



EUROPEAN UNION

European Neighbourhood and Partnership
Instrument

Ukraine

**NATIONAL INDICATIVE PROGRAMME
2011-2013**

Abbreviations

AA	Association Agreement
CIB	Comprehensive Institution Building
CSP	Country Strategy Paper
CSOs	Civil Society Organisations
DCFTA	Deep and Comprehensive Free Trade Area
EaP	Eastern Partnership
EIB	European Investment Bank
ENP	European Neighbourhood Policy
ENP AP	ENP Action Plan
ENPI	European Neighbourhood and Partnership Instrument
FTA	Free Trade Area
GDP	Gross Domestic Product
IFIs	International Financial Institutions
IMF	International Monetary Fund
MDGs	Millennium Development Goals
NIP	National Indicative Programme
PCA	Partnership and Cooperation Agreement
REC	Ukraine Regional Environmental Centre
SPS	sanitary and phyto-sanitary
TA	Technical Assistance
TACIS	Technical Assistance to the CIS
USAID	US Agency for International Development
VET	Vocational Education Training
WB	World Bank

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PART ONE: INTRODUCTION: MID-TERM REVIEW

1. Introduction

A Ukraine Country Strategy Paper (CSP) for overall assistance to Ukraine during the period 2007 – 2013 was approved in 2007 together with a multi-annual National Indicative Programme for bilateral assistance to Ukraine under the European Neighbourhood and Partnership Instrument (ENPI) covering the period 2007-2010. Annual Action Programmes (AAP) for the years 2007, 2008 and 2009 were approved and the AAP 2010 is currently in preparation. In the autumn of 2008, a review of the CSP was carried out. This concluded as follows:-

- A number of significant developments had occurred in the relationship between the EU and Ukraine. These involved a progressive deepening of the relations with Ukraine and included: the launch of negotiations on an EU-Ukraine Association Agreement; the launch of a visa dialogue with Ukraine, the entry into force of Visa Facilitation and Readmission Agreements, the deepening of technical and financial cooperation across the board and the launch of an EU Joint Initiative for Crime;
- At the domestic level, the political situation had remained unstable. The economic situation had deteriorated sharply as a consequence of the global economic and financial downturn. Nonetheless Ukraine's political leadership remained committed to developing closer relations with the EU and to strengthening political association and economic integration in particular. And while the impetus for reform may have slowed since the 2004 "Orange Revolution" the basic direction of the reform programme remained unchanged.

As a consequence, the review concluded that the main lines set out by the CSP remained relevant.

Developments in Ukraine

Since the Orange Revolution of 2004, Ukraine has made significant progress in deepening respect for democratic norms and human rights: successive national elections have been conducted largely in accordance with international standards; civil society has taken root and flourished particularly in the larger cities; there is a large degree of pluralism in the media due partly to pluralism in media ownership. At the same time the major political forces in Ukraine (including both the former Orange Coalition leaders and the main opposition party) have confirmed Ukraine's European aspirations and its commitment to a reform agenda. Nonetheless, reform efforts in particular as regards implementation of laws and other normative acts have been significantly undermined by political instability. Political divisions within Ukraine's leadership have in turn been exacerbated by constitutional arrangements which lack clarity as regards the division of powers and responsibilities. Consequently in the past two years the pace of reform has slowed and at certain significant periods of time some of the major institutions of state have been virtually paralysed. These trends were noted in the Commission's Progress report on the Implementation of the European Neighbourhood Policy in Ukraine in 2008, Sec (2009) 515/2. Key reform priorities remain: reform of the constitution itself; strengthening of respect for the rule of law (notably through judicial reform), redoubling of efforts to combat corruption and strengthening of the business and investment climate. Ukraine's leadership has repeatedly confirmed the importance of continuing reform in all of these areas and consequently these priorities are reflected in the new EU-Ukraine Association Agenda.

While concerns remain on human rights, in particular as regards the treatment of vulnerable groups (used in this document throughout to include prisoners, refugees and asylum seekers, people with HIV and AIDS, and other minorities) and respect for the rule of law, Ukraine continued to make progress in some key areas such as criminal justice reform and gender equality.

Ukraine has been one of the countries most seriously hit by the global financial and economic crisis in Eastern Europe. The crisis has had a particularly severe impact on industrial sectors such as steel production (Ukraine's largest single export item) and the sudden reduction in access to international capital markets. Maintaining revenue from exports is critical to Ukraine's long-term development. The EU accounts for about 30% of Ukraine's trade, while CIS countries account for about 40%. Ukraine has a major ferrous metal industry, producing cast iron, steel, and steel pipe, and a chemical industry focused on mineral fertilizers and sulphuric acid. Ukraine is also a major producer of grain, sunflower seeds, and beet sugar.

In response to economic and financial pressures, the IMF agreed a Standby Arrangement (SBA) with Ukraine for USD 16.4 billion in November 2008. The SBA was accompanied by a number of reform conditions including pension and social costs reforms in order to limit Ukraine's agreed budget fiscal deficit. Although some tentative signs of stabilisation have appeared since April 2009, overall, forecasts suggest a GDP contraction of up to 14% in 2009.

The longer term social impact of the economic and financial in Ukraine has yet to be fully determined. Nonetheless it is clear that it is having a significant impact on employment in the industrial East of the country where lay offs and short-time working have sharply increased. It is likely that the crisis will also impact on vulnerable populations and on women through pressures on jobs, pensions and social payments and social and health expenditure as a result of efforts to address Ukraine's projected fiscal deficit. It is to be expected that remittances to Ukraine from workers will reduce as Ukraine's workforce abroad, largely concentrated in the construction sector, is downsized as a result of reduced demand for construction works across the region and competition from domestic work-forces for limited jobs. The extent to which Ukrainian nationals working abroad choose to return home as a consequence of the crisis, has yet to be seen.

Developments in the EU-Ukraine relationship

Since the approval of the current CSP, the relationship between the EU and Ukraine has intensified. Key elements here are negotiations on a new Association Agreement (AA) between the EU and Ukraine. The AA foresees a significant enhancement of the EU –Ukraine relationship across all areas of cooperation as well as the establishment of a deep and comprehensive free trade area (DCFTA), the first of its kind in the region. Negotiations on a DCFTA were made possible by Ukraine's accession to the WTO in May 2008.

At the same time, the EU and Ukraine engaged in extensive negotiations on a new Association Agenda which has now replaced the EU-Ukraine Action Plan (which entered into force in 2005) except as regards JLS matters. The Association Agenda aims to prepare for and facilitate the entry into force of the AA once negotiations are completed. It is a practical, focused and living document which includes mechanisms for the regular review of the priorities for cooperation set out in it.

Other major developments in the bilateral relationship include the adoption of an EU-Ukraine Justice and Liberty and Security Action Plan in 2007, the entry into force of the Visa and

Readmission Agreements and the launch of a visa dialogue with Ukraine in October 2008 with the aim of establishing a visa-free regime for short-term travel to the EU as a long-term perspective. At the same time, negotiations on Ukraine's accession to the Energy Community Treaty have continued apace and energy relations between the EU and Ukraine continue to deepen on the basis of the EU-Ukraine Memorandum of Understanding on Energy Co-operation. On 23 March 2009 the European Commission and the Government of Ukraine co-hosted an International Investment Conference for the modernisation of Ukraine's gas transit system. The Joint Declaration signed on that occasion contained a number of reform commitments consistent with those established within the wider context of the EU's cooperation with Ukraine on energy. Negotiations for an EU - Ukraine Common Aviation Area agreement were also launched at the end of 2007, with the aim of gradually integrating Ukraine into the EU single aviation market.

The EU-Ukraine dialogue on agriculture and rural development is marked by the signature of the Memorandum of Understanding (18 October 2006) and regular high level meetings and technical working groups. A permanent dialogue is also established between the Ukrainian competent authorities and EU services on food safety and access of food products to the EU - Ukrainian markets.

The EC, now EU, and Ukraine have had a bilateral Cooperation Agreement in science and technology since 2003. The Agreement was renewed in 2004 for five years and is currently being renewed for a further five years. In June 2009, Ukraine formally requested association to the 7th Framework Programme for Research and Technological Development, based on the policy to open EU programmes to ENP countries.

Ukraine is also covered by the Black Sea Synergy, a regional cooperation initiative covering the five eastern ENP countries as well as the Russian Federation and Turkey. The Black Sea Synergy is an EU sea-basin inclusive initiative aimed at solving problems which require region-wide efforts. Implementation of the Black Sea Synergy involves, inter alia, the establishment of sector partnerships, like the one concerning environment to be launched soon. Other sectors and cooperative schemes are currently also being explored.

