutional capacity building of the beneficiaries; (iv) stepping up assistance, in particular in the areas that improve the overall resilience to hybrid threats.

### 2.4.2 Expected results per specific objective

**For specific objective 1:** (i) Well-functioning e-government ecosystem able to provide digital services to citizens and businesses; (ii) enhanced digitalisation through investments in support of modernisation in various sectors of the economy (such as automation of electric power networks management, intelligent transport systems), (iii) enhanced digital innovation through strengthening of the digital ecosystem with enhanced capacities of SMEs and innovative businesses, including women-led, and of government to conduct innovation policy; (iv) improved digital inclusion including digitalisation of education and vocational training; (v) enhanced digital infrastructure investments including broadband development at borders (e.g. smart queuing systems); and (vi) legislative and institutional alignment of Ukraine's digital sector with the EU in order to fully benefit from the EU-Ukraine Association Agreement

**For specific objective 2:** (i) legal framework on cybersecurity in line with EU and Council of Europe (CoE) principles; and (ii) stronger capacities of key stakeholders in overall resilience against cyber threats and alignment with the EU cybersecurity standards.

### 2.4.3 Indicators (including baseline and targets), per expected result

**Specific objective 1:** Supporting **digital transformation and innovation** to promote sustainable economic growth

Expected result (i): Well-functioning e-government ecosystem able to provide digital services to citizens and businesses

Indicator:

- Extent to which digital and open data solutions are applied in government-to-business, government to citizens and business-to-business services including (a) availability of electronic services; (b) share of public services online as of total services; number of users of DIIA

(mobile application of digitalised services) and portal of administrative services combined, sex-disaggregated.

Expected result (ii): Enhanced digitalisation through investments in support of modernisation in various sectors of the economy (such as automation of electric power networks management, intelligent transport systems)

Indicator:

- Increased amount of investments in various digital solutions for specific sectors of the economy, allowing enhanced digitalisation of those sectors.

Expected result (iii): Enhanced digital innovation through strengthening of the digital ecosystem with enhanced capacities of SMEs and innovative businesses, including of women-led, and of government to conduct innovation policy

Indicator:

- Increased amount of digital services provided to start-ups, entrepreneurs and innovative businesses.

Expected result (iv): Improved digital inclusion, including digitalisation of education and vocational training

Indicators:

- Increased number of citizens having acquired digital skills, sex-disaggregated
- Percentage of teachers and students who improve digital skills with EU support, sex-disaggregated

Expected result (v): Enhanced digital infrastructure investments, including broadband development at borders (e.g. smart queuing systems)

Indicator:

- Access to affordable high-speed internet through fibre or fixed broadband.

Expected result (vi): Legislative and institutional alignment of Ukraine's digital sector with the EU in order to fully benefit from the EU-Ukraine Association

Indicator:

- Progress in the implementation of Annex XVII of the AA/DCFTA

**Specific objective 2:** Countering hybrid threats through addressing cybersecurity challenges

Expected result (i): Legal framework on countering disinformation/cybersecurity in line with EU and Council of Europe principles

Indicator:

- Alignment of relevant legislation with the EU cybersecurity *acquis*

Expected result (ii): Stronger capacities of key stakeholders in overall resilience against cyber threats and alignment with the EU cybersecurity standards

Indicators:



- International Telecommunication Union (ITU) Global Cybersecurity Index (GCI)
- eGovernance Academy (eGA) National Cybersecurity Index (NSCI)
- Number of key stakeholders benefitting from capacity building activities aimed at improving resilience against cyber threats
- Number of cyber security dialogues between EU and UA

#### 2.4.4 Possible use of blending and guarantees for investment under EFSD+

This priority area, corresponding with the areas covered by the Economic and Investment Plan, could be supported by blending and guarantees for investment under EFSD+ (e.g. on vocational education or health infrastructure, digital transformation in Ukraine and development of digital solutions).

#### 2.5. Priority Area 5: A resilient, gender-equal, fair and inclusive society

Support under this priority area will help reinforce a Ukrainian society that is resilient, gender-equal, fair and inclusive, including through response to the conflict in eastern Ukraine and the illegal annexation of Crimea, both with pre-emptive and mitigation measures. This will be pursued by supporting well-functioning independent media and tackling disinformation; strengthening overall social cohesion in Ukraine by facilitating the free movement of people; reducing the administrative burden; improving the secure management of entry-exit crossing points on the line of contact; reducing the time of crossing from/to the non-government controlled areas; strengthening the integration and inclusiveness of the conflict-affected population; improving the access to administrative and social services, entitlements, documentation and justice; enhancing Ukraine's capacities to address threats from unexploded remnants of war and mines and supporting a performing national health care system. The EU will seek to protect and advance human rights, including those of persons belonging to national minorities and groups that may be vulnerable otherwise and facilitate their inclusion in Ukraine's reform process, in particular in areas such as education and decentralisation.

In response to the conflict, the EU rolled out a comprehensive social and economic recovery programme aimed at further strengthening Ukraine's resilience, addressing the impact of the conflict in the east and the illegal annexation of Crimea, and supporting conflict resolution efforts. In line with the humanitarian, development and peace nexus, support to the **conflict-affected and vulnerable regions** will continue to be deployed through social and economic recovery means, enhanced human and physical security and access to finance, services and markets for MSMEs in conflict-affected and vulnerable regions in the government-controlled areas, thus increasing the capacities of local communities and relevant authorities for citizen dialogue, engagement and reconciliation. Aid will also contribute to ensuring access to social and basic services for people living in the conflict-affected areas through the identification of strategies to enhance meaningful access to health, education and protection, including the provision of psychosocial support. The EU will continue to support the strengthening of Ukraine's resilience, addressing the impact of the conflict, and supporting conflict resolution efforts. In addition, advocating for unimpeded delivery of humanitarian assistance to the non-government controlled areas will play a role in this regard, in line with EU priorities on the International Humanitarian Law.

**Disinformation** weakens social stability by sowing mistrust and fear in the population. Further intensified during COVID-19 pandemic, it has been used for discrediting the image of Ukraine domestically and abroad, and against its further integration with the EU. EU's assistance will contribute to the efforts to outreach to the conflict affected populations including those living in non-government-controlled areas and government action to build resilience against disinformation. **Media freedom** is a crucial building block in the overall fight against disinformation. The EU will support independent media including the public service broadcaster, improved quality content and its financial sustainability,

higher protection standards and security for journalists and overall media environment in line with the EU legislation and best practices.

**Social cohesion** is an Association Agreement goal, pursued through dialogue and cooperation on the decent work agenda, employment policy, health and safety at work, social dialogue, protection and inclusion, and gender equality and non-discrimination. It is further advanced through the commitment to cultural diversity, respect for human rights and fundamental freedoms, including the rights of persons belonging to national minorities and groups that may be vulnerable otherwise. EU support will seek to ensure an increased participation of all Ukrainian citizens, including those coming from non-government-controlled areas and from different social, ethnic and minority groups in the social, cultural and political life, exercising their political, economic, social and cultural rights. Support for strengthening gender equality and the reduction of gender-based violence will also be provided. Support to youth will also be provided.

Support will contribute to building a **strong healthcare system** and to strengthening public health in line with the provisions of the Association Agreement, which include communicable and non-communicable diseases, epidemiological surveillance, safety of donor blood and blood products, and tobacco control.

**Migration and mobility** will also be a cross-cutting issue, and bilateral support in all sectors will integrate, where relevant, aspects related to migration, including building economic opportunities and addressing the root causes of irregular migration; developing promoting legal pathways to Europe, including through Talent Partnerships; protection of those in need and support to host countries; preventing irregular migration, and fighting against migrant smuggling, enhancing return, readmission and reintegration; and strengthening migration governance and management. The visa free regime since 2017 is one of the main achievements in the EU- Ukraine relations. The Visa Liberalisation benchmarks and the recommendations in the regular Visa Suspension Mechanism Reports issued by the Commission need to be continuously fulfilled to ensure the sustainability of the visa-free regime and thus contribute to mobility and people-to-people contacts between the EU and Ukraine. In this context, the cooperation on migration and security should be continued, including the efforts to reduce the number of unfounded asylum applications lodged by citizens of Ukraine, which is a concern to some MS.<sup>6</sup>

### **2.5.1. Specific objectives related to the priority area**

The **specific objectives** are:

- Supporting conflict-affected and vulnerable regions through social and economic recovery and enhanced human security, including by pursuing humanitarian demining activities and enhancing Ukraine's capacities to address risks from mines and other explosive remnants of war and by ensuring protection rights of the conflict-affected population (specific objective 1);
- Supporting the resilience of Ukrainian information space by strengthening sustainability of independent media; by reinforcing the actions reaching out to the conflict affected populations; and by conducive media environment aligned with the EU audio-visual media legislation (specific objective 2);
- Promote social cohesion, including political, economic, social and cultural rights of minorities and gender equality (specific objective 3);

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<sup>6</sup> In 2020, citizens of Ukraine lodged 6,020 asylum applications in the EU with a rate of recognition of 11%. The Member States concerned the most were France (2,185 applications, recognition rate 7,4%), Spain (1,115 applications, recognition rate 9,3%) and Germany (655 applications, recognition rate 4,0%).

- Contributing to a robust healthcare system, including by addressing COVID-19 and aligning public health with provisions of the Association Agreement (specific objective 4);
- Increasing border security while facilitating trade and orderly movement of people and goods through integrated border management, including anti-smuggling efforts as well as enhanced cooperation with Frontex (specific objective 5);
- Strengthening Ukraine's security and migration management capabilities, supporting Ukraine to continue fulfilling the visa liberalisation benchmarks, including to enhance return and readmission, through capacity building as well as introducing relevant IT tools, including biometrics-based identity management; promoting circular migration (specific objective 6);

**Risks:** (i) escalation of the conflict in eastern Ukraine and further escalation of social tensions under the influence of domestic/local and Russian disinformation attacks; (ii) lack of uptake at local level. (iii) change in Government policy towards conflict-affected regions; (iv) further expansion of pandemic and health care system crises; (v) change in the Government's social policy;

**Mitigating measures:** (i) assistance builds on ongoing programmes and uses established channels; (ii) assistance is designed in a flexible manner allowing for rapid reorientation of funds. (iii) continuation of policy dialogue with the Government. (iv) implementation of anti-disinformation and anti-propaganda activities by the Government of Ukraine, the EU and civil society; (v) continued EU advocacy for the stabilisation of conflict-affected regions.

### **2.5.2. Expected results per specific objective**

**For specific objective 1:** (i) enhanced capacity, inclusiveness and transparency of concerned line ministries in regional and local governments in conflict-affected and vulnerable regions; (ii) stronger capacities of communities in conflict-affected and vulnerable regions for citizen dialogue, engagement, peacebuilding and reconciliation; (iii) improved access to protection and human security including through continued support to de-mining and economic resilience in conflict-affected communities; and (iv) simplified administrative procedures and conditions for the civilians at the entry-exit crossing points on the line of contact.

**For specific objective 2:** (i) higher financial sustainability of independent media outlets, including the public broadcaster; (ii) enhanced stable media environment aligned with the EU *acquis* and higher protection standards and security for journalists; (iii) enhanced capacities of media professionals, civil society, citizens and central and local government officials to identify and dismantle disinformation; (iv) improved quality content; (v) improved outreach to the conflict affected populations (including non-government-controlled areas) and populations living in vulnerable regions.

**For specific objective 3:** (i) Increased participation of Ukrainian women and men, including residents from the other side of the contact line, in the social, cultural and political life in view of a reconciliation process; (ii) enhanced exercise of political, economic, social and cultural rights by different social, ethnic and minority groups; and (iii) strengthened gender equality.