Finally, in May 2009, the Eastern Partnership (EaP) was launched in Prague offering the opportunity for deeper relations between the EU and six neighbouring Eastern countries, including Ukraine, as well as between them. Ukraine has indicated its interest in the comprehensive institution-building programme and the new flagship initiatives foreseen by EaP.

As regards technical and financial cooperation, nearly 400 programmes and projects, currently being implemented under the last TACIS allocations and the ENPI, continue to contribute to progress in the main strategic areas of the PCA and EU-Ukraine Action Plan. In 2007 with the introduction of the ENPI the EU moved to a sector approach, mainly through budget support (around 70% of total national allocation), in a number of sectors (energy, removal of barriers to trade, environment and transport) linked to key reform conditionalities. Remaining funds are mainly allocated to capacity and institution development through twinning and technical assistance, in line with the EU Backbone Strategy. Support to EU approximation and public administration reforms is reinforced through the ENPI Interregional programme's funding of TAIEX and SIGMA. The ENPI East Regional programme aimed at regional cooperation will increasingly support multilateral efforts linked to the implementation of the Eastern Partnership. Significant funds are also provided through the Instrument for Nuclear Safety Co-operation and other thematic budget lines, such as the European Instrument for Democracy and Human Rights,

Environment and Sustainable Management of Natural Resources, Investing in People and Migration and Asylum. In addition, Tempus and Erasmus Mundus continue as key instruments in support of higher education reform and international academic and student mobility in Ukraine. In an effort to combat HIV/AIDS, the EU significantly contributes through the Global Fund (Round 6). Finally as a response to the economic and financial crisis, the Commission is considering a package of macro-financial assistance to Ukraine.

At the international level, Ukraine ratified the Mine Ban Treaty in 2005 and committed to destroying stockpiled anti-personnel mines (APM) by 2010. For various technical reasons this deadline will not be met. Nonetheless Ukraine remains fully committed to destroying its APM stockpiles. It has received support from the EU in the past and is considers further assistance from the EU to complete the process to be a major priority.

PART TWO: The Indicative Programme for 2011-2013

2. Main priorities and goals

Taking into account the above, the new Indicative Programme for 2011-2013 will consist of the following:

Priority Area 1: Good Governance and the Rule of Law

Sub-priority 1: Justice, Freedom and Security

Sub-priority 2: Integrated Border Management

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

Sub-priority 4: Disarmament

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

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

Sub-priority 2: Facilitation of the establishment of a DCFTA

Priority Area 3: Sustainable Development

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

Sub-priority 2: Regional and Rural development

The extensive cooperation between the partner country and the EU based on the Eastern Partnership policy framework, and existing and possible future contractual relations, require that the ENPI NIP covers a relatively broad range of areas. The NIP priority areas included in this programme should be covered during the programming period 2011-13. However, the indicative nature of this programme provides certain flexibility regarding the implementation of sub-priorities. The identification process for Annual Action Programmes provides an opportunity to assess the suitability and timeliness of addressing a sub-priority and to adapt the proposed measures to the evolution of EU policies and sector developments. In this process care should be taken to ensure implementation of those sub-priorities of key importance for deepening the relationship with the EU in the context of the Eastern Partnership and supporting reforms.

3. Indicative Budget

Under this NIP 2011-2013 Ukraine will benefit from €470.05 million from the European Neighbourhood and Partnership Instrument (ENPI). This includes the €43.37 million earmarked for the Comprehensive Institution Building Programme (CIB), and €30.79 million for the Cohesion Policy. If the CIB cannot be agreed or its implementation is delayed, the earmarked funds will be fully or partially reallocated to other programmes.

The National Indicative Programme for Ukraine foresees the following indicative allocations for each priority in the period from 2011 to 2013:

Priority Areas	Mio €	%
Priority Area 1: Good Governance and the Rule of law	€94,000-€141,000	20-30%
Priority Area 2: Facilitation of the entry into force of the EU-Ukraine Association Agreement (including a deep and comprehensive Free Trade Area)	€117,500-€164,500	25-35%
Priority Area 3: Sustainable Development	€211,500-258,527	45-55%
Total Indicative ENPI allocations 2011-2013	€470,050	100%

4. Priority areas

4.1. Priority area 1: Good Governance and the Rule of Law

The promotion of good governance and respect for the rule of law are fundamental principles in the relationship between the EU and Ukraine and consequently feature as priorities in the new EU-Ukraine Association Agreement currently being negotiated and the Association Agenda. Reforms in these sectors are critical not only to the full enjoyment of human rights but also to efforts to combat corruption and to enhance the business and investment environment. In this regard, civil society has a vital role in ensuring greater public accountability and should be integrated as far as possible in the implementation of these priorities. At the same time the commitment of the authorities, in particular as regards reform of the administration and state institutions will depend heavily on the endorsement of reform by the authorities. This is an issue which is already reflected in the EU-Ukraine Association Agenda but should also be followed closely at a political level in order to ensure ultimate success.

4.1.1. Sub-priority 1.1: Justice, Freedom and Security

Association Agenda III, 2.1 II & III, (d)

Impact: More effective and accountable public decision-making, increased respect for human rights, a diminution in corruption and a corresponding improvement of the investment and business climate in Ukraine.

Specific Objective: To contribute to the development and implementation of a coherent sector-wide reform strategy in the area of the administration of justice.

Expected results:

- Increased efficiency of administration of justice in line with international standards;
- Increased impartiality and integrity of the judiciary;
- Improved respect for human rights by the prosecution, law enforcement agencies, and penitentiary staff in accordance with international standards and best practice;
- Easier access to justice for the general public (including vulnerable groups) and economic operators;
- To help secure the operability of the institution of the Authorised Agent for Anti-Corruption Policy.
- Improved management of migration and asylum issues;
- Improved results in the fight against organized crime, trafficking in human beings and drugs;
- Effective protection of personal data.

Indicators of achievement¹:

- Assessments/progress reports by EU, NGOs, the UN and the Council of Europe (including the European Committee for the Prevention of Torture) about notable improvements in respect of good governance, rule of law, human rights and fundamental freedoms;

¹ All general indicators set out in this NIP will need to be further aligned (and specified) in the Annual Action Programmes.

- Increased application of international human rights principles by the judiciary, the prosecuting authorities, law enforcement agencies and the state penitentiary service;
- Increased public confidence in the judiciary and the law enforcement agencies
- A credible, comprehensive and transparent annual and multi-year sector budget for the proper implementation of the justice sector policy and reform put in place;
- Effective enforcement of court decisions in accordance with international standards demonstrated by available statistics from the Ministry of Justice of Ukraine.
- Access to justice is improved through provisions of free legal aid (in particular for women and for vulnerable groups) and cooperation with civil society providing legal aid in Ukraine is enhanced;
- Increased efficiency and impartiality of the civil and administrative courts leading to greater investment and business confidence.
- Establishing effective Programmes against organized crime, drugs, trafficking in human beings containing detailed action plans with specific objectives, activities and results to achieve and performance indicators;
- Ratification and effective implementation of the UN Convention against Corruption;
- Implementation and ratification of the 1981 CoE Convention for the Protection of Individuals with regard to the Automatic Processing of Personal Data and the 2001 Additional Protocol thereto, including the establishment of an independent supervisory authority

4.1.2. Sub-priority 1.2: Integrated Border Management

Association Agenda III, 3

Impact: Facilitated movement of persons and goods in the context of increased security at the borders.

Objectives: To increase the security of land and maritime borders and facilitating legal movements of persons and goods, by the alignment of management practices and procedures to European standards as well as building up capacity for better fighting cross-border crime (including trafficking in drugs and human beings and irregular migration).

Expected results:

- The establishment of a policy and legal framework aimed at the facilitation of the legal movements of persons and goods (and at combating cross-border crime including trafficking in drugs, human beings and irregular migration);
- Border control procedures and management systems approximated to those of the relevant EU *acquis communautaire* and best international standards;
- Modern border infrastructure, information systems and border checks and surveillance equipment used and maintained;
- Efficient implementation of the EU-Ukraine readmission agreement;
- Enhanced document security (biometric passports)

Indicators of achievement:

- Physical border infrastructure and information technology systems created as well as relevant border/customs control and surveillance equipment supplied to the State Border Guard Service and to the State Customs Service;

- Decreased waiting time at the border crossing points for persons and for customs clearance;
- Increased data exchange and inter-agency cooperation among all national services involved in border management and the fight against cross-border crime.
- Increased number of cases detected of illegal border activities, in particular trafficking of narcotics and of people;

4.1.3. Sub-priority 1.3: Public Administration Reform and Public Finance Management

Association Agenda III, 2, 2.1,(I) & 2.2 & III,7

a) Public administration and civil service reform

Impact: Relations between citizens and public bodies are improved as a result of appropriate public policy formulation and provision of public services.