**For specific objective 4:** (i) transparent and professional healthcare system; and (ii) strengthened public health to respond better to threats, including epidemiological issues and blood safety.

**For specific objective 5:** (i) more reliable and shorter in time border processing and crossing point processing for goods and people; and (ii) higher customs revenues while ensuring high levels of security, widespread use of biometric identifiers to improve identity management.

**For specific objective 6:** (i) alignment of the Ukrainian border security architecture and migration and asylum management with European and international standards and best practices, and (ii) strengthened capacities and increased level of performance of the relevant agencies, and improved inter-service cooperation (i.e. with the help of IT tools, including a switch to biometrics-based identity management);

(iii) reinforce the effectiveness of return and readmission procedure and their sustainability; (vi) enhanced circular migration.

### **2.5.3. Indicators (including baseline and targets), per expected result**

**Specific objective 1:** Supporting conflict-affected and vulnerable regions through social and economic recovery and enhanced human security, including by pursuing humanitarian demining activities and enhancing Ukraine's capacities to address risks from mines and other explosive remnants of war and by ensuring protection rights of the conflict-affected population.

Expected result (i): enhanced capacity, inclusiveness and transparency of concerned line ministries in regional and local governments in conflict-affected and vulnerable regions

Indicators:

- Level of satisfaction of local population with the quality of public services (disaggregated by region and sex)
- Proportion of the population who perceives decision making as inclusive, transparent and responsive (disaggregated by region and sex)

Expected result (ii): stronger capacities of communities in conflict-affected and vulnerable regions for citizen dialogue, engagement, peacebuilding and reconciliation

Indicators:

- Rate of active citizenship orientation (disaggregated by region, sex and age)
- Number of new mechanisms of citizen-driven participation (disaggregated by region)

Expected result (iii): improved access to protection and human security including through continued support to de-mining and economic resilience in conflict-affected communities

Indicators:

- Level of health security (disaggregated by region, sex and age)
- Percentage of local stakeholders satisfied with the EU-supported public infrastructure investment projects (disaggregated by region and sex)
- Access of the conflict-affected population to pensions, social benefits, public services and civil documentation
- Land (square meters) released for use in agriculture or development (disaggregated by region)

Expected result (iv): simplified administrative procedures and conditions for the civilians at the entry-exit crossing points on the line of contact

Indicator:

- Level of satisfaction by the civilians with the crossing procedures and conditions

**Specific objective 2:** Supporting the resilience of Ukrainian information space by strengthening sustainability of independent media; by reinforcing the actions reaching out to the conflict affected populations; and by conducive media environment aligned with the EU audio-visual media legislation

Expected result (i): Higher financial sustainability of independent media outlets, including the public broadcaster

Indicator:

- Media outlets' actual levels of financial diversification and planning for experimentation with earned revenue models

Expected result (ii): Enhanced stable media environment aligned with the EU *acquis* and higher protection standards and security for journalists

Indicators:

- Ranking in the World Press Freedom Index
- Media legislation/regulations approximated to EU standards

Expected result (iii): Enhanced capacities of media professionals, civil society, citizens and central and local government officials to identify and dismantle disinformation

Indicators:

- Levels of internal and external cooperation to counter hybrid disinformation threats
- Number of disinformation related trainings for journalists/officials

Expected result (iv): improved quality content

Indicator:

- Number of hours of quality content available through the EU support

Expected result (v): Improved outreach to the conflict affected populations (including non-government-controlled areas) and populations living in vulnerable regions.

Indicator:

- Audience share of EU supported media outlets among conflict-affected populations

**Specific objective 3:** Promote social cohesion, including the political, economic, social and cultural rights of minorities and gender equality

Expected result (i): Increased participation of Ukrainian women and men, including residents from the other side of the contact line, in the social, cultural and political life in view of a reconciliation process

Indicator:

- Percentage of citizens participating in social, cultural and political life in form of organisations or political movements (disaggregated by sex)

Expected result (ii): Enhanced exercise of political, economic, social and cultural rights as well as gender equality by different social and ethnic minority groups.

Indicator:

- Percentage of citizens that perceive national minorities influencing local decision-making

Expected result (iii): Strengthened gender equality

Indicator:

- Placement in the WEF Global Gender Gap Index

**Specific objective 4:** Contributing to a robust healthcare system, including by addressing COVID-19 and aligning public health with provisions of the Association Agreement

Expected result (i): Transparent and professional healthcare system

Indicators:

- Share of out of pocket payments for medical services by patients
- Number of medical institutions that have signed contracts with the National Health System (NHS)
- Leadership of medical agencies is selected in an independent and transparent manner
- Budget of independent medical agencies (NHS, Public Health Centre (PHC), Central Procurement Agency(CPA))

Expected result (ii): Strengthened public health to respond better to threats, including epidemiological issues and blood safety

Indicators:

- Number of EU Directives fully approximated in line with AA provisions
- Level of immunisation in the population
- Number of non-remunerated blood donations
- Percentage of smoking population, sex disaggregated

**Specific objective 5:** Increasing border security while facilitating trade and orderly movement of people and goods through integrated border management, including anti-smuggling efforts

Expected result (i): More reliable, shorter in time border processing for both goods and people

Indicators:

- Passenger processing time on implemented Model border crossing points (BCPs) is reduced by 20% (Baseline: EU4IBM detailed analysis on the basis of which they develop the Model BCPs)
- Custom procedures' time at implemented Model BCPs is reduced by 20% (Baseline: EU4IBM detailed analysis on the basis of which they develop the Model BCPs)
- Annual Business Operators' Survey shows further reduction in reports of corruption practices by customs (CSO report)
- A pilot joint cross-border surveillance of green border at UA-Member State border is implemented
- A coherent biometric strategy for Ukrainian law enforcement is adopted and effectively implemented. A service-orientated biometric architecture is in place, using, in line with European and international best practice, fingerprints as the main biometric identifier
- Large-scale smuggling of goods is criminalised, relevant legislation adopted and implemented.

Expected result (ii): higher customs revenues while ensuring high levels of security, widespread use of biometric identifiers to improve identity management

Indicators:

- Annual Business Operators' Survey shows further reduction in reports of corruption practices by customs (CSO report)
- Large scale smuggling of goods is criminalised, relevant legislation adopted and implemented

**Specific objective 6:** Strengthening Ukraine's border security and migration management capabilities through capacity building as well as introducing relevant IT tools, including biometrics-based identity management.

Expected result (i): Alignment of the Ukrainian border security architecture and migration and asylum management with the European and international standards and best practices.

Indicator:

- Number of supported policies / legislation to improve efficiency within the migration management area implemented

Expected result (ii): Strengthened capacities and increased level of performance of the relevant agencies, and improved inter-service cooperation (i.e. with the help of IT tools, including a switch to biometrics-based identity management).

Indicators:

- Number of mechanisms e.g. Inter-Agency working groups periodical coordination meetings, new policies / regulations to improve cooperation adopted and implemented.
- Sustainable IT solutions and equipment that will significantly enhance the capacity, and subsequently also the efficiency, of the state agencies is in place.
- Switch to a biometrics-based identity management, based on a service-oriented IT architecture similar to the EU's Biometric Matching System

Expected result: (iii) reinforce the effectiveness of return and readmission procedure and their sustainability;

- Number of nationals illegally staying in the EU from Ukraine ordered to return and effectively returned and the issuance rate of travel documents following readmission requests from Member States
- Number of Ukrainian citizens supported by reintegration assistance

Expected result: (vi) enhanced legal migration

- Number of initiatives supported to improve labour and legal migration.

#### **2.5.4. Possible use of blending and guarantees for investment under EFSD+**

This priority (as corresponding to the areas covered by the Economic and Investment Plan) will partly be implemented through the EFSD+ to scale up and mobilise significant volumes of investments through blending and guarantees (e.g. rehabilitation of infrastructure/public buildings (hospitals, schools) in conflict-affected and vulnerable regions, education including vocational training, health and health systems as well as financial inclusion including women-led business).

## 2.6. Proposals of country/multi-country/regional Team Europe Initiatives

As described under Section 1.2, the EU and its MS, together with IFIs have developed a number of actions through joint assessment under the previous programming cycles and are jointly implementing a number of them. Those initiatives will continue to be pursued in two areas. One of these is the overarching area of **supporting the overall reform architecture of Ukraine**<sup>7</sup>, thereby continuing the in-depth and holistic approach of the very essence of Team Europe that has existed for years in Ukraine. The other one is one of the priority areas *per se* of the current MIP - **priority area 2: reinforce the accountability of institutions and promote the rule of law and security**.

- **Team Europe Initiative for furthering Ukraine's reform architecture**

Under the first area - the overall reform architecture, the joint work of the EU, MS, and IFIs in Ukraine which combine forces at the planning, legislative and regulatory support provided and the pure implementation stages of assistance is unique in Ukraine and has already borne significant fruit. Ongoing joint work will allow to continue stimulating and supporting reform in Ukraine, building up on existing considerable achievement and allowing for the needed continuity. To continue ensuring a high level of synergies, SGUA and EEAS will notably be committed to hold regular meetings with the EU Member States and the European Financing Institutions and like-minded partners on the support to the reform process in Ukraine. SGUA, the EU Delegation to Ukraine and EUAM will also continue to closely coordinate activities to ensure complementarity. Furthermore, the EU will actively contribute to international partners' fora on Ukraine's reform and conflict resolution processes, such as in particular the regular Ukraine Reform conference. The EU intends to also continue taking a leading role in the three-tier coordination mechanism, that has been put in place by the Ukrainian government and involved partners to ensure proper donor coordination. This mechanism includes notably an annual Forum between the Prime Minister and Partners, a platform chaired by the Minister of the Cabinet of Ministers to ensure strategic coordination with the all involved partners and sectoral working groups.

The continuation of this joint undertaking will allow concentrating further joint efforts around key EU priorities, as well as harnessing EU, MS and IFI resources and expertise for the sustainable post-COVID-19 socio-economic recovery of the country. The Economic and Investment Plan will also support these efforts.

The EU's indicative contribution to this TEI is subject to the confirmation of the Team Europe partners' indicative meaningful contribution as early as possible. In the absence thereof, the EU's indicative contribution may be redirected in accordance with the priority areas of the MIP and their allocations. The obligation of the Union and the Member States to coordinate their development policies following initiatives by the Commission to this effect, as per article 210 TFEU, always applies.

- **Team Europe Initiative to reinforce the accountability of institutions and promote the rule of law and security**

Ukraine has made progress in the field of **justice, freedom and security**, including the fulfilment of the Visa Liberalisation Action Plan, which has led to the entry into force of the visa-free regime in 2017. Rule of law-related conditions were also part of the EU macro-financial assistance (MFA). An anti-corruption architecture is established. However, continued efforts in the rule of law, fight against corruption, and justice sector reform, reinforcing the independence and credibility of other anti-

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<sup>7</sup> Overall reform architecture of Ukraine should not be understood solely and narrowly in the sense of the URA Ukraine Reform Architecture programme (and the Multi-Donor Account – MDA), mentioned in section 1.2 above and which was at the onset of joint work. Here Ukraine reform architecture designates the overall reform development, including institutions and processes.



corruption institutions, and ensuring a fully functional system of the verification of e-declarations are further needed.

The EU and its MS, together with the IFIs will continue to pursue joint efforts in the field of good governance, where they already implement several joint **flagship programmes** and cooperate in **policy dialogue** by coordinating political messages on the need to reinvigorate reforms in the area of rule of law. Considerable joint work has been carried out on good governance, including public administration reform, public financial management, corporate governance of state-owned enterprises, rule of law, law enforcement, decentralisation, democracy, civil society, media, gender equality, with a **Joint European Thematic Fiche** produced. Flagship programmes include a budget support comprehensive Public Administration Reform initiative; the EU Anti-corruption initiative implemented with Denmark; the Pravo-Justice programme implemented with France; the Public Finance Management Support Programme for Ukraine (EU4PFM) implemented with Lithuania; and the Pravo-Police project implemented by the United Nations Office for Project Services (UNOPS).

Policy dialogue and joint implementation of reform programmes will be the basis for the continuation of joint work under the 2021-2027 Multi-annual Indicative Programme.

The EU's indicative contribution to this TEI is subject to the confirmation of the Team Europe partners' indicative meaningful contribution as early as possible. In the absence thereof, the EU's indicative contribution may be redirected in accordance with the priority areas of the MIP and their allocations. The obligation of the Union and the Member States to coordinate their development policies following initiatives by the Commission to this effect, as per article 210 TFEU, always applies.

### **3. Support measures**

#### **3.1 Measures in favour of civil society**

The EU recognises civil society organisations, including the social partners, as actors of governance and drivers of democracy. It also commits to supporting civil society, including the social partners, in increasing its capacities to pursue their core mandate, ensure an enabling environment for them to act in and engage in constructive dialogue with the government and be able to fully play their role in the checks and balances process. These ambitions are reflected in the **EU Roadmap for Engagement with Civil Society in Ukraine**. To that end, targeted support to civil society, including women's organizations, will be dedicated to the implementation of the EU Roadmap. To capitalise on the EU's current approach to civil society support in the Eastern Partnership, efforts will focus on financial sustainability of organisations, expanding the range of actors the EU engages with and making available tools to ensure safety of civic participation. Cooperation with the European Endowment for Democracy will aim at engaging with new civic actors and independent media. Overall, support measures in favour of civil society will continue to build an image of civil society organisations as credible interlocutors in policy processes, drivers of accountability and reliable community partners.

#### **3.2 Cooperation facility**

The cooperation facility will:

- Support Ukraine in the implementation of the commitments deriving from EU and international agreements, primarily the AA/DCFTA. It will aim at strengthening institutional and administrative capacities of the Ukrainian public authorities in selected priority areas to facilitate approximation to EU legislation and technical standards.
- Provide a public diplomacy and communications window that will facilitate dialogue with Government, civil society and other stakeholders, and enhance strategic communication and visibility of EU cooperation, as well as Team Europe coordination approach in the country.

- Provide capacity development and institutional building by enabling access to relevant expertise from Europe, including through the design of technical assistance programmes and the use of TAIEX and Twinning modalities.
- Support policy dialogues: events, conferences, studies and exchange platforms to support sector dialogues leading to policy reforms and engagement with governments and other stakeholders.
- Support Ukraine’s participation in EU Programmes and cooperation with EU Agencies, where relevant, e.g. ERASMUS+, HORIZON, CUSTOMS, Creative Europe, Copernicus and Galileo so that it can readily access these initiatives and regional opportunities.

#### 4. **Financial overview**

Overall indicative amount (for first MIP period until synchronised review for Country MIPs and mid-term review for multi-country/regional MIP). Although the duration of this MIP is seven years, the indicative allocations for Ukraine and for each of the priority areas and support measures laid down in the table below are provided for the 2021-2024 period only. The indicative allocations for 2025-2027, as well as the possible modification of other substantial elements of this MIP, will be subject to a decision by the EU. This decision should be preceded by a review of the implementation of this MIP, which should include a dialogue with the authorities and other stakeholders of Ukraine.

<b><i>Priority area 1: A resilient, sustainable and integrated economy</i></b>	<b><i>EUR 224 million</i></b>	<b><i>35%</i></b>
<b><i>Priority area 2: Accountable institutions, the rule of law and security</i></b>	<b><i>EUR 128 million</i></b>	<b><i>20%</i></b>
<b><i>Priority area 3: Environmental and climate resilience</i></b>	<b><i>EUR 96 million</i></b>	<b><i>15%</i></b>
<b><i>Priority area 4: A resilient digital transformation</i></b>	<b><i>EUR 64 million</i></b>	<b><i>10%</i></b>
<b><i>Priority area 5: A resilient, gender-equal, fair and inclusive society</i></b>	<b><i>EUR 96 million</i></b>	<b><i>15%</i></b>
<b><i>Support measures</i></b>	<b><i>EUR 32 million</i></b>	<b><i>5%</i></b>
<b><i>TOTAL for initial period 2021 - 2024<sup>8</sup></i></b>	<b><i>EUR 640 million</i></b>	<b><i>100%</i></b>
<b><i>TOTAL indicative amount for second period<sup>9</sup></i></b>	<b><i>&lt;amount&gt;</i></b>	

<sup>8</sup> Indicative country allocation for the first 4 years without the incentive-based provision (*more-for-more*),

<sup>9</sup> This amount is purely indicative and may be available after a decision by the Commission within the last 6 months of the initial period. This decision will be preceded by a dialogue with the partner country on the implementation of the initial indicative allocation.

**Attachments**

1. Annex 1 - Intervention logic
2. Annex 2 - Donor matrix showing the current indicative allocations per sector
3. Annex 3 - Flagship Initiatives for Ukraine

## Annex 1 – Intervention Logic

<b>Priority area 1: A resilient, sustainable and integrated economy</b> <b>Specific objective 1: Improving connectivity (transport &amp; energy) infrastructure (also via investment support) and efficiency of transport services, including at borders and entry/exit points on the line of contact in eastern Ukraine and in Crimea, with a focus on sustainable, multimodal and smart transport and contribute to the green transition of the economy</b>			
Expected Results	Indicators	Baseline & targets	Means of verification
<p>(i) improved transport connectivity in line with the indicative extension of the core TEN-T network and improved transport efficiency and urban mobility in cities, with a focus on sustainable, multimodal and smart transport, thus contributing to climate change mitigation, and improved management of flows of goods and persons at borders as well as entry and exit crossing points on the line of contact in eastern Ukraine and the administrative border line with Crimea</p>	<ul style="list-style-type: none"> <li>• Number of projects earmarked in Ukraine in the 2019 EaP Indicative TEN-T Investment Action Plan (ongoing or finalised work)</li> <li>• Higher and faster throughput of persons and goods at borders and crossing points towards and from currently non-government-controlled areas of the national territory</li> </ul>	<ul style="list-style-type: none"> <li>• Baseline value :13 (2020): number of projects in Ukraine included in the 2019 EaP TEN-T Investment Action Plan (ongoing or finalised works)</li> <li>• Source: WB monitoring dashboard on the progress of the implementation of the EaP TEN-T Investment Action Plan Q4 2020</li> </ul>	<ul style="list-style-type: none"> <li>• Periodic monitoring reports on progress of implementation of the EaP TEN-T investment Action Plan</li> </ul> <p>Source: WB monitoring dashboard on the progress of the implementation of the EaP TEN-T Investment Action Plan Q4 2020</p>

<p>(ii) enhanced energy infrastructure capacity to uptake and transport renewable energy.</p>	<ul style="list-style-type: none"> <li>• Improved continuity and reliability of electricity supply <ul style="list-style-type: none"> <li>○ Reduced System Average Interruption Duration Index (SAIDI)</li> <li>○ Reduced ENS (energy not served) – average non-supplied electricity</li> </ul> </li> <li>• Increased capacity of renewable energy generation (installed capacity, MW)</li> </ul>	<ul style="list-style-type: none"> <li>• Baseline value: SAIDI (2020): 816 minutes unplanned interruptions, 484 minutes – planned interruptions. Source – Annual Report of the Energy Regulator</li> <li>• Target (2027): below 200</li> <li>• Baseline value: ENS (2020): 1,7 Mwh – transmission system, 78 MWh distribution system.</li> <li>• Target (2027) Decrease Annual Report of the Energy Regulator</li> <li>• Baseline 2020 – 8,5 GW installed renewable energy generation capacity (without large hydro, in 2020 - 0 hydrogen capacity) Source: State Agency of Energy Efficiency/ associations) Target: in 2027 – more than 12 GW.</li> </ul>	<ul style="list-style-type: none"> <li>• Annual: monitoring reports of the National Energy Regulator, reports of CEER (Council of the European Energy Regulators), ACER (EU Agency for the Cooperation of Energy Regulators), ENTSO-E, ENTSO-G</li> <li>• Annual: National Statistics, electricity grid operators and Eurostat (incl. energy balances)</li> <li>• Reports of the State Agency of Energy Efficiency, Ministry of Energy, Sectoral Associations.</li> </ul>
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**Specific objective 2: Enabling a positive business environment and competitive markets and supporting value-adding and job creating sectors of the economy, including green and blue economy, that will contribute to the green transition of the economy**

Expected Results	Indicators	Baseline & targets	Means of verification
<p>(i): improved business regulation and administration, strengthened start-ups and SMEs, particularly those with green, blue and digital business models, including those based on circular economy, and strengthened connections and integration into regional value chains, including the EU</p>	<ul style="list-style-type: none"> <li>• Evidence and nature of regulatory and administrative measures initiated by the GoU to improve the business environment, particularly supporting green and digital transformation</li> <li>• Number of start-ups/SMEs receiving EU support, including the percentage of women-led businesses</li> <li>• Share of enterprises with innovative/digital /green/blue/circular economy business models receiving EU support, with sex disaggregation of SME owner/manager if feasible</li> <li>• Percentage growth of SMEs receiving EU support who engage in exporting activities, including to EU</li> </ul>	<ul style="list-style-type: none"> <li>• Baseline (2020): GoU measures for better business climate, including for green and digital transformation, are weak and fragmented; Target (2027): business-oriented policies and measures are in place and functional, with green and digital incentives. Women are underrepresented among the entrepreneurs, especially among those with innovative/green business models. Women make 25% of top managers in companies (in large companies, only 10%). Share of companies with women participation in ownership is 30%</li> <li>• Baseline (2020 as per EU4Business facility regional level data): 7,836 (out of them 28.2% women-led); Target (2027): at least 5000 per year (out of them at least 35% women-led).</li> <li>• Baseline to be defined at action level (currently data not available); Target (2027): at least 50% of all client enterprises.</li> <li>• Baseline (2020 as per EU4Business facility regional level data): +6.2% EU-supported SMEs engaged in exporting; +7.2% increased exports. Target (2027): +25% client SMEs engaged in exporting (or increasing exports).</li> </ul>	<ul style="list-style-type: none"> <li>• National and regional statistics with sex disaggregation where feasible, Government data and reports, projects assessments, monitoring data</li> </ul>

<p>(ii) improved corporate governance and ownership policies for state-owned enterprises;</p>	<ul style="list-style-type: none"> <li>• Level of alignment of Ukrainian legislation on corporate governance of SOEs with OECD Guidelines</li> <li>• Evidence of overarching state ownership policy and individual ownership policies for economically important SOEs</li> <li>• Evidence of application of transparency and disclosure policies in economically important SOEs</li> </ul>	<ul style="list-style-type: none"> <li>• Baseline (2020): Ukrainian legislation on SOEs corporate governance has significant gaps and needs revision for alignment with the OECD Guidelines on SOEs. Target (2027): Ukrainian legislation on corporate governance of SOEs aligned with OECD Guidelines</li> <li>• Baseline (2020): Ukraine does not have an overarching state ownership policy, with individual ownership policies formulated for a few large SOEs instead. Only very few SOEs have supervisory boards with independent members and ownership policies. Target (2027): An overarching state ownership policy for all SOEs with a clear articulation of value for society as the primary purpose of state ownership. All economically important SOEs have supervisory boards with independent members selected following competitive processes and ownership policies in place</li> <li>• Baseline (2020): Disclosure policies not available/not applied; the availability and accessibility of financial information, including audited statements of SOEs, and the existence of internal audit are intermittent. Target (2027): A disclosure policy for SOEs developed and systematically implemented with financial information made publicly available. Economically important SOEs have established internal audit units reporting directly to the supervisory board</li> <li>• Baseline: In 2020, the convergence of the financial sector legislation with Basel III principles and EU law is incomplete.</li> </ul>	<ul style="list-style-type: none"> <li>• OECD reports, Government data and reports, projects assessments, monitoring data</li> </ul>
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		The number of green financial sustainable finance instruments is limited. Target (2027) At least 80% alignment the financial sector legislation with Basel III principles and EU Law	
(iii) improved legislation, procedures and practices in the implementation of competition and state aid control system,	<ul style="list-style-type: none"> <li>Level of compliance of the legislative framework and enforcement practices in Ukraine and EU</li> </ul>	<ul style="list-style-type: none"> <li>Baseline (2020): partial compliance of legislation and enforcement practices; Target (2027): full compliance of UA legislation with EU <i>acquis</i> as per AA commitments; enforcement practices aligned with those of European NCAs.)</li> </ul>	<ul style="list-style-type: none"> <li>Government/Anti-Monopoly Committee of Ukraine reports;</li> <li>Information from business associations or individual businesses;</li> <li>Information from EU funded projects and Competition Authorities of EU/Member States.</li> </ul>