Objectives: To increase the efficiency of the state administration and policy making process by promoting the organizational development of public institutions, including public enterprises, building capacity and developing a culture of transparency, inclusiveness and public accountability.

Expected results:

- Organisational development plans designed and implemented in selected public institutions;
- Improved capacity of public institutions as regards policy-making and policy-implementation through internal coordination, as well as consultation and partnership with all relevant stakeholders;
- Improved general policy framework for human resource management in the civil service, including recruitment, career development and performance assessment;
- Improved capability of human resource units in public sector institutions to recruit and develop staff based on professional competency profiles and effective equal opportunities policies.
- Improved quality of administrative service delivery to the citizens and the business, including through the use of information technologies

Indicators of Achievement:

- Strategy and implementation plan for a comprehensive public administration reform adopted;
- Availability and enforcement of norms and regulations (manuals, methodologies, procedures) regarding policy-making and policy implementation, including monitoring and evaluation, based on coordination and partnership principles;
- Adoption and implementation of a human-resource management plan, including professional competencies, the promotion of equality and training strategies for the public sector and introduction of a single information system for civil service human resource management;
- Availability of a strategy and implementation plan for a comprehensive civil service reform;
- Reformed administrative structures are operational (legal framework, required personnel, procedures in place)

- Availability of an on-line registry of administrative services based the "one-stop-shop" principle and internal exchange of documents between public bodies involved;
- Quality and number of administrative services delivered online or based on the "one-stop-shop" principle

b) Public finance management

Association Agenda, III, 2.2/ III. 7

Impact: More effective use of public funds through increased transparency of budget planning, strengthened accountability of public finance planning & management institutions.

Objectives: To improve the capacity of the public administration to elaborate and co-ordinate state policies and to translate them into budgetary decisions.

Expected Results:

- Increased capacities of “goals-oriented budget” formulation and upgraded skills in associating expenditure side of the budget with programmes’ goals – developed tools and level of their introduction into practice in the process of budget elaboration and execution;
- Availability of a comprehensive legal framework ensuring unity of the State budget, including budget execution and control;
- Improved institutional capacities for financial management and control systems as well as for internal audit;
- Increased transparency and accountability of government expenditure, including public procurement (in line also with commitments foreseen in the deep and comprehensive free trade area);
- Cooperation with relevant EU institutions in cases of on-site checks related to the administration and control of EU funds.

Indicators of Achievement:

- Increased coherence of the approved State budget with the goals declared in the Sector Policy Papers;
- EU-compliant legislation necessary to support the process of budget formulation and execution in place;
- Budget execution and control procedures based on the relevant financial and budgetary EU acquis (from both an institutional and capacity point of view);
- Increased level of budget execution discipline, clear and transparent procedures of budget management institution operations, reduced number of reported cases in the budget execution process (incl. in relation to public procurement) and increased parliamentary oversight by and involvement of civil society in monitoring of budget planning and implementation.

c) Taxation

Impact: Economic relations, trade, investment and fair competition improved through enhancement of good governance in the tax area, including a gradual approximation of the tax system and administration in line with international and EU structures and standards.

Objectives: to improve legislation and strengthen the capacity of the tax administration to enhance the rule of law and good governance in the tax area.

Expected Results:

- Elaboration of a comprehensive strategic plan for the State Tax Administration including, legislation, procedures, resources and IT support;
- Improvement and development of tax system and administration and gradual approximation to the principles of good governance in the tax area and of the Code of Conduct for business taxation;
- Improvement of integrity standards in the tax administration

Indicators of achievement:

- A long-term strategy for the State Tax Administration developed and implemented;
- Sustainable solution to VAT refund problem is implemented;
- Tax controls and audits are more focused and risk-based;
- Measures taken to harmonize policies in the area of excisable products;
- High standards of integrity are ensured throughout the tax administration.

4.1.4 Sub-Priority 1.4: Disarmament

Impact: Implementation of Ukraine's commitments made in the context of the Convention on the Prohibition of the Use, Stockpiling, Production and Transfer of Anti-Personnel Mines and on their Destruction (Ottawa Convention)

Objectives: To support Ukraine's efforts to destroy stockpiled anti-personnel landmines through the procurement of demilitarization equipment;

Expected results:

Improved procedures and capacity for anti-personnel land mine destruction;
Destruction of all stockpiled anti-personnel land mines according to the provisions of the Ottawa Convention Article 4;

Indicators of Achievement:

- State and expert reports provided on the implementation of the Ottawa Convention;
Monitoring reports on the progress of the implementation of the Ottawa Convention requirements by relevant international NGOs.

4.2. Priority area 2: Facilitating the entry into force of the EU-Ukraine Association Agreement (including the establishment of a DCFTA)

The exceptional degree of regulatory approximation envisaged by the agreement, particularly regarding sector co-operation and in relation to market access, will require significant capacity building activities, notably in relation to planning, co-ordination, regulation, supervision and enforcement.

4.2.1. Sub-priority 2.1: Facilitation of entry into force of the EU-Ukraine Association Agreement

The EU-Ukraine Association Agenda aims to help facilitate the entry into force of the EU-Ukraine Association Agreement. It consists of a number of priorities for action linked to the commitments which will appear in EU-Ukraine Association Agreement once it enters into force.

These include obligations to transpose and implement both EU and international *acquis* across a range of sectors – public health, transport, energy, environment, agriculture etc².

Impact: the progressive implementation of the commitments contained in the EU-Ukraine Association Agenda.

Objective: To assist in the implementation of the priorities set out in the EU-Ukraine Association Agenda with the overall aim of preparing for and facilitating the entry into force of the EU-Ukraine Association Agreement (including Ukraine's participation in EU programmes as foreseen in the Agreement).

Expected Results: Ukrainian partners are better able to fulfill commitments undertaken in specific priority areas set out in the Association Agenda.

Indicators: The periodic review and revision of the Association Agenda will constitute the main source for indicators here.

4.2.2. Sub-priority 2.2. Facilitation of the establishment of a Deep and Comprehensive Free Trade Area

Association Agenda III, 5

The objective of promoting of trade between the EU and Ukraine remains a major priority in EU-Ukraine relations and has been confirmed by Ukraine's accession to the WTO in May 2008 and the launch of negotiations on an EU-Ukraine Association Agreement with the establishment of a deep and comprehensive free trade area (DCFTA) as an integral part of it. The DCFTA is set to put trade relations between the EU and Ukraine on a stable and predictable basis. Through a process of regulatory approximation in areas covered by the agreement, trade in goods and services, as well as investment between the two economies should significantly intensify and benefit from extensive economies of scale. Substantial efforts will be required, inter alia, in the areas of technical regulations, competition policy, public procurement, sanitary and phytosanitary (SPS) measures, financial services, statistics, customs and trade facilitation. Overall the objective of promoting trade between the EU and Ukraine should contribute to the progressive reduction of poverty and exclusion in the country.

a) Facilitation of regulatory approximation in areas covered by the Deep and Comprehensive Free Trade Area

Impact: Foster EU-Ukraine trade and investment

Objectives:

As regards technical regulations: To facilitate approximation of technical regulations on industrial products, standards and conformity assessment procedures and the institutional infrastructure for quality; to support the establishment in Ukraine of performance-oriented systems and institutions for quality assurance, aiming to promote economic efficiency and innovation and enhance trade between the EU and Ukraine;

² In the case of public health, for example, this could include ensuring adequate systems and structures for the surveillance and control of threats to human health from communicable diseases, in particular to implement International Health Regulations, or to implementing the Framework Convention on Tobacco Control.

As regards competition policy: To facilitate the adoption and maintenance of comprehensive competition laws and implementing rules which effectively address anti-competitive agreements, abuses of dominant position, anti-competitive mergers and state aid;

As regards public procurement: To attain mutual market access and to create an efficient public procurement system based on the principles governing public procurement including transparency, non-discrimination and equal treatment at all levels (national, regional and local and including the utilities sector);

To promote the regulatory approximation of the Ukrainian public procurement system with the relevant rules of the EU procurement acquis;

To promote the necessary institutional reforms, including the creation of an impartial and independent review body and mechanism

As regards sanitary and phytosanitary (SPS) measures: To facilitate the establishment in Ukraine of SPS-based control-oriented systems and reforms in terms of legislative approximation, capacity building and on-spot implementation.