<p>(iv) better governed financial services sector;</p>	<p>Evidence of improved alignment with international and EU standards (such as Basel III principles) and implementation. Evidence of increased convergence of non-banking regulatory framework towards international and EU standards and progress in their implementation. Number of green sustainable financial instruments introduced.</p> <ul style="list-style-type: none"> <li>• The share of state participation in the banking sector. Evidence of corporate governance policy in commercial and state-owned banks</li> </ul>	<ul style="list-style-type: none"> <li>• Baseline: In 2020, the transition of the financial sector legislation in banking to Basel III principles and EU law is at its initial stage. The regulators are making the first steps towards establishing the legal framework for the non-bank financial sector. The number of sustainable finance instruments is limited.</li> <li>• Target (2027): Improved alignment of the banking regulatory and supervisory framework with the international and EU standards. Improved alignment of the non-bank financial sector with the international and EU standards.. Increased availability of sustainable finance instruments.</li> <li>• Baseline: In 2020, the share of State-Owned banks in the banking system is at 54% of the sector's total assets and 60% of retail deposits. The corporate governance policy in banks is weak.</li> <li>• Target (2027): The state ownership in the banking sector is reduced. The corporate governance policies in banks are closely aligned with EU standards. State-owned banks have independent supervisory boards.</li> <li>• Baseline: In 2020, the share of non-performing loans in SOBs is at 54%.</li> <li>• Target (2027): The share of non-performing loans in SOBs is reduced .</li> </ul>	<ul style="list-style-type: none"> <li>• National Bank financial sector reports</li> <li>• Surveys of business associations</li> <li>• The National Bank of Ukraine reports and statistics on the banking sector</li> <li>• Annual reports of State-Owned Banks</li> </ul>
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<p>(v) improved access to finance, services and markets for micro, MSMEs in government-controlled conflict-affected and vulnerable regions</p>	<ul style="list-style-type: none"> <li>• Number of MSMEs that scaled up their activities with EU support (if possible disaggregated by region and sex of owner/manager if feasible)</li> <li>• Value-added contribution of MSMEs to local economy (disaggregated by region)</li> </ul>	<ul style="list-style-type: none"> <li>• Baseline (2021): Donetsk region – 0, Luhansk region – 0, Zaporizhzhia region – 0.</li> <li>• Target (2027): Donetsk region – 150, Luhansk region – 125, Zaporizhzhia region – 100</li> <li>• Baseline (2019): Donetsk region – 8.1%, Luhansk region – 31.7%, Zaporizhzhia region – 20.5%</li> <li>• Target (2027): Donetsk region – 15%, Luhansk region – 35%, Zaporizhzhia region – 25%</li> <li>• Target (2027): Donetsk region – 15%, Luhansk region – 35%, Zaporizhzhia region – 25%</li> <li>• Data on sex disaggregation are currently unavailable for both indicators.</li> </ul>	<ul style="list-style-type: none"> <li>• Project assessments and reports, surveys, monitoring data, media reports, national statistics</li> <li>• National and regional statistics; Government data and reports; projects' assessments, reports and sex-disaggregated monitoring data.</li> </ul>
<p>(vi) improved renewables and clean energy infrastructure for developing raw materials and battery value chains and enhanced integration of Ukraine into European value chains</p>	<ul style="list-style-type: none"> <li>• Level of alignment of the Ukrainian extractive industry regulatory framework with the EU acquis and best practices, in particular as regards environmental, social and good governance standards.</li> <li>• Number of joint venture projects supporting integration of sustainable raw material and battery value chains</li> </ul>	<ul style="list-style-type: none"> <li>• Baseline (2020): Extractive industry legal framework and auction system for licencing of the production of critical raw materials weakly aligned with EU acquis and best practices. Target (2027): Extractive industry legal framework and auction system for licencing of the production of critical raw materials aligned with EU acquis and best practices.</li> <li>• Baseline (2020): 0 Target (2027): at least 5</li> </ul>	<p>Ukrainian parliament and government data, reports, projects assessments, monitoring data. Reports to be produced to follow up the implementation of the EU-Ukraine Strategic partnership on raw materials. State Geological Survey reports and data; Surveys of business associations, media reports, national statistics</p>

**Specific objective 3: Fostering more decent work, better employability (including skills development), a high-quality, innovative, accessible and inclusive education system, including vocational education and training**

Expected Results	Indicators	Baseline & targets	Means of verification
(i) improved employment services and working conditions through the adoption, implementation and enforcement of policies and legislation, in line with international standards and the EU <i>acquis</i> .	<ul style="list-style-type: none"> <li>• Employment rate, sex-disaggregated</li> <li>• Number of registered cases of incidents at work (this includes professional diseases)</li> </ul>	<ul style="list-style-type: none"> <li>• Baseline: will be established in 2022</li> <li>• Target (2027): increase</li> </ul> <p>Baseline: will be established in 2022 Target 2027: decrease</p>	<ul style="list-style-type: none"> <li>• State Statistics Service</li> <li>• Comments of supervisory bodies of the International Labour Organisation</li> <li>• Data of State Labour inspection</li> </ul>
(ii) Improved quality, accessibility and inclusiveness of the education system	<ul style="list-style-type: none"> <li>• Success rate of 15-year olds in reading, mathematics and science, sex-disaggregated</li> <li>• Development of educational standards for grades 10 to 12</li> </ul>	<ul style="list-style-type: none"> <li>• Baseline: 2018 OECD PISA assessment Reading: 465,95 Mathematics: 453,12 Science: 468,99 Girls outperform boys by 33 points in reading, boys outperform girls in mathematics by 7 points, in science, by 5 points</li> <li>• Target 2027: OECD average Reading: 488,89 Mathematics: 492,03 Science: 490,78</li> <li>• Baseline: 0; Target 2027: 100%</li> </ul>	<ul style="list-style-type: none"> <li>• OECD PISA assessment report</li> <li>• Government resolutions, Ministry of Education and Science regulations and reports</li> </ul>

<p>(iii) Increased efficiency, effectiveness of the vocational education and training system to respond to labour market needs</p>	<ul style="list-style-type: none"> <li>Percentage of people enrolled in VET institutions, sex-disaggregated</li> <li>Percentage of upper secondary education and VET graduates employed according to obtained qualification</li> <li>Number of modernised VET institutions financed by EU donors</li> </ul>	<ul style="list-style-type: none"> <li>Baseline 2021: 38.5% (of them women make less than 40%) Target 2027 45% (of them women: 41%)</li> <li>Baseline: 52% Target: 65%</li> <li>Baseline: 0 Target 2027: 60% of 27 (15 by EU + 3 by BMZ + 9 by EIB)</li> </ul>	<ul style="list-style-type: none"> <li>Official statistics, Ministry of Education and Science/regional Administrations reports</li> <li>Project reports and assessments, monitoring data</li> </ul>
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**Specific objective 4: Increase research and innovation opportunities and capacities, access to finance, increase availability of advice on green and blue economy that can stimulate business, support diversification of the economy and shift production towards more knowledge-intensive, sustainable, and higher value-added products with low carbon footprint**

Expected Results	Indicators	Baseline & targets	Means of verification
(i) strengthened resilience of the research and innovation ecosystems	<ul style="list-style-type: none"> <li>Research and development spending as share of GDP (gross expenditure on R&amp;D)</li> </ul>	<ul style="list-style-type: none"> <li>Baseline: 0.5% of GDP (2018); Target 2027 1.0% of GDP.</li> </ul>	<ul style="list-style-type: none"> <li>Official statistics, Government/ Ministry of Education and Science reports,</li> <li>UNESCO Institute of Statistics</li> </ul>
(ii) increased effectiveness of Ukraine association to the Horizon Europe Programme	<ul style="list-style-type: none"> <li>Participation of Ukrainian entities in the Horizon Europe Programme</li> </ul>	<ul style="list-style-type: none"> <li>Baseline: 305 (2020); Target 2027; Increase by 40%.</li> </ul>	<ul style="list-style-type: none"> <li>Horizon Europe official statistics</li> </ul>

**Priority area 2: Accountable institutions, the rule of law and security**

**Specific objective 1: Improving the overall performance of the Ukrainian public administration, including citizens' access to administrative and social services, ensuring merit-based, depoliticised and gender-sensitive recruitment of civil servants, and introducing general administrative procedures**

Expected Results	Indicators	Baseline & targets	Means of verification
(i) improved professionalism, accountability, effectiveness, efficiency and gender sensitivity of Ukrainian public administration	<ul style="list-style-type: none"> <li>UN E-Government Development Index (EGDI) general</li> <li>Ratio of men and women in civil service, including at decision-making positions</li> </ul>	<ul style="list-style-type: none"> <li>Baseline : 0.7119 out of 1 (2020),</li> <li>Target 2027: above 0.72 out of 1 (2027)</li> <li>Baseline: in civil service: 76% women and 24% men, in decision-making positions (category A): 33% women, 67% men (2020)</li> <li>Target 2027: in civil service: 70% women and 30% men, in decision-making positions (category A): 45% women, 55% men (2027)</li> </ul>	<ul style="list-style-type: none"> <li>Official statistics, Ministry of Digital Transformation reports, EGDI and DESI indexes.</li> <li>Official statistics, National Agency of Ukraine on Civil Service</li> </ul>
(ii) introduction of general administrative procedures;	<ul style="list-style-type: none"> <li>Adoption of the Law on general administrative procedure</li> </ul>	<ul style="list-style-type: none"> <li>Baseline: draft Law on general administrative procedure registered in Rada (2020),</li> <li>Milestone; law on general administrative procedures adopted (2021);</li> <li>Target: full implementation of the Law on general administrative procedure (2027-2025)</li> </ul>	<ul style="list-style-type: none"> <li>Official Journal reporter of the Verkhovna Rada of Ukraine (<a href="http://www.rada.gov.ua">www.rada.gov.ua</a>)</li> </ul>
(iii) increased provision of electronic services to citizens and businesses	<ul style="list-style-type: none"> <li>UN E-Government Development Index (EGDI), Online Services sub-Index</li> </ul>	<ul style="list-style-type: none"> <li>Baseline: 0.6824 out of 1 (2020)</li> <li>Target: above 0.75 out of 1 (2027)</li> </ul>	<ul style="list-style-type: none"> <li>Official statistics, Ministry of Digital Transformation reports, EGDI and DESI indexes</li> </ul>
(iv) improved efficiency and effectiveness of the public finance management system	<ul style="list-style-type: none"> <li>Progress in improving the PFM system and budget transparency as per PEFA and other internationally recognised assessment tools</li> </ul>	<ul style="list-style-type: none"> <li>Baseline: indicators of 2019 PEFA, 2019 Open Budget Survey</li> <li>Target: implementation of the actions of the PFM Strategy and Action Plan 2021-2025</li> </ul>	<ul style="list-style-type: none"> <li>Assessment Report: IMF Report, World Bank Report, Public Investment Management Assessment (PIMA), Tax Administration Diagnostics Assessment Tool (TADAT)</li> </ul>