As regards services: To facilitate the harmonization of the Ukrainian legal framework and regulatory regime with the existing and future *acquis communautaire* in services sectors where approximation has the greatest potential to facilitate mutual trade, particularly in key areas such as financial services, transport, postal and courier, telecommunications services as well as in the energy sector.

As regards customs: To harmonise Ukraine's legislation and procedures with the relevant *acquis communautaire*, and develop the operational capacity of customs administration to facilitate legitimate trade.

Expected results:

Technical regulations: The further development of the Ukrainian legislation concerning the provisions regulating the circulation of industrial products in line with the relevant EU acquis;
The establishment of market surveillance systems in different sectors of the economy, in line with EU practices;

The development of an independent National Standardisation Body and metrology services, aiming to reduce radically the intervention possibilities of the public authorities in their activities;

The development of a private market of conformity assessment;

The international recognition of Ukraine's National Accreditation Agency;

Competition policy: The adoption of principles used in assessing competition law infringements, in particular concentrations, and in calculating fines;

Publication of the decisions of the Competition Authority within a reasonably short delay;

Adoption of an effective system of State aid control applying to goods and services and prohibition of state aids which distort trade between Ukraine and the EU;

Enhanced transparency of public aid granted at various levels of government;

Public procurement: The gradual, reciprocal and mutual opening of public procurement markets with regard to the legislative approximation with the EU procurement acquis, institutional reform and their implementation;

The participation of European bidders in public procurement in Ukraine, and vice versa;

The adoption and implementation by Ukraine of a regulatory framework complying with the EU procurement acquis, including rules on an independent and impartial review system;

SPS-related measures: The further development of the Ukrainian SPS legislation and related regulatory framework concerning the provisions regulating animal health, animal welfare and plant health in line with the relevant EU acquis;

The establishment of early warning mechanisms in SPS sectors, in line with EU practices;

Increased operational and financial independence, administrative capacities and enforcement powers of the SPS competent authority;

The preparation of a comprehensive strategy for the implementation of the SPS part of the DCFTA covering all reforms in terms of legislative approximation, capacity building and implementation.

Services: The development of a more effective regulatory framework, for markets and supervision equivalent to that existing in the EU notably in terms of the administrative capacities and enforcement powers and independence of the regulators in regulated sectors;

The approximation of Ukrainian legislation with existing and future EU legislation in relevant areas, including its full implementation and enforcement;

The development of EU equivalent authorisation, licensing procedures and implementation of the overall principle of non-discrimination;

The development of increased cooperation between Ukraine and EU supervisors, plus other relevant international organizations (e.g. FATF, MONEYVAL), especially regarding exchange and disclosure of information in the financial services sector;

Customs and Trade Facilitation: The adoption of modern, international and EU standards and instruments, in particular elaborated by the WCO and WTO in the field of customs and trade;

provision of reliable external trade data based on international methodology; the facilitation and simplification of customs clearance and control procedures based on risk analysis; the improvement of integrity standards in the customs administration

Indicators of achievement:

Technical regulations: Level of harmonisation of the Ukrainian legal and regulatory framework as well as evidence based (standards) with the EU one in the spheres of standardisation, market surveillance, metrology and legal metrology, conformity assessment and accreditation;

International recognition of the new or reformed institutions;

Increased participation of the private sector in quality infrastructure activities, such as the standardization and conformity assessment.

Competition policy: Greater convergence of Ukrainian competition law and practice with the EU acquis;

Improved institutional and administrative capacity of the competition authority;

Increased transparency and a more predictable enforcement practice based on fair and non-discriminatory procedures.

Public procurement: Approximation of the Ukrainian procurement legislation with the EU acquis on public procurement;

A significant increase of participation of EU companies in tendering opportunities in Ukraine, and vice versa;

SPS-related measures: Greater convergence of the Ukrainian legal and regulatory SPS framework with the relevant EU *acquis*: improved institutional and administrative capacity of the competent authorities responsible for implementing the SPS framework;

Services: In financial services, positive assessment by EU of Ukrainian regulators' and supervisors' compliance with the principles of international financial organizations.

Increased level of conformity with the EU norms in the sectors at hand; notably capital adequacy and risk management standards by market participants in the financial sector; adequate safety standards in the transports sector; narrowing down of the number of services which are subject to licensing and authorisation procedures;
Consolidation of the market for relevant services.

Customs and Trade Facilitation A long-term strategy for the State Customs Service, including on transit, developed and Ukraine's Customs Code's administrative instructions and implementing provisions approximated to those of the EU *acquis* and best international standards including the customs' blueprints;

Customs valuation control is fully aligned with WTO standards and an up-to-date Harmonized System is implemented

High standards of integrity are ensured in the customs

The rate of physical controls, particularly at the border is reduced.

4.3. Priority area 3: Sustainable Development

The aim is to ensure the social and environmental viability of growth strategies, addressing supply-side constraints in a sustainable manner, especially in relation to infrastructure development, and with an appropriate focus on institutional issues.

4.3.1. Sub-priority 3.1. Energy, Environment and Climate Change and Transport

Association Agenda III 6 & 7

a) Energy

Cooperation between the EU and Ukraine in the energy sphere has been developing actively since the signature of the Memorandum of Understanding on Energy Co-operation in December 2005, which recognised that both parties face common energy policy challenges: transit, diversification and security of energy supplies, nuclear safety, energy market reforms, the development and modernisation of energy infrastructures, enhancing effectiveness, safety and environmental standards in the coal sector, energy efficiency and the use of renewable energy sources. A number of important developments have taken place subsequently: the decision at the Zagreb Ministerial Conference of December 2009 approving Ukraine's accession to the Energy Community Treaty once gas legislation compliant with the *acquis* has been introduced, the adoption of key conditions for investment in the modernisation of the Ukrainian gas transit infrastructure in March 2009, agreement on a road map on energy efficiency and renewable energies from March 2008, the implementation of a joint EU-IAEA-Ukraine project on safety

assessment for Ukrainian Nuclear Power Plants and the allocation of €145 million for budget support to Ukraine's energy strategy implementation and in the area of energy efficiency.

The ENPI Regional programme will complement the bilateral reform support by furthering regional cooperation in the energy field. In addition a number of reform conditionalities were agreed at the end of July 2009 between the IFIs, the Commission and the Government of Ukraine with the aim to support gas purchase from Russia. These and other conditions agreed in the context of the Energy Community Treaty and the modernisation of the gas sector are designed to improve the governance, transparency and sustainability of the gas sector.

Impact: Secured supply of energy resources to Ukrainian and European consumers. Energy efficiency in Ukraine and the development of the use of renewable sources of energy (with the overall aim of limiting the level of CO₂ emissions in line with Ukraine's international commitments) have a significant security, economic and environmental impact.

Objectives: To further support the integration of Ukraine's energy market into the European market and to strengthen cooperation in the area of energy efficiency and renewable energy sources in accordance with the EU-Ukraine Association Agenda and the EU-Ukraine MoU on Energy Cooperation as well as the Roadmap of the EU-Ukraine Working Group on Energy Efficiency, Renewable Energy and Measures to tackle Climate Change signed in March 2008.

Expected Results:

- Ukrainian legislation harmonized with the EU *acquis* in the field of energy, regulation, environment, competition, nuclear safety, etc, including in accordance with commitments undertaken in the context of the Energy Community Treaty accession process as well as in the EU-Ukraine Association Agreement and Deep Free Trade Agreement;
- Contribution made to the modernization of Ukraine's gas transit infrastructure; reform of the gas sector and improved reliability of natural gas supplies to Ukrainian and EU consumers;
- Progress made in Ukraine's approximation to the European Network of Transmission System Operators for Electricity (ENTSO-E);
- Development and implementation of strategic oil stocks and rules for the prospection and exploration of hydrocarbons in accordance with the EU *acquis*; the improvement of the quality of oil products and the development of oil transport infrastructure;
- Further restructuring of the solid fuel mines in accordance with the coal sector restructuring plan, inter alia by applying EU mine safety standards and practices as well as making use of available technologies for coal mine methane recovery and use;
- The legal and regulatory framework for the energy efficiency and renewable energy sector in Ukraine is strengthened and harmonised with the EU practice and *acquis*;
- Support and share EU best practices; increase access to and facilitate the import of relevant new technologies;
- Ukraine supported as regards the implementation of its climate change commitments.

Indicators of achievement:

- Adoption of the relevant EU energy *acquis* in the context of Ukraine's accession to the Energy Community Treaty and the implementation of the Association Agreement;
- Full implementation of the EU-Ukraine MoU on Energy Cooperation;
- Full implementation of the Joint EU-Ukraine Declaration on Modernisation of Ukraine's gas transit infrastructure (signed on 23 March 2009), including disbursement of the loans by the IFIs; relevant government agencies' role is enhanced and reinforced;

- New improved laws and regulations in the field of energy efficiency and renewable energy are approved and implemented; (tax) incentives are introduced and are realistic in promoting efficiency and performance; viable support schemes are put in place for promoting the use of renewable energy sources
- Improvement of energy efficiency in industrial, energy and agricultural sectors;
- Increase of the share of renewable energy sources in Ukraine's energy mix;
- Programmes for the facilitation of new technologies imports are developed.
- Indicators of energy efficiency, based on national energy statistics compiled according to international standards

b) Environment and climate change

Despite progress achieved in addressing the heavy environmental legacy of the past, Ukraine's environment still remains in a critical state. There is an urgent need for integration of environmental considerations and improvement of energy efficiency in industrial, energy and agricultural sectors and the raising of environmental awareness among consumers. The key environmental issues in Ukraine mostly relate to the air quality, water quality, waste management, nature protection and radiation contamination in the north-eastern part of the country. Support to regional cooperation in the area of environment and climate change will be provided through the ENPI Regional programme.

Impact: The negative environmental legacy of the past is addressed and mitigated and a new approach to environment is reflected in strengthened environment protection, sustainable use of natural resources and improved quality of life.

Objectives: To strengthen Ukraine's environment policy development and implementation and the sustainable management of natural resources (relevant sectors could include air quality, water quality and resource management, waste management, industrial pollution, nature protection, marine and coastal environment), to improve the environmental standards for human health safety, to increase environmental cooperation and awareness and to address climate change causes (mitigation) and effects (adaptation) in line with Ukraine's commitments under the Kyoto Protocol and its expected successor agreement.

Expected results:

- Improved strategic approaches and approximation of national environment policy and legislation to EU *acquis* and policy;
- Environmental and climate change integrated into sector policies;
- Strengthening of the administrative capacity at the national, regional and local level.
- Improved capacity to implement climate obligations under the Kyoto Protocol and its expected successor agreement;
- Preparation of adaptation strategies and plans on climate change
- Level of public environmental awareness significantly increased;
- Environment standards raised to meet human health safety standards;
- Improved capacity to manage marine resources and coastal areas;
- Water supply and sanitation and water resource management significantly improved;
- Losses of bio and landscape diversity are limited;
- Improved capacity to implement actions to protect the Black Sea marine and coastal environment

Indicators of achievement:

- Greater harmonisation and alignment of procedures and policies in environmental sector in Ukraine with EU legislation, norms and practices;
- Development and updating of environmental plans in crucial areas including waste management, air pollution, nature protection, climate change: incorporation into government policies;
- Improved institutional/administrative capacity, accountability and transparency in the environment sector;
- Better environmental condition of the Black Sea and Azov Sea waters;
- Identification and designation of protected areas continued (target – to increase and strengthen management);
- Reduced emissions of greenhouse gases; number of joint implementation projects (especially under Green Investment Scheme) and steps taken to implement post 2012 Climate Agreement;
- Increased preparedness for climate change (mitigation and adaptation, including disaster risk reduction) across sector policies.

c) Transport

Ukraine plays a strategic role concerning integration into trans-European transport corridors in the region. Ukraine has also shown interest in establishing a common aviation area between Ukraine and the EU, the negotiations on which are ongoing. Transport sector development in Ukraine in the light of movement of goods and people is also closely linked with cross border and customs related issues as Ukraine is an important transit country connecting the EU with Russia, the South Caucasus and Central Asia (TRACECA corridor). Support to regional cooperation in the area transport will also be provided through the ENPI Regional programme.

Impact: The further integration of Ukraine in the Trans-European Transport Network and the internal EU aviation market, and the improvement of conditions of transport infrastructure.

Objectives: To contribute to the development of sustainable, safe and secure transport systems in Ukraine and enhance key transport links between Ukraine and its neighbours.

Expected Results:

- National Transport Policy and Strategy is under implementation and regular review;
- Institutional reforms in transport sector are well advanced;
- Improvements in safety and security are effected in the transport sector;
- The transport systems of Ukraine are better integrated with those of EU, notably in relation to the Trans-European Transport Network and interoperability;
- Better conditions for transport infrastructure development are created.

Indicators of achievement

- The strategic documents and action plans are in place and under implementation and monitoring; the administrative capacities in this field are improved;
- Number of measures (legislative and institutional) aimed at reinforcement of safety in road, maritime, rail and aviation sectors are implemented;
- Progress in negotiation and implementation of the EU-Ukraine Common Aviation Area agreement;
- Progress in preparation and implementation of EU *acquis* in transport fields;

- Progress in implementation of institutional reforms, in particular as regards railways.

4.3.2. Sub-priority 3.2 Social Cohesion: Regional and Rural Development

Association Agenda III ,7

Social cohesion is a multi-dimensional issue covering a number of policy areas. In its structured dialogue with government, and in the context of aid co-ordination activities organized with other donors, the Commission will ensure that key poverty reduction issues are addressed in Ukraine and that social provision is placed on a viable footing: this dialogue will include the reform of the pension system, strengthening of human capital, social safety nets, and employment policies.

The development of Ukraine's regions, and in particular its disadvantaged rural areas, is considered an important priority by the Ukrainian authorities in their efforts to promote balanced development and combat exclusion. It is of particular relevance today in view of the risk that a financial and economic downturn exacerbates existing regional disparities in access to employment and social and economic resources in the regions, as well fueling migratory flows away from the regions to large cities and abroad.

According to the recently published "Ukraine Competitiveness Report", regional disparities in Ukraine are substantial and continue to increase compared to 2005. In 2007 the Gross Regional Product per capita varied between UAH 49,795 (Kyiv city) and UAH 7,396 (Chernivtsi) (FEG 2009, p. 53). Comparing the "Global Competitiveness Index (GCI)" based on statistical and survey data for 15 selected Ukrainian regions with average national figures of 134 countries, the report comes to the conclusion that while "the best performer (Kyiv) is on par with some Central and Eastern European EU member countries, such as Hungary the least competitive region (Zarkapattya oblast) is comparable to countries with significantly lower per capita income, such as Tajikistan and Mali (FEG 2009, p. 111). Crimea is the second worst performer.

Planned EU support in the area of regional development would build on previous and ongoing interventions through Tacis and ENPI, including the ENPI-Cross Border Cooperation Programmes. This priority also reflects the importance of continuing support to sustainable development in Ukraine through technical and financial cooperation in key sectors including energy, the environment, transport; areas in which the EU has been consistently engaged through previous NIPs.

In the context of the Eastern Partnership, Ukraine will benefit from assistance aimed at addressing economic and social disparities between regions within the country and increasing its internal cohesion through supporting economic and social development. This assistance can take the form of regional development programmes modelled on the EU Cohesion policy designed to target local needs. This programme should be agreed between the Commission and Ukraine by mid 2012. To assist Ukraine in the establishment of such programme, assistance will be provided, as appropriate, in the form of Twinning or Technical assistance for the design of programmes and to prepare implementation structures. Such interventions should be based on the real needs of Ukraine and take into account its territorial organisation.

An increasing emphasis has recently been placed upon regional development in the Autonomous Republic of Crimea, reflecting the particular political, economic and social challenges in the

region, notably through a joint-initiative involving the European Commission and EU Member States, the central Ukrainian and Crimean Administrations. Activities in this area should both support this focus and draw on the experience of work in the Crimea in order to develop activities elsewhere.

a) Regional Development

Impact: Economic development, increased social cohesion and the reduction of regional disparities.

Objectives: To strengthen regional centres of growth with the aim of enhancing labour market participation, incomes and promoting access to social benefits and public services.