**Specific objective 2: Strengthening the rule of law and reducing corruption, including high level corruption, through continuation and reinforcement of comprehensive justice and anti-corruption reforms**

Expected Result	Indicators	Baseline & targets	Means of verification
<p>(i) strengthened independence, integrity, transparency, accountability, effectiveness, efficiency of the judiciary and anti-corruption institutions</p>	<ul style="list-style-type: none"> <li>The extent to which appointments, evaluation and career development within the judiciary and anti-corruption agencies are transparent and merit-based, with sex disaggregation of the number of appointed judges if relevant</li> <li>Level of performance of specialised anti-corruption institutions supported by the EU as evidenced by the final decisions of the High Anti-Corruption Courts</li> </ul>	<ul style="list-style-type: none"> <li>Baseline 2021: shortcomings in law and in practice, suspension of appointment and qualification evaluation of judges; lack of trust in selection procedures within the civil society;</li> <li>target for 2027: the legal framework for a transparent and merit-based system of judicial and anti-corruption appointments and evaluations is implemented with sporadic/non-systemic violations;</li> <li>target for 2027 - appointments and qualification evaluations of judges are resumed. Improved trust in selection procedures within civil society.</li> </ul> <ul style="list-style-type: none"> <li>Baseline (2020): 22 verdicts</li> <li>Target (2027) (cumulative): 200 verdicts</li> </ul>	<ul style="list-style-type: none"> <li>Source: official data and analytical reports from the civil society and technical assistance projects)</li> <li>Source: official data</li> </ul>

<p>(ii) improved access to fair and professional justice services including modern e-justice solutions available for citizens and companies, improved public trust in the judiciary</p>	<ul style="list-style-type: none"> <li>• Availability of e-justice solutions and their interoperability with other IT systems (qualitative indicator);</li> <li>• Recovery rate by creditors in insolvency proceedings</li> <li>• Percentage of citizens that trust the judiciary</li> </ul>	<ul style="list-style-type: none"> <li>• Baseline in 2021: e-justice solutions are very limited and under-developed; target for 2027: inter-operable electronic case management system(s) exist in the judiciary, prosecution and law enforcement agencies; citizens and businesses actively use e-justice solutions for obtaining easy access to justice sector services</li> <li>• Baseline in 2021: 33 points, 117th position; target in 2027: 43 points; 80th position)</li> <li>• Baseline in 2021: 9 cent/1 EUR invested, target in 2027: 25 cent/1 EUR;</li> <li>• Baseline in 2019: “do not trust at all” – 40.8%; target in 2027: “do not trust at all” - 25%</li> </ul>	<ul style="list-style-type: none"> <li>• Source: official data and analytical reports of the civil society and projects</li> <li>• Transparency International's Corruption Perception Index</li> <li>• Source: WB Doing Business reports</li> <li>• Source: annual surveys of the Razumkov Centre in Ukraine</li> </ul>
<p>(iii) increased public awareness of and engagement in anti-corruption and integrity issues</p>	<ul style="list-style-type: none"> <li>• Ukraine's ranking in the Transparency International's Corruption Perception Index.</li> <li>• Total (cumulative) number of views of integrity awareness and anti-corruption productions by investigative journalism outlets in Ukraine per year.</li> </ul>	<ul style="list-style-type: none"> <li>• Baseline in 2020: 33 points, 117 place; Target in 2027: 43 points; 80th position</li> <li>• 2020 (baseline)=90 million views</li> <li>• 2027 =130 million views</li> </ul>	<ul style="list-style-type: none"> <li>• Transparency International's Corruption Perception Index.</li> <li>• Reports from EU funded technical assistance and civil society projects.</li> </ul>

**Specific objective 3: Consolidating the multilevel governance through continuation of the decentralisation reform**

Expected Results	Indicators	Baseline & targets	Means of verification
<p>(i) multilevel governance that rests on a robust legal framework in line with the European Charter for Local Self-Government, and that is more transparent, accountable and responsive to the needs of the population</p>	<ul style="list-style-type: none"> <li>Constitutional and legal framework adopted and enforced: Increased share of own-source revenues of local authorities in local budgets ensuring stable financing of the local self-government to respect its autonomy and support its capacities.</li> <li>Improved delivery of local administrative services through well-functioning Administrative Service Centres for the benefit of the citizens</li> </ul>	<ul style="list-style-type: none"> <li>Baseline end 2020: constitutional amendments in the field of decentralisation remained on hold; key laws outlining organisation and competences of local authorities and the scope of supervision by central authorities were not adopted;</li> <li>Target 2027: the changes to the constitution and the legal framework are in line with the European Charter for Local Self-Government and are properly enforced</li> <li>Baseline: 1270 in 2020, target 1800 in 2027.</li> </ul>	<ul style="list-style-type: none"> <li>Source: indicators of 2019 PEFA, monthly monitoring of Ministry for Communities and Territories Development</li> <li>Source of information: the Ministry for Communities and Territories Development of Ukraine and the Ministry of Digital Transformation)</li> </ul>

**Specific objective 4: Ensuring security and safety of the people of Ukraine, through Integrated Border Management (IBM), including enhancing maritime domain awareness, security interaction and cooperation with the EU, encompassing also the Coast Guard functions; development of national and regional crisis management systems; including through cooperation with Europol, CEPOL and EMCDDA, improving the efficiency of the law enforcement system, ensuring respect of human rights and functioning in accordance with the best European and International practices.**

Expected Results	Indicators	Baseline & targets	Means of verification
<p>(i) Ukraine's police force becomes a modern professional organisation, which takes a community-oriented policing approach and adequately maintains public order in full observance of human rights</p>	<ul style="list-style-type: none"> <li>Police efficiency increased and as confirmed by police performance measurement results</li> </ul>	<p>Baseline to be established in 2022 Target 2027: increase annually by 3%:</p>	<ul style="list-style-type: none"> <li>Official statistics and civil society monitoring data on current crime rates, number of arrests and fines issued, clearance rates (proportion of crimes solved in a given period of time), call for service response times, as well by various public opinion surveys (national surveys, contact or victimization surveys, police employee surveys).</li> </ul>



<p>(ii) public safety is increased and fight against serious crime (including cybercrime) is improved as a result of enhanced cooperation between the law enforcement institutions and the introduction of modern investigative techniques, including IT solutions and the use of biometric identifiers.</p>	<ul style="list-style-type: none"> <li>• Ukraine's law-enforcement capacity to define priorities of which types of serious and organised crime to fight is increased and it demonstrates measurable improvements in fighting organised crime.</li> <li>• Number of training programmes on cybercrime and electronic evidence and operations involving Ukraine in the framework of EMPACT</li> <li>• Ukraine's performance in the area of IBM, including maritime borders, is close or equal to EU average performance level</li> </ul>	<p>Baseline (2021): capacity of law enforcement agencies to fight organised crime – minimal  Target (2027): capacity of law enforcement agencies to fight organised crime with the help of modern investigative techniques, including IT solutions and the use of biometric identifiers at least doubled as compared to 2021 levels.</p>	<ul style="list-style-type: none"> <li>• Serious and Organised Crime Threat Assessments (SOCTA), performed in accordance with EUROPOL EUROPOL-developed methodology</li> </ul>
<p>(iii) Ukraine's level of integrated border management is close or equal to average EU performance levels, specifically as regards maritime borders, strengthened performance, professionalism of the Ukrainian Coast Guard, improved maritime domain awareness, enhanced capacity to deter illegal activities at sea (e.g. smuggling, trafficking, illegal waste dumping, illegal, unreported, unregulated/IUU fishing); increased interoperability with EU counterparts</p>	<ul style="list-style-type: none"> <li>• Ukraine's performance in the area of IBM, including maritime borders, is close or equal to EU average performance level</li> </ul>	<p>Baseline 2021: low  Target 2027: increase</p>	

### Priority area 3: Environmental and climate resilience

**Specific objective 1: Supporting conducive reforms and enhancing strengthening the investment climate, also contributing to sustainable economic growth investments, by to supporting the green transition, reduction of greenhouse gas emissions and pollution, and increasing energy efficiency leading to sustainable economic growth**

Expected Results	Indicators	Baseline & targets	Means of verification
(i) energy sector reforms, climate and environmental legislation are enhanced in line with commitments under the Association Agreement	<ul style="list-style-type: none"> <li>Electricity and gas market concentration decreased (Increased number of main companies that have a market coverage for at least 5 % of the total national net electricity generation and gas production, and increased number of companies supplying gas and electricity to the wholesale market and retail consumers)</li> </ul>	<ul style="list-style-type: none"> <li>Baseline value electricity (2018) : 88% cumulative share in electricity generation of companies having a share of at least 5 % in total generation (2018) Target( 2027): below 80%</li> <li>Baseline value gas (2019) : Herfindahl–Hirschman Index (2019 as per data of the Energy Regulator) for natural gas imports and national production segment: 4 026; Target (2027): below 4000)</li> </ul>	<ul style="list-style-type: none"> <li>Data of market observers, Annual Reports of the Energy Regulator, Eurostat data</li> </ul>
(ii) Increased share in energy supply and enhanced use of renewable energy sources, including hydrogen, and development of environmentally sustainable industrial processes and technologies, through development of enabling framework, support to investments and innovation;	<ul style="list-style-type: none"> <li>Increased overall share of renewable sources in the gross final energy consumption (%)</li> </ul>	<ul style="list-style-type: none"> <li>Baseline: 8,05% [2019]: Target (2027) to be defined by Integrated climate and energy plan, revised energy strategy which are under formulation now, as well as by Ukraine's international obligations under the Energy Community Treaty</li> <li>Baseline (2020): 12,3 %</li> <li>Target (2030): 30% (updated 2<sup>nd</sup> NDC)</li> </ul>	<ul style="list-style-type: none"> <li>Monitoring and activity progress reports, annual data of the National Statistical Office, Eurostat, Agency of Energy Efficiency and Renewable Energy</li> </ul>
(iii) gradual progress towards just transition of coal regions including development of a multi-stakeholder process in this area;	<ul style="list-style-type: none"> <li>Reduced GHG emissions –</li> </ul>	<ul style="list-style-type: none"> <li>Baseline (1990)</li> <li>Target (2030) 65% down from the 1990 baseline (based on the second Nationally Determined Contribution (NDC) and Ukraine's international obligations</li> </ul>	<ul style="list-style-type: none"> <li>National GHG emission inventories under the UNFCCC, monitoring reports</li> </ul>

<p>(iv) enhanced mobilisation of support to green transition, development of carbon pricing, sustainable use of resources and circular economy, switch to low-carbon technologies, provision of business advice, knowledge and access to finance on green transition and resource efficiency, increased public awareness on these topics and encouragement of climate neutrality pledges among governments (including at the local and regional level), businesses and population</p>	<ul style="list-style-type: none"> <li>• Number of smallholders, government officials, businesses, households reached with EU supported interventions.</li> <li>• Increased air quality and enhance biodiversity</li> </ul>	<ul style="list-style-type: none"> <li>• Baseline [2020]: 0; target 2027: 3,000</li> </ul>	<ul style="list-style-type: none"> <li>• EU supported interventions surveys and reporting on these actions</li> </ul>
<p>(v) enhanced mobilisation of support for increasing air quality and enhancing biodiversity. Increased progress and investments in energy efficiency, modernisation of public buildings and housing.</p>	<ul style="list-style-type: none"> <li>• Number of smallholders, government officials, businesses, households reached with EU supported interventions.</li> <li>• Number of actions for increasing air quality and enhancing biodiversity.</li> </ul>	<ul style="list-style-type: none"> <li>• Baseline 2021: 0 ; Target 2027: 500</li> <li>• Baseline: 0 ; Target at least 2</li> </ul>	