Expected Results:

- Increased regional economic dynamism through increased innovative and research and development (R&D) capability;
- Strengthened human capital at the regional level through labour market development, inclusive labour policies and enhancing employability;
- Adequate safety net models promoted;
- Strengthened territorial cohesion through the development of linkages between centres of growth and small communities, including cross border and inter-regional cooperation;
- Social and public services strengthened and/or introduced;
- Strengthened economic and employment dispersion in disadvantaged areas or areas experiencing specific development challenges;
- Enhanced accessibility to public services (transport infrastructure, rural development, e-governance, telecommunications, sanitation, water supply, energy supply, etc.);
- Strengthened capacity of regional development structures to implement and manage regional development policy taking into account environment protection;

Indicators of achievement:

- Regional macro-economic indicators demonstrate positive dynamics;
- The regional labour market demonstrates positive trends;
- Access to social and public services enhanced for local communities, communities register benefits of strengthened linkages with growth poles;
- Increased state budget resources allocated to regional development.

b) Rural development

Impact: Rural poverty is reduced, as well as the gap between standards of living in rural areas and in urban areas

Specific objectives: To promote a bottom-up approach to sustainable rural development tackling the low rural community self-governance capacity, the high levels of unemployment, migration flows and the lack of adequate social services

Expected results:

- Increased community capacity to identify, prioritise and resolve local problems as well as enhanced involvement in local development plans;

- Improved local development plans and utilisation of budgetary resources by local administrations;
- Living standards and incomes of rural population increased;
- Number of off-farm small businesses increased;
- Decreased unemployment in rural areas;
- Improved social services and reduced health problems in rural areas;
- A reduction in the gap between men and women in access to social services, employment and standards of living;
- Social cohesion is strengthened through the reduction of social gaps

Indicators of achievement:

- Number of operational and sustainable support institutions (advisory services, credit unions, associations, etc.);
- Employment, welfare and business statistics;
- State budget devoted to rural development.

5. Implementation

Joint ownership and consultation with Ukrainian stakeholders have been guiding principles in the development of the NIP (and are indeed also reflected in the EU-Ukraine Association Agenda). The close link between shared policy and assistance objectives is ensured since the NIP takes as a point of departure the commitments set out in the Association Agreement currently being negotiated between the EU and Ukraine, including the establishment of a Deep and Comprehensive Free Trade Area. Priorities have also been identified in relation to the Association Agenda, which prepares for and facilitates the entry into force of the Agreement.

During the implementation period, the Association Agenda will continue to be the key reference document for the NIP. The Annual Action Programmes which will operationalise the NIP should build on reviews of progress and additional support needs in relation to the implementation of the Association Agenda. ENP Progress Reports and the work of sub-committees established under the PCA will support the identification needs. Collaboration with Ukrainian partners in the design of programmes is key to successful implementation.

Where relevant, stakeholders (incl. Civil Society Organisations) will be consulted on the design of the measures to be implemented under this programme and might be involved in the monitoring process. As appropriate, civil society organisations should be supported in their role of promoting reform and increasing public accountability in the sectors supported by the NIP. Consistency should be sought between stakeholder consultation in this process and as regards the implementation of the EU-Ukraine Association Agenda and the Eastern Partnership.

As appropriate, civil society organisations should also be supported in their role of promoting reform and increasing public accountability in the sectors supported by the NIP. Consideration should be given to further support to strengthening their capacities at a level which is most appropriate according to the sectoral and regional context (networks and platforms in some cases, intermediary or grass-root organisations in others). In addition, civil society will be supported through the European Instrument for Democracy and Human Rights, a major instrument promoting fundamental freedoms and democratisation. Cooperation with civil society is also envisaged through the multilateral track of the Eastern Partnership, which includes a civil society forum and which aims to promote contacts between people in the region.

Since the inception of the ENPI in 2007, technical and financial cooperation with Ukraine has undergone a major shift of aid modalities toward a programme-based approach and sector budget support. Support to sector programmes should continue to be considered the preferred option when necessary conditions are met. Where a priority area is not sufficiently mature for sector budget support, other forms of sector support and capacity-building can be encouraged.

Sector budget support programmes seek to enhance policy dialogue and increase government ownership in the reform process. Their design should be coherent with the priorities of the ENP Action Plans (and/or equivalent documents) and their implementation should be linked with the ongoing policy dialogue. The identification of the programmes should be based on a Sector Readiness Assessment. The existence of a well-defined sector strategy, a sound macro-economic framework, and a sound Public Finance Management system are necessary pre-conditions for budget support operations.

General Budget Support could be considered provided it is demonstrated that this aid delivery mechanism can effectively support the priorities of the NIP.

Overall, since budget support programmes have only recently started and it is difficult to draw far-reaching lessons from their early phases, their further implementation should be monitored closely during the NIP 2011-2013 period to ensure their effectiveness in achieving ENPI objectives. Initial analysis of the use of sector budget support in Ukraine shows that further work is required to maximize the benefits of the instrument in reducing transaction costs and maximizing the space available for structured policy dialogue. This aspect will be given attention in the present programming period.

The experience from the first phases of the energy budget support programme is that the government's ability to fully focus on the programme has been hampered by the protracted situation of crisis in the gas sector. This points to the need to devote significant efforts to ensuring a robust dialogue with the partner government throughout the programme, in close coordination with other actors as IFIs. There is also a need to continue a strong dialogue in the area of public finance management, where further progress will be linked to the evolution of the political situation in Ukraine. A key issue in the energy programme that will continue to be part of the EU dialogue with Ukraine during 2011-2013 is the passing of a public procurement law in line with international standards and EU directives. Other lessons learned from the energy programme are that there is a need to use technical assistance extensively to ensure the readiness of sectors before embarking on budget support, to work in close partnership with other donors in preparing and implementing programmes where appropriate, and to carefully identify, communicate and monitor disbursement criteria, including in public financial management, with the involvement of all stakeholders. There is a need for a robust dialogue with the partner government throughout the process. The reforms currently supported through budget support operations will in many cases require some form of further support under the NIP 2011-2013 to become sustainable.

Support for infrastructure rehabilitation and development as part of a programme addressing a NIP priority area should, as a general rule, be designed in close cooperation with EIB, the EBRD and other International Finance Institutions. When such support is considered, care should be taken to ensure coherence and avoid overlaps with the operations supported by the Neighbourhood Investment Facility (NIF) for which Ukraine is eligible. Whenever interest rate subsidies are considered, their relevance will be assessed on a case-by-case basis, and care should be taken to avoid significant market distortions.

Ukraine was the first country in Eastern Europe to benefit from the twinning instrument. The twinning instrument is becoming increasingly important in supporting Ukraine's reforms and approximation to EU norms and standards. Twinning projects act as a catalyst in setting the country's public administration reform in motion, bringing together specialists from EU Member States and Ukraine's administrations. Future twinning projects will be brought more into line with sector strategies and the priorities of the NIP and Association Agenda.

Ukraine may receive support to co-finance participation in EU programmes insofar as these are open to the country.³ As appropriate and upon request of Ukrainian authorities, support shall be

³ This support must not exceed 10% of the programme budget, should be digressive, phased out overtime and, as a general rule, cannot cover more than 50% of the costs of the participation.

provided for co-financing the costs of Ukraine's participation in select EU programmes which are open to its participation.⁴

A number of key cross-cutting issues, and horizontal issues with specific relevance for Ukraine, should be reflected in the identification of target groups, in the implementation of interventions under the NIP as well as in the formulation of expected results and indicators. These include the promotion of gender equality and respect for human rights, governance and the rule of law across the public sector, parastatals and judiciary, the respect of environment, the wider impact of the economic and financial crisis, the fight against HIV and AIDS, the illegal trafficking of drugs. These aspects should in particular be taken into account during the identification and formulation of programmes. Gender as a cross-cutting issue will be mainstreamed in all assistance measures.

Climate change is a key challenge affecting the global community across a wide range of policy areas (*inter alia* air, water, waste, nature protection, industrial pollution, agriculture, forestry, fisheries, energy, transport, infrastructure and urban planning, tourism, human, animal and plant health, education, research). In the implementation of this indicative programme, considerations with regard to climate change causes (mitigation) and effects (adaptation) will be integrated into relevant areas of intervention. The different stages of the implementation process will make use of available climate risk screening methodology to improve climate resilience of the activities in the chosen area of cooperation.

The priorities set out in the NIP will be underpinned and supported by the results of research and development. In this regard, Ukraine is encouraged to increase investment and capacity in research and development, in particular through an increased level of involvement of Ukrainian research entities in the 7th Framework Programmes (FP7)⁵.

In 2005 the Commission identified eleven priority areas⁶ where the challenge of attaining Policy Coherence for Development, i.e. synergies with development policy objectives, is considered particularly relevant. As a policy-driven instrument the ENPI is particularly well-placed to accommodate this. As a result the programmes and activities described in this NIP will - where possible - be designed in such a way as to create these synergies with the national development and reform policy objectives of Ukraine.

5.1. The Eastern Partnership Comprehensive Institution Building Programmes

A more intense bilateral cooperation under the Eastern Partnership provides the foundation for Association Agreements (AA) that may include or pave the way for Deep and Comprehensive Free Trade areas (DCFTAs). These agreements will deepen political association and foster economic integration by, *inter alia*, promoting further convergence towards EU legislation and standards and providing for mutual market access.

The Comprehensive Institution-Building programme (CIB) is a medium term planning and implementation framework developed jointly by the Commission and Ukraine. It is intended to

⁴ This support must not exceed 10% of the programme budget, should be digressive, phased out overtime and, as a general rule, cannot cover more than 50% of the costs of the participation.

⁵ See http://cordis.europa.eu/fp7/home_en.html for full information on FP7.

⁶ Trade; Environment; Security; Agriculture; Fisheries; Social dimension of globalization, promotion of employment and decent work; Migration; Research and innovation; Information society; Transport; Energy

assist Ukraine with institution-building of a limited number of core institutions that are central in preparing the ground for and implementing future Association Agreements and the Deep and Comprehensive Free Trade Area (“agreement-driven”). It will focus on a few selected core institutions (or clusters of institutions) which will have a central role in the implementation of the new agreements. Through a comprehensive approach it will seek to enable the institutions to at the end of the programme assume the obligations stemming from the new agreements. It will be based on clear commitment from the partner country and be co-financed in cash and or kind.

The CIB will be agreed by the Commission and the partner country government. A Framework Document will identify the CIB core institutions. Based on the Framework Document, Institutional Reform Plans will be designed for selected institutions during 2010 in partnership with government representatives and EU Member States interested in contributing to the CIB. Preparatory and initial CIB measures may start in 2010 with full CIB financing to implement the Institutional Reform Plan provided through Action Programmes drawn up on the basis of this National Indicative Programme 2011-2013. The CIBs will be implemented inter alia through the provision of advice and training to the selected public institutions as well the provision and delivery of EU-norm determined equipment and of specialised infrastructure needed for their operation. Support will be provided using existing instruments such as Twinning, TAIEX as well as high-level advice and new innovative mechanisms. In order to ensure coherence, the CIB will build upon relevant aspects of ongoing cooperation activities.

A minimum of €43.37 million from the indicative allocation is earmarked for CIBs. Additional ENPI resources may be added as appropriate to strengthen the CIB and provide accompanying measures. In case a CIB cannot be agreed or its implementation is delayed, these funds will be fully or partially reallocated to other programmes.

6. Risks and assumptions

This NIP is based on the assumption that Ukraine will continue to be politically engaged in deepening the relationship between the EU and Ukraine. Risks in this area are considered low.

Despite the fact that all major political forces are committed to deepening relations with the EU, Ukraine's political and economic instability impedes its ability to carry out required reforms. Corruption can also be a major impediment to reform. Together these create significant risks for the implementation of this NIP. Politically Ukraine suffers from conflicts between the Ukrainian leadership and between certain state institutions undermining Ukraine's capacity to design, approve and implement reform. Presidential elections due in January 2010 are unlikely to stabilise the country immediately in the absence of significant constitutional reform aiming at creating a viable and effective system of governance. At the same time, the impact of the economic and financial crisis has inhibited Ukraine's ability to stimulate growth domestically or to take significant measures to counter the likely negative social impact of the crisis domestically. In part all of these risks can be mitigated by ensuring that the EU's political dialogue with Ukraine is used to raise obstacles to reform or difficulties encountered in the course of implementation of the NIP.

Budget support programmes rely on continued improvements in public financial management, macroeconomic stability and the availability of mature sectors with strong sector strategies. These factors are also affected by the political and economic stability of the country. Should they not be in place, the programmes would need to be adapted and other forms of assistance, including capacity-building, would have to be used to a greater extent.

7. Alignment, harmonisation and consultation

The principles of the Paris Declaration on Aid Effectiveness and the Accra Agenda for Action remain to be fully adhered to in Ukraine. There is a need for improved coordination of government/donor efforts, since the separation of coordination roles across different government agencies has resulted in confusion, dissipation of efforts and the reduced impact of interventions. The concentration of these functions in the office of the Deputy Prime Minister in charge of EU integration is a positive development. However more remains to be done. For its side the EU Delegation is actively promoting enhanced donor coordination in Ukraine and it should remain an active partner for the government in ensuring that steps towards effective coordination are sustained and reforms in this area are consolidated. These efforts should be extended to ensure increased harmonisation with EU Member States and the international donor community. The EU's sector approach and adherence to the EU-Ukraine new Association Agenda will contribute to a better alignment of technical and financial cooperation to agreed priorities.

Ensuring an appropriate division of labour among donors, based on comparative advantage remains a priority for further work in Ukraine. The EU has identified its comparative advantages as being in legislative and normative reform and approximation through instruments such as twinning and through large sector reform programmes. Since EU technical and financial cooperation is difficult to deploy rapidly and flexibly, joint programmes with EU Member States and other donors can strengthen the effectiveness of EU-funded operations.

In the spirit of the EU Code of Conduct on Complementarity and Division of Labour, the EU Delegation regularly brings Member States together at coordination meetings to discuss assistance priorities and joint work. This has resulted in joint programming with Sweden in the environment sector. The EU-EU Member State Joint Initiative for the development of Crimea and Sevastopol which currently involves 9 EU Member States is a good example of joint programming and pooling of resources, which is likely to lead to increased impact and visibility for the EU as a whole. EU Member States are invited to harmonise their programming cycles with those of the EU and further seize opportunities for joint missions, evaluation and analysis.

During the NIP programming process, extensive work was carried out to compile matrices on donor support to the Ukraine ENP Action Plan. Two programming missions took place involving extensive consultations on the basis of a Concept Note with representatives of civil society, bilateral and multilateral donors and international financial institutions, as well as EU Member States. This has facilitated the development of the sector focus proposed in the NIP 2011-2013 and provided indications on areas with scope for joint work. Further possibilities for cooperation with other donors under this NIP include: in the justice sector with the Council of Europe and the US; in public administration reform and public financial management with the World Bank, UNDP and EU member states; in trade with Canadian CIDA; in environment with Sweden; in energy with the EIB and EBRD; in regional development, with UNDP and EU Member States.

8. Annexes

8.1. Annex 1: Country at a glance

a) Macro-economic indicators

	2005	2006	2007	2008 ^e	2009 ^e	2010 ^f	2011 ^f
Basic data							
1	Population (in 1000)	47280.8	46929.5	46646	46372.7	46143.7	<i>n/a</i>
	- annual change in %	-0.7	-0.7	-0.6	-0.6	-0.5	<i>n/a</i>
2a	Nominal GDP (in millions €)	69084.8	85828.6	104152	123199	<i>n/a</i>	<i>n/a</i>
2b	Nominal GDP per capita (in millions €)	0.00146	0.00183	0.00224	0.0026	<i>n/a</i>	<i>n/a</i>
2c	- annual change in %	3.5	8.1	8.6	2.6	<i>n/a</i>	<i>n/a</i>
3	Real GDP (annual change in %)	2.7	7.3	7.9	2.1	-8	1
4	Gross fixed capital formation (in % of GDP)	22	24.6	27.5	27.2	<i>n/a</i>	<i>n/a</i>
International transactions							
5	Exports of goods and services (in % of GDP)	51.5	46.6	44.8	46.8	<i>n/a</i>	<i>n/a</i>
	- of which the most important: ferrous metals (in % of GDP)	13.3	12	11.7	12.7	<i>n/a</i>	<i>n/a</i>
6	Trade balance (in % of GDP)	0.84	-2.85	-5.71	-8	-0.3	1.5
7	Current account balance (in % of GDP)	2.9	-1.5	-3.7	-7.2	0.5	1.2
8	Net inflows of foreign direct investment (in % of GDP)	8.7	5.3	6.4	5.4	4.6	4.6
9	External debt (in % of GDP)	45.1	49.7	55.6	55.4	87	82.6
10	Service of external debt (in % of exports of goods and non-factor services)	4.9	5.1	4.0	2.7	5.6	4.4
11	Foreign exchange reserves (in months of imports of goods and non-factor services)	4.4	3.7	3.9	6.0	5.3	5.3
Government							
12	Revenues (in % of GDP)	41.8	43.7	41.8	44.2	41.4	43.0
	- of which: grants (in % of GDP)						
13	Expenditure (in % of GDP)	43.3	44.5	43.3	46.8	44.3	43.5
	- of which: capital expenditure (in % of GDP)	23	25	27			
14 a	Deficit (in % of GDP) including grants {1}	1.5	0.7	1.5	2.6	2.8	0.5
14 b	Deficit (in % of GDP) excluding grants						
15	Debt (in % of GDP)	18.7	15.7	12.9	19.9	32.5	31.1
	- of which: external (in % of total public debt)						29.0
Other							
16	Consumer price inflation (annual average change in %)	13.5	9.1	12.8	25.2	17.2	10.8
17	Interest rate (for money, annual rate in %)	16.4	15.4	14.4	17.8	<i>n/a</i>	<i>n/a</i>
18	Exchange rate (annual average of national currency per 1 €)	6.39	6.34	6.92	7.71	<i>n/a</i>	<i>n/a</i>
19	Unemployment (in % of labour force, ILO definition)	7.8	6.8	6.4	6.4	9.9	9.8
20	Employment in agriculture (in % of total employment)						<i>n/a</i>