**Specific objective 2: Promoting sustainable use of natural resources, pollution reduction and biodiversity enhancement protection, including through sustainable food systems and agriculture, as well as enforcement of environmental legislation, by increasing energy efficiency, promoting circular economy and supporting adaptation to climate change and risk disaster prevention**

Expected Results	Indicators	Baseline & targets	Means of verification
<p>(i) enhanced mobilisation of support for increasing air quality and biodiversity protection increased progress and investments in energy efficiency, modernisation of public buildings and housing;</p>	<ul style="list-style-type: none"> <li>• Number of residential buildings having applied to the Ukrainian Energy Efficiency Fund for a grant for thermo-modernisation of their dwellings;</li> <li>• Number of households benefitting from the grants offers by the Ukrainian Energy Efficiency Fund;</li> <li>• Number of thermally renovated public buildings (schools, hospitals, etc) with at least 20% reduction of energy consumption via IFIs programmes supported by the EU</li> </ul>	<ul style="list-style-type: none"> <li>• Baseline [2016]: 0; target (2027): 4,127</li> <li>• Baseline [2017]: 0; target (2027): 302,780</li> <li>• Baseline: [2020] 50; target (2027): 1100</li> </ul>	<ul style="list-style-type: none"> <li>• Energy Efficiency Fund</li> <li>• Energy Efficiency Fund</li> <li>• Reports from the EU-funded programmes implemented by the IFIs</li> </ul>
<p>(ii) improved and transparent governance of agricultural and forestry resources, including land, and sustainable development of food systems (e.g. via organic farming) and of rural areas and small farms integrated into consolidated value chains</p>	<ul style="list-style-type: none"> <li>• Decreased percentage of illegal logging and related trade and of illegal, unreported and unregulated (IUU) fishing</li> <li>• Increased percentage of organic farming</li> </ul>	<ul style="list-style-type: none"> <li>• Baseline [2020]: estimated at respectively 40% and 80%; Target (2027) decrease by 40%</li> </ul>	<ul style="list-style-type: none"> <li>• Data and annual activity reports from State Forest Resources and Fisheries Agencies</li> </ul>

<p>(iii) enhanced modernisation of waste and wastewater management through implementation of new technologies and investments, development of regulatory framework in the waste sector, with a view also to stimulating circular economy initiatives;</p>	<ul style="list-style-type: none"> <li>• Reduced environmental pollution (water, air, sea)</li> <li>• Increased waste water treatment capacity</li> <li>• Number of circular economy initiatives / businesses supported</li> <li>• Number of implemented EU directives included in Annex XXX to the Association Agreement;</li> </ul>	<ul style="list-style-type: none"> <li>• Baseline [2020] 0;</li> <li>• target (2027) – all directives covered by Annex XXX with implementation deadline in 2027</li>   <li>• Baseline 0;</li> <li>• target (2027) 15 circular economy initiatives and businesses supported</li> </ul>	<ul style="list-style-type: none"> <li>• Official records of Ukrainian authorities and analytical reports of EU projects</li> </ul>
<p>(iv) enhanced mobilisation of support to green transition, to decouple carbon emissions and pollution and economic growth, and public awareness among governments, businesses and population.</p>	<ul style="list-style-type: none"> <li>• Number of government officials, businesses, smallholders, households reached with EU supported interventions, with sex disaggregation, where relevant</li> </ul>	<ul style="list-style-type: none"> <li>• Baseline [2020]: 0; target 2027: 3,000</li> </ul>	<ul style="list-style-type: none"> <li>• EU supported interventions surveys and reporting on these actions as well as Farm surveys through individual project</li> </ul>

**Priority area 4: A resilient digital transformation**

**Specific objective 1: Supporting digital transformation and innovation to promote sustainable economic growth**

Expected Results	Indicators	Baseline & targets	Means of verification
<p>(i) well-functioning e-government ecosystems able to provide digital services to citizens and businesses</p>	<ul style="list-style-type: none"> <li>Extent to which digital and open data solutions are applied in government-to-business, government to citizens and business-to-business services including (a) availability of electronic services; (b) share of public services online as of total services; number of users of DIIA (mobile application of digitalised services) and portal of administrative services combined, sex-disaggregated.</li> </ul>	<ul style="list-style-type: none"> <li>Approximately 100 public services available online (2020); 10% increase (2027)</li> <li>Approximately 25% of public services available online (2020); 90% services available online (2027)</li> <li>3.7 million users of DIIA + 3 million users of portal of administrative service online (2020) / 25% increase (2027)</li> </ul>	<ul style="list-style-type: none"> <li>Official UN statistics and reports, Ministry of Digital Transformation statistics and reports (including reports of the EU supported project EU4Digital and EU4DigitalUA)</li> </ul>
<p>(ii) enhanced digitalisation through investments in support of modernisation in various sectors of the economy (such as automation of electric power networks management, intelligent transport systems);</p>	<ul style="list-style-type: none"> <li>Increased amount of investments in various digital solutions for specific sectors of economy, allowing enhanced digitalisation of those sectors.</li> </ul>	<ul style="list-style-type: none"> <li>2020 baseline value 0.7119 out of 1, target (2027) – above 0.75.</li> </ul>	<ul style="list-style-type: none"> <li>UN E-Government Development Index (EGDI) general</li> </ul>

<p>(iii) enhanced digital innovation through strengthening of the digital ecosystem with enhanced capacities of SMEs and innovative businesses, including women-led, and of government to conduct innovation policy;</p>	<ul style="list-style-type: none"> <li>Increased amount of digital services provided to start-ups, entrepreneurs and innovative businesses.</li> </ul>	<ul style="list-style-type: none"> <li>Baseline 2020: 0.6824 out of 1, target (2027) – above 0.75.</li> </ul>	<ul style="list-style-type: none"> <li>UN E-Government Development Index (EGDI), Online Services sub-Index -</li> </ul>
<p>(iv) improved digital inclusion including digitalisation of education and vocational training;</p>	<ul style="list-style-type: none"> <li>Increased number of citizens having acquired digital skills, sex disaggregated;</li> <li>Percentage of teachers and students who improve digital skills with EU support, sex-disaggregated</li> </ul>	<ul style="list-style-type: none"> <li>400 000 citizens have received some digital training (2020) / 2 million citizens (2027)</li> </ul>	<ul style="list-style-type: none"> <li>Official statistics, Ministry of Digital Transformation and Ministry of Education and Science/Regional Administrations reports, census data, sociological surveys, media, reports of the EU supported project (EU4Digital and EU4DigitalUA)</li> </ul>
<p>(v) enhanced digital infrastructure investments including broadband development at borders (e.g. smart queuing systems);</p>	<ul style="list-style-type: none"> <li>Access to affordable high-speed internet through fibre or fixed broadband.</li> </ul>	<ul style="list-style-type: none"> <li>Internet penetration rate 60% (2020); 80% (2027)</li> </ul>	<ul style="list-style-type: none"> <li>Official statistics, Ministry of Digital Transformation and Ministry of Education and Science/Regional Administrations reports, census data, sociological surveys, media, reports of the EU supported project (EU4Digital and EU4DigitalUA)</li> </ul>
<p>(vi) legislative and institutional alignment of Ukraine's digital sector with the EU in order to fully benefit from the EU-Ukraine Association Agreement</p>	<ul style="list-style-type: none"> <li>Progress in the implementation of Annex XVII of the AA/DCFTA</li> </ul>	<ul style="list-style-type: none"> <li>Partial approximation (2020) / Approximation, enforcement and institutional framework assessed to be sufficient for considering granting of internal market treatment in telecom sector (2027)</li> </ul>	<ul style="list-style-type: none"> <li>EU Delegation/Commission reporting / independent reporting commissioned by the EU projects</li> </ul>

**Specific objective 2: Countering hybrid threats through addressing cybersecurity challenges**

Expected Results	Indicators	Baseline & targets	Means of verification
<p>(i) legal framework on cybersecurity in line with EU and Council of Europe (CoE) principles;</p>	<ul style="list-style-type: none"> <li>Alignment of relevant legislation with the EU cybersecurity <i>acquis</i></li> </ul>	<ul style="list-style-type: none"> <li>Partially (2020) // full approximation (2027)</li> </ul>	<ul style="list-style-type: none"> <li>Surveys, assessments, monitoring data, media reports, government data and reports</li> <li>Government data, CSO reports, assessments, monitoring data</li> <li>Government data and reports, assessments, monitoring data</li> <li>EU assessment on cybersecurity legislation (last 2019)</li> <li>High-level cyber dialogue between EU and UA</li> </ul>
<p>(ii) stronger capacities of key stakeholders in overall resilience against cyber threats and alignment with the EU cybersecurity standards.</p>	<ul style="list-style-type: none"> <li>ITU Global Cybersecurity Index (GCI)</li> <li>eGA National Cybersecurity Index (NSCI)</li> <li>Number of key stakeholders benefitting from capacity building activities aimed at improving resilience against cyber threats</li> <li>Number of cyber security dialogues between EU and UA</li> </ul>	<ul style="list-style-type: none"> <li>GCI score: 0.661 (2020); 5% improvement of the score (2027)</li> <li>NSCI score: 68.83 (2020); 5% improvement of the score (2027)</li> <li>Average number of cyber exercises during the last three years: 1 (2020);</li> <li>Target (2027) 3</li> <li>Baseline 2021: Number of EU-Ukraine cybersecurity dialogues per year: 0 (); target 2023: 2</li> <li>EU Hybrid Risk survey not conducted (2020)/ conducted (2027)</li> </ul>	



**Priority area 5: A resilient, gender-equal, fair and inclusive society**

**Specific objective 1: Supporting conflict-affected and vulnerable regions through social and economic recovery and enhanced human security, including by pursuing humanitarian demining activities and enhancing Ukraine’s capacities to address risks from mines and other explosive remnants of war and by ensuring protection rights of the conflict-affected population.**

Expected Results	Indicators	Baseline & targets	Means of verification
<p>(i) enhanced capacity, inclusiveness and transparency of concerned line ministries in regional and local governments in conflict-affected and vulnerable regions</p>	<ul style="list-style-type: none"> <li>Level of satisfaction of local population with the quality of public services (disaggregated by region and sex)</li> <li>Proportion of the population who perceives decision making as inclusive, transparent and responsive (disaggregated by region and sex)</li> </ul>	<ul style="list-style-type: none"> <li>Baseline (SCORE index 2019): Donetsk region – 5.8 (total): 5.8 (women), 5.8 (men); 5.9 (18-35), 5.8 (36-59), 5.8 (60+); Luhansk region – 5.9 (total): 5.9 (women), 5.9 (men), 6.1 (18-35), 5.7 (36-59), 5.8 (60+) Target (SCORE index 2027): Donetsk region – 7.0 (total), 7.0 (women), 7.0 (men), 7.0 (18-35), 7.0 (36-59), 7.0 (60+); Luhansk region – 7.1 (total), 7.1 (women), 7.1 (men), 7.2 (18-35), 7.0 (36-59), 7.0 (60+)</li> <li>Baseline (2019): Donetsk region – 36% (total), Luhansk region – 36.9% (total), Zaporizhzhia region – 41.1% (total); women – 39.2% (across regions), men – 36.3% (across regions); 18-29 – 40.6% (across regions), 30-59 – 35.8% (across regions), 60+ – 34.1% (across regions) Target (2027): Donetsk region – 48% (total), Luhansk region – 48% (total); Zaporizhzhia region – 50% (total); women – 48% (across regions), men – 48% (across regions); 18-29 – 50% (across regions), 30-59 – 45% (across regions), 60+ – 43% (across regions)</li> </ul>	<ul style="list-style-type: none"> <li>SCORE index, surveys, project assessments and reports, monitoring data, media reports</li> </ul>

<p>(ii) stronger capacities of communities in conflict-affected and vulnerable regions for citizen dialogue, engagement, peacebuilding and reconciliation</p>	<ul style="list-style-type: none"> <li>• Rate of active citizenship orientation (disaggregated by region, sex and age)</li> <li>• Number of new mechanisms of citizen-driven participation (disaggregated by region)</li> </ul>	<ul style="list-style-type: none"> <li>• Baseline (SCORE index 2019): Donetsk region – 3.7 (total): 3.2 (women), 4.3 (men), 4.9 (18-35), 4.0 (36-59), 2.3 (60+); Luhansk region – 4.6 (total): 3.9 (women), 5.4 (men), 5.8 (18-35), 5.0 (36-59), 3.0 (60+)</li> <li>• Target (SCORE index 2027): Donetsk region – 5.2 (total): 5.0 (women), 5.5 (men), 6.0 (18-35), 5.5 (36-59), 3.5 (60+); Luhansk region – 6.0 (total): 5.5 (women), 6.2 (men), 6.5 (18-35), 6.0 (36-59), 4.0 (60+)</li> <li>• Baseline (2021): Donetsk region – 0, Luhansk region – 0, Zaporizhzhia region – 0, Kherson region – 0</li> <li>• Target (2027): Donetsk region – 15, Luhansk region – 12, Zaporizhzhia region – 10, Kherson region – 8</li> </ul>	<ul style="list-style-type: none"> <li>• SCORE index, surveys, project assessments and reports, monitoring data, media reports</li> </ul>
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<p>(iii) improved access to protection and human security including through continued support to demining and economic resilience in conflict-affected communities.</p>	<ul style="list-style-type: none"> <li>• Level of health security (disaggregated by region, sex and age)</li> <li>• Percentage of local stakeholders satisfied with the EU-supported public infrastructure investment projects (disaggregated by region and sex)</li> <li>• Access of the conflict-affected population to pensions, social benefits, public services and civil documentation</li> <li>• Land (square meters) released for use in agriculture or development (disaggregated by region)</li> </ul>	<ul style="list-style-type: none"> <li>• Baseline (SCORE index 2019): Donetsk region – 4.9 (total): 4.9 (women), 5.0 (men), 5.3 (18-35), 5.0 (36-59), 4.6 (60+); Luhansk region – 4.8 (total): 4.7 (women), 4.9 (men), 5.2 (18-35), 5.0 (36-59), 4.3 (60+) Target (SCORE index 2027): Donetsk region – 6.0 (total): 6.0 (women), 6.0 (men), 6.5 (18-35), 6.0 (36-59), 5.6 (60+); Luhansk region – 6.0 (total): 6.0 (women), 6.0 (men), 6.5 (18-35), 6.0 (36-59), 5.5 (60+)</li> <li>• Baseline (2019): 74.6% (men across regions), 74.8% (women across regions) Target (2027): over 80% (men across regions), over 80% (women across regions). Disaggregation by region to be identified at action level</li> <li>• Baseline: 0 (2021) • Target: over 60% NGCA and GCA residents near the contact line</li> <li>• Baseline (2021): 0 Target: 750 000 m2 per year of operations. Disaggregation by region to be identified at action level</li> </ul>	<ul style="list-style-type: none"> <li>• SCORE index, surveys, project assessments and reports, monitoring data, media reports, national statistics</li> <li>• Means of verification: Protection monitoring and surveys, project assessments and reports, media reports</li> </ul>
<p>(iv) simplified administrative procedures and conditions for the civilians at the entry-exit crossing points on the line of contact</p>	<ul style="list-style-type: none"> <li>• Level of satisfaction by the civilians with the crossing procedures and conditions</li> </ul>	<ul style="list-style-type: none"> <li>• Baseline: 54% satisfied with conditions (UNCHR EECP monitoring 2020)</li> <li>• Target (2027): above 75%</li> </ul>	<ul style="list-style-type: none"> <li>• Means of verification: UNCHR Eastern Ukraine Checkpoint Monitoring data, project assessments and reports, media reports</li> </ul>

**Specific objective 2: Supporting the resilience of Ukrainian information space by strengthening sustainability of independent media; by reinforcing the actions reaching out to the conflict affected populations; and by conducive media environment aligned with the EU audio-visual media legislation**

Expected Results	Indicators	Baseline & targets	Means of verification
(i) higher financial sustainability of independent media outlets, including the public broadcaster;	<ul style="list-style-type: none"> <li>Media outlets' actual levels of financial diversification and planning for experimentation with earned revenue models</li> </ul>	<ul style="list-style-type: none"> <li>Low (2020) // Medium (2027)</li> </ul>	<ul style="list-style-type: none"> <li>USAID Media Sustainability Report – Ukraine</li> </ul>
(ii) enhanced stable media environment aligned with the EU <i>acquis</i> and higher protection standards and security for journalists;	<ul style="list-style-type: none"> <li>Ranking in the World Press Freedom Index</li> <li>Media legislation/regulations approximated to EU standards</li> </ul>	<ul style="list-style-type: none"> <li>Global score of Reporters without Borders ranking: 32.52 (2020) // 5% improvement of global score (2027)</li> <li>Not approximated (2020) // approximated (2027)</li> </ul>	<ul style="list-style-type: none"> <li>Yearly reporting by Reporters Without Border</li> <li>AA Implementation Report</li> </ul>
(iii) enhanced capacities of media professionals, civil society, citizens and central and local government officials to identify and dismantle disinformation	<ul style="list-style-type: none"> <li>Levels of internal and external cooperation to counter hybrid disinformation threats</li> <li>Number of disinformation related trainings for journalists/officials</li> </ul>	<ul style="list-style-type: none"> <li>Number of bilateral EU-UA expert or management meetings on fighting disinformation: 1 (2020) // 10 (2027)</li> <li>EU Hybrid risk survey conducted: none (2020) // yes (2027)</li> <li>Ukraine aligns its definition of disinformation to the EU definition and to the EU code of conduct on countering disinformation: “No approximation//approximation done”</li> <li>Number of officials/journalists trained in disinformation-related topics (2019-2020) 160 // (2026-27): 500</li> </ul>	<ul style="list-style-type: none"> <li>EUDEL/Commission/EEAS reports</li> </ul>

(iv) improved quality content	<ul style="list-style-type: none"> <li>Number of hours of quality content available through the EU support</li> </ul>	<ul style="list-style-type: none"> <li>0h (2020); 20h (2027)</li> </ul>	<ul style="list-style-type: none"> <li>EUDEL/Commission/EEAS reports</li> </ul>
(v) improved outreach to the conflict affected populations (including non-government-controlled areas) and populations living in vulnerable regions.	<ul style="list-style-type: none"> <li>Audience share of EU supported media outlets among conflict-affected populations</li> </ul>	<ul style="list-style-type: none"> <li>100,000 (2020); 150000 (2027)</li> </ul>	<ul style="list-style-type: none"> <li>Independent media monitoring</li> <li>EUDEL/COM/EEAS reports</li> <li>Reporting by TV channels</li> </ul>

**Specific objective 3: Promote social cohesion, including political, economic, social and cultural rights of minorities and gender equality**

<b>Expected Results</b>	<b>Indicators</b>	<b>Baseline &amp; targets</b>	<b>Means of verification</b>
(i) Increased participation of Ukrainian women and men, including residents from the other side of the contact line, in the social, cultural and political life in view of a reconciliation process	<ul style="list-style-type: none"> <li>Percentage of citizens participating in social, cultural and political life in form of organisations or political movements. (disaggregated by sex)</li> </ul>	<ul style="list-style-type: none"> <li>Baseline 2021: 85% of the population state that they don't belong to any organisation or political movement, Target 2027 : 78</li> </ul>	<ul style="list-style-type: none"> <li>Yearly sociological surveys ("Ukrainian society" Yearly monitoring by the Institute of sociology, National Academy of science, 2020)</li> </ul>
(ii) enhanced exercise of political, economic, social and cultural rights by different social, ethnic and minority groups;	<ul style="list-style-type: none"> <li>Percentage of citizens that perceive national minorities influencing local decision-making</li> </ul>	<ul style="list-style-type: none"> <li>Baseline 2021: 34% of respondents believe that national minorities influence local decision-making (survey by the CoE among the national minorities, 2020); Target 2027: 45% (possibly by EU funded research)</li> </ul>	<ul style="list-style-type: none"> <li>Results of the fifth wave of a sociological survey among Ukrainian population", Sociological Survey conducted by the Center for Social Indicators in August-September 2020 at the request of the Council of Europe, at <a href="http://www.slg-coe.org.ua/category/library/?lang=en">http://www.slg-coe.org.ua/category/library/?lang=en</a></li> </ul>
(iii) strengthened gender equality	<ul style="list-style-type: none"> <li>Placement in the WEF Global Gender Gap Index</li> </ul>	<p>Baseline 2021: 74/156 in the WEF Global Gender Gap Index 2021 (in the 2020 Index (published in 2019) it ranked 59/153];</p> <p>Target 2027 : 50/156</p>	<ul style="list-style-type: none"> <li>WEF Global Gender Gap Report.</li> </ul>

**Specific objective 4: Contributing to a robust healthcare system, including by addressing COVID-19 and aligning public health with provisions of the Association Agreement**

Expected Results	Indicators	Baseline & targets	Means of verification
(i) transparent and professional healthcare system	<ul style="list-style-type: none"> <li>• Share of out-of-pocket payments for medical services by patients</li> <li>• Number of medical institutions that have signed contracts with the NHS</li> <li>• Leadership of medical agencies is selected in an independent and transparent manner</li> <li>• Budget of independent medical agencies (NHS, PHC, CPA)</li> </ul>	<ul style="list-style-type: none"> <li>• 54% (2018) // 2027 decreased</li> <li>• 3,842 (2020)/ 2027 increased</li> <li>• Partially (2021) // 2027 yes</li> <li>• NHS – 113.3 billion AH (2020)/ increased</li> <li>• PHC – 224 million UAH (2020)/ increased</li> <li>• CPA - 7.2 billion UAH (2021)/ increased</li> </ul>	<ul style="list-style-type: none"> <li>• WHO reports, state statistics</li> <li>• National Health Service reports</li> <li>• Agencies' reports, official appointments publications</li> <li>• Reports of the agencies</li> </ul>

<p>(ii) strengthened public health to respond better to threats, including epidemiological issues and blood safety</p>	<ul style="list-style-type: none"> <li>• Number of EU Directives fully approximated in line with AA provisions</li> <li>• Level of immunisation in the population</li> <li>• Number of non-remunerated blood donations</li> <li>• Percentage of smoking population, sex-disaggregated</li> </ul>	<ul style="list-style-type: none"> <li>• 0 (2020) // All (see AA tracking)</li> <li>• Polio (2020) 83%/ target 2027 :95% MPR (2020) 83%/ target 2027:95% Measles (2020) 78%/ target 2027 95%</li> <li>• 12 per year per 1,000 population (2019) / target 2027 20 per year per 1,000 population</li> <li>• Smokers older than 18 years – 24.2%, 42.2% men and 9.4% women (2019) / Target 2027 – 17%</li> </ul>	<ul style="list-style-type: none"> <li>• Reports from WHO, WB, OECD and/or MOH/MOH Agencies' statistics (for all four indicators)</li> </ul>
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**Specific objective 5: Increasing border security while facilitating trade and orderly movement of people and goods through integrated border management, including anti-smuggling efforts as well as enhanced cooperation with Frontex**