2008, 2009: estimates (e)

2010, 2011: forecasts (f)

Sources: World Development Indicators database

State Statistics Committee of Ukraine

National Bank of Ukraine

IMF Country Report No. 09/173 Ukraine: First Review Under the Stand-By Arrangement, Requests for Waivers of Nonobservance of Performance Criteria, and Rephasing of Purchases Under the Arrangement - Staff Report; Staff Supplement; Press Release on the Executive Board Discussion

8.2. Annex 2: MDG data

Key indicators	2001b	2006	2007	2008	2011e	2015t
1. Proportion of population below 1\$/day in PPP	11	1			7.1	5.5
2. Prevalence of underweight children						
3. Under 5 child mortality (per 1,000)	14.9	12			13.7	12.3
4. HIV prevalence rate of women aged 15-24						
5. Proportion of births attended by skilled health personnel (% of total)		.	99			
6. Proportion of 1 year old children immunised against measles		98	98			
7. Net enrolment ratio in primary education	99.2	99.3			99.8	100
8. Ratio of girls to boys in primary and secondary education		99	100			
9. Primary school completion rate		105	101			
10. Proportion of population with sustainable access to an improved water source	86	86			90	93
11. Fixed lines and mobile telephone per 1000 inhabitants						
12. Formal cost required for business start up						
13. Time required for business start up (days)		33	27			
14. GDP per capita						
15. Access of rural population to an all season road						
16. Household electrification rate						

UNDP Report. Millenium Development Goals: 2000+7

World Bank Development Indicators

1990b = baseline for MDGs

2010e = intermediate target / estimate

2015t = MDG target

8.3. Annex 3: Summary table of focal/non-focal areas of the financial breakdown

Assistance provided under this National Indicative Programme for Ukraine will focus on three priority and seven sub-priority areas:-

- Priority area 1: Good Governance and the Rule of Law**
 Sub-priority 1: Justice, Freedom and Security
 Sub-priority 2: Integrated Border Management
 Sub-priority 3: Public Administration Reform and Public Financial Management
- Priority area 2: Facilitation of the entry into force of the EU-Ukraine Association Agreement (including a Deep and Comprehensive Free Trade Area)**
 Sub-priority 1: Facilitation of the entry into force of the Association Agreement
 Sub-priority 2: Facilitation of the establishment of a DCFTA
- Priority area 3: Sustainable Development**
 Sub-priority 1: Energy, Environment and Climate Change, Transport
 Sub-priority 2: Regional and Rural development

Under this NIP 2011-2013 Ukraine will benefit from €470.05 million from the European Neighbourhood and Partnership Instrument (ENPI). This includes the €43.37 million earmarked for the Comprehensive Institution Building Programme (CIB), and €30.79 million for the Cohesion Policy. If the CIB cannot be agreed or its implementation is delayed, the earmarked funds will be fully or partially reallocated to other programmes

Priority Areas	Mio €	%
Priority Area 1: Good Governance and the Rule of law	€94,000-€141,000	20-30%
Priority Area 2: Facilitation of the entry into force of the EU-Ukraine Association Agreement (including a deep and comprehensive Free Trade Area)	€117,500-€164,500	25-35%
Priority Area 3: Sustainable Development	€211,500-258,527	45-55%
Total Indicative ENPI allocations 2011-2013	€470,050	100%

8.4. Annex 4: Donor Matrix

Action Plan Area / Sector identified for reform	EU	EU Member States	IFIs	Other (non-EU) Donors
Political dialogue and reform				
Governance and Democracy	v	FI, FR, DK, EE, DE, IE, LV, LT, PL, SE, UK		CA, CH, NO, US, UNDP
Rule of Law (incl. Judicial reforms)	v	EE, FR, SE, PL		CA, CH, US
Human Rights	v	DE, DK, EE, FI, FR, LT, SE, UK		NO, UNDP
Co-operation with Civil Society	v	DK, EE, FI, FR, LT, SE, UK		CA, NO, UNDP
Peace and Security				
Conflict Prevention	v	DE, FI, SE		NO, US
Crisis Management		FR, SE		
Co-operation on Justice and Home Affairs				
Border management	v	LT, PL		
Migration and Readmission	v	FR, IT, PL, SE		CH, NO
Refugees and IDPs	v			
Organised Crime	v	DK, FI, FR, PL, SE, UK		
Police and Judicial Co-operation		EE, FR, PL, SE		UNDP
Economic and social reform				
Macro-Economic Reforms	v	DE, FR, LT, UK, PL	IBRD	CA, UNDP
Employment, Poverty Reduction and Social Policy	v	DE, DK, FI, SE, UK		NO
Agriculture, Forestry and Fisheries	v	DE, FR, PL	IBRD	CA
Water and Sanitation		FR		NO
Sustainable Development	v	PL		UNDP

Regional Cooperation	v	DE, EE, FR, PL, SE, UK	IBRD	CH, NO, UNDP
Trade-related issues, market and regulatory reform				
Enterprise Policy / Private Sector	v	DE, LT, SE		CA
Public Financial Management and Public Procurement	v	FR, LT, SE, UK	IBRD	
Technical Standards and Regulations	v	DE, EE, FR, LT, SE, UK		
Sectoral Support				
Transport	v	FI, FR	IBRD	CH
Energy	v	DE, FI, FR, PL, SE, UK	IBRD	CA, NO
Environment (incl. water) and Climate Change	v	DE, EE, FI, FR, PL, SE		NO, UNDP
Information Society and Audiovisual Co-operation	v	FR, PL		
Research and Innovation		FR, LT, SE		NO
People-to people contacts (incl. youth)				
Education	v	DE, EE, FI, FR, PL, SE	IBRD	
Culture and Recreation	v	FR, LT, PL		
Health	v	DE, FI, FR, PL, SE, UK		CA, CH, NO, UNDP- UNFPA
Tourism and Antiquities		PL		
Other (non Action Plan related)				
Promotion of the Euro-Atlantic Security structures		DE, DK, PL		
Defence and Security Sector Reform		UK		

8.5. Annex 5: CSP MTR Consultations and NIP 2011-2013 Drafting Process

A Mid-Term Review of Ukraine Country Strategy Paper 2007-2013 was conducted by the Commission Services in October 2008. For the reasons set out in the MTR checklist, the Commission Services concluded that overall, the CSP for Ukraine remained valid until the end of the period and consequently no major revision of the paper was necessary.

Consultations with the authorities in Ukraine and with relevant stakeholders on a National Indicative Programme for the period 2011-2013 were conducted as follows:

1. During a first **consultation mission, March 23 -25, 2009** in Kyiv meetings were conducted with the Ukrainian authorities (including the National Coordination Unit in the Ministry of Economy, the Bureau for European and Euro-Atlantic Integration. In addition the mission met with representatives from local EU Member States.

2. A **concept note** was sent to the Ukrainian authorities and published via an on-line consultation process by the Delegation on 21st April. The concept note was open for comment for a period of one month (until 25 May). In addition to the Ukrainian authorities, formal written responses were received from: the Association of Marketing, the British Council, the Centre for E-Government, the Council of Europe, Counterpart Creative Centre, the EBRD, the Embassy of Poland, Inter-Aktsiya, the International Renaissance Foundation, IOM, Mama 86, Pauci, Phoenix, SIDA, the Swiss Cooperation Office, the World Bank, UNDP, and UNICEF

3. An informal inter-services consultation took place within the Commission leading to further extensive discussion of the draft concept note

4. A **second mission visited Ukraine from 25 – 27 May, 2009**. Consultations were held with: the Ukrainian authorities