Expected Results	Indicators	Baseline & targets	Means of verification
<p>(i) more reliable and shorter in time border processing and crossing point processing for goods and people</p>	<ul style="list-style-type: none"> <li>• Passenger processing time on implemented Model border crossing points (BCPs) is reduced by 20%</li> <li>• Custom procedures' time at implemented Model BCPs is reduced by 20%</li> <li>• Annual Business Operators' Survey shows further reduction in reports of corruption practices by customs (CSO report)</li> <li>• A pilot joint cross-border surveillance of green border at UA-Member State border is implemented</li> <li>• A coherent biometric strategy for Ukrainian law enforcement is adopted and effectively implemented. A service-orientated biometric architecture is in place, using, in line with European and international best practice, fingerprints as the main biometric identifier</li> <li>• Large-scale smuggling of goods is criminalised, relevant legislation adopted and implemented.</li> </ul>	<ul style="list-style-type: none"> <li>• (Baseline: EU4IBM detailed analysis on the basis of which they develop the Model BCPs) Baseline to be established in 2022:</li> <li>• (Baseline: EU4IBM detailed analysis on the basis of which they develop the Model BCPs)</li> </ul> <p>Target 2027: decrease by at least 1/5:</p>	<ul style="list-style-type: none"> <li>• Annual Business Operators' Survey</li> </ul> <p>EU4IBM analysis</p>



<p>(ii) higher customs revenues while ensuring high levels of security, widespread use of biometric identifiers to improve identity management</p>	<ul style="list-style-type: none"> <li>Annual Business Operators' Survey shows further reduction in reports of corruption practices by customs (CSO report)</li> <li>Large-scale smuggling of goods is criminalised, relevant legislation adopted and implemented.</li> </ul>	<ul style="list-style-type: none"> <li>Business Operators Survey 2020.in the area of corruption practices by customs, target 10 % reduction 2022</li> <li>Revenue from administrative fines for smuggling in 2020; target 20% increase 2023</li> </ul>	<ul style="list-style-type: none"> <li>Annual Business Operators' Survey</li> <li>SCS data or data provided via EU4IBM</li> </ul>
<p><b>Specific objective 6: Strengthening Ukraine's security and migration management capabilities, supporting Ukraine to continue fulfilling the visa liberalisation benchmarks, including to enhance return and readmission, through capacity building as well as introducing relevant IT tools, including biometrics-based identity management; promoting circular migration</b></p>			
<p><b>Expected Results</b></p>	<p><b>Indicators</b></p>	<p><b>Baseline &amp; targets</b></p>	<p><b>Means of verification</b></p>
<p>(i) alignment of the Ukrainian border security architecture and migration and asylum management with European and international standards and best practices,</p>	<ul style="list-style-type: none"> <li>Number of supported policies / legislation to improve efficiency within the migration management area implemented</li> </ul>	<ul style="list-style-type: none"> <li>baseline 2021: 0</li> <li>Target 2027 (at least 4)</li> </ul>	<p>Reports of the Ukrainian authorities</p>

<p>(ii) strengthened capacities and increased level of performance of the relevant agencies, and improved inter-service cooperation (i.e. with the help of IT tools, including a switch to biometrics-based identity management).</p>	<ul style="list-style-type: none"> <li>• Number of mechanisms e.g. Inter-Agency working groups periodical coordination meetings, new policies / regulations to improve cooperation adopted and implemented.</li> <li>• Sustainable IT solutions and equipment that will significantly enhance the capacity, and subsequently also the efficiency, of the state agencies is in place.</li> <li>• Switch to a biometrics-based identity management, based on a service-oriented IT architecture similar to the EU's Biometric Matching System</li> </ul>	<ul style="list-style-type: none"> <li>• Baseline 2021: 0</li> <li>• Target 2027: 12</li> <li>• Number of IT solutions in 2020, target 10% increase in 2023</li> <li>• Status of the biometrics based identity management in 2020, 2023</li> </ul>	<ul style="list-style-type: none"> <li>• Reports of the Ukrainian authorities</li> <li>• Reports of EU4IBM</li> </ul>
<p>(iii) Increased interoperability in the area of integrated border management with the European Border and Coast Guard through strengthened structural cooperation, operational footprint, and capacity building</p>	<ul style="list-style-type: none"> <li>• Number of capacity building projects on border management, including with Frontex</li> </ul>	<ul style="list-style-type: none"> <li>• Working Arrangement concluded in 2007, to be renewed once a model WA is drawn by the Commission.</li> <li>• Frontex and EUAM supported national authorities in the drafting process for the national IBM Strategy 2020-2025 and the relevant Action Plan – Ukrainian partners have expressed their interest in benefitting from the continuous support, especially in evaluating the current strategy and preparing a new one</li> </ul>	<p>Reports of the Ukrainian authorities</p>

<p>(iii) reinforce the effectiveness of return and readmission procedure and their sustainability.</p>	<ul style="list-style-type: none"> <li>• Number of nationals illegally staying in the EU from Ukraine, ordered to return and effectively returned and the issuance rate of travel documents following readmission requests from Member States</li> <li>• Number of Ukrainian citizens supported by reintegration assistance</li> </ul>	<ul style="list-style-type: none"> <li>• Baseline: 21 540 return orders and 5 550 effective returns.</li> </ul>	<p>Eurostat data on illegally staying, return orders issued by Member States, return rate</p> <p>Frontex data on issuance rate of travel documents</p>
<p>(vi) enhanced circular migration</p>	<ul style="list-style-type: none"> <li>• Number of initiatives supported to improve labour and legal migration.</li> </ul>	<ul style="list-style-type: none"> <li>• Baseline 2020: 0 and target 1</li> </ul>	<ul style="list-style-type: none"> <li>• Project implementation</li> </ul>

## Annex 2: Donor matrix- commitments per donor per sector for the period 2021 onwards

Source: International Aid Transparency Initiative<sup>10</sup>  
Grouping based on DAC5 sector codes EUR million

		Austria	Denmark	EBRD	EIB	EU	Finland	Germany	Latvia	Netherlands	Poland	Slovakia	Sweden	EU, Member States and European Development Finance Institutions
<b>MIP priority areas / DAC5 sectors</b>														
Total	DACS sector code	0.78	17.19	1,707.18	518.80	150.94	19.58	156.39	12.54	8.26	0.58	0.18	38.10	2,630.51
<b>MIP priority area 1: Increase the resilience, sustainability and integration of the economy</b>														
Education, Level Unspecified	111					-5.74	2.51							763.15
Basic Education	112					21.89	1.15					0.25		-3.23
Secondary Education & Vocational Training	113					4.50		0.77						23.29
Post-Secondary Education	114					-0.76	10.36	1.78		0.01				5.27
Other Social Infrastructure & Services	160	0.78	2.22			-2.26		20.98			0.58		0.49	11.38
Banking & Financial Services	240			92.92		15.20							1.33	22.79
Business & Other Services	250					0.03								109.45
Industry	321			187.69		-36.88							0.06	0.03
Mineral Resources & Mining	322			154.72		0.00								150.86
Construction	323			82.26		0.00								154.72
Trade Policies & Regulations	331			206.96		-2.05								82.26
Tourism	332					-0.62								206.94
<b>MIP priority area 2: Reinforce the accountability of institutions and promote the rule of law and security</b>														
Government & Civil Society-general	151		6.88			98.47	0.47	9.02		0.04			18.32	137.13
General Budget Support	510					0.00							3.93	133.20
<b>MIP priority area 3: Promote environmental and climate resilience</b>														
Health, General	121					-1.27		18.70						923.87
Basic Health	122					0.00								17.44
Population Policies/Programmes & Reproductive Health	130					0.00								0.00
Water Supply & Sanitation	140			35.09		6.53		13.03				0.18		54.83
Transport & Storage	210			143.23		-9.16								0.00
Communications	220			45.87		0.00								134.08
Energy Policy	231					-3.22	3.60	3.83					2.26	45.87
Energy generation, renewable sources	232			79.16		3.83		0.18					0.88	6.47
Energy generation, non-renewable sources	233					0.00								84.06
Nuclear energy plants	235					6.24								0.00
Energy distribution	236			113.07		-5.54		22.54					0.44	6.24
Agriculture	311			402.58		31.64							0.01	130.50
Forestry	312					0.00	0.01							434.24
General Environment Protection	410					0.00	0.03	9.02					1.09	0.01
<b>MIP priority area 4: Support a resilient digital transformation</b>														
<b>MIP priority area 5: Support a resilient and inclusive society, including through response to conflict</b>														
Conflict, Peace & Security	152		8.09		1.63	-22.27	1.46	1.98		8.21			0.21	115.82
Emergency Response	720					1.89			12.54				2.37	-0.69
Reconstruction Relief & Rehabilitation	730					4.56		42.27					0.01	16.80
Disaster Prevention & Preparedness	740					45.91		3.83					3.13	46.85
<b>Not allocated to a MIP priority area</b>														
Other Multisector	430			133.14	517.16	0.00		4.60					3.23	690.55
Administrative Costs of Donors	910					0.00		0.14						658.13
Unallocated / Unspecified	998			28.46		0.00		3.72					0.10	0.14
														32.28

<sup>10</sup> Not all Member States are reporting to the International Aid Transparency Initiative

### **Annex 3: Flagship Initiatives for Ukraine**

#### **Flagship 1: Supporting a sustainable, innovative, green and competitive economy – direct support to 100 000 SMEs**

*The Covid-19 pandemic has heavily hit the Ukrainian economy. To help the recovery, the EU will support programmes focussing on business incubators as well as facilitate access to finance for the SMEs, boosting their export capacities and providing for an overall boost to the Ukrainian economy. The aim is to directly support around 100 000 Ukrainian SMEs and self employed people.*

#### **Flagship 2: Economic transition for rural areas – assistance to over 10 000 small farms**

*The land reform is one of the most crucial reforms currently being rolled out in Ukraine, underpinning the full transition to a liberal economy. In this context the EU will contribute to the Partial Credit Guarantee Fund that will support more than 10.000 small farms in getting quicker access to affordable loans and purchase the farmland they are cultivating (over 260,000 ha.).*

#### **Flagship 3: Improving connectivity by upgrading border crossing points**

*Economic operators need reliable border processing times for imported or exported goods. Further exploitation of Ukraine's touristic potential will soon require handling border crossings that will quadruple or quintuple compared to today's (=pre-pandemic) figures. Investments would focus on physical infrastructure, intelligent queuing and processing systems (especially for lorries) and IT systems that would optimize currently inefficient business processes, inter alia via integrated data exchange.*

#### **Flagship 4: Boosting the digital transformation – modernising public IT infrastructure**

*In the coming years a public sector digital transformation programme is planned to be launched with a substantial contribution envisaged from the Ukrainian government. This programme will support the modernization of the Ukrainian government's digital transformation infrastructure (servers, datacentres etc). This is important also due to cybersecurity aspects as Ukraine continues to be at the frontline of Russian hybrid attacks.*

#### **Flagship 5: Increasing energy efficiency support for renewable hydrogen**

*The Energy Efficiency Fund (EEF) is funding projects improving the energy efficiency in multi-apartment buildings to strengthen Ukraine's energy independence, reduce energy bills of households and reduce excessive wastage of energy. The take-up of funding is so successful that in the coming years the EU will continue allocating the necessary co-funding of the EEF. The EU also intends to support the development of clean and renewable hydrogen.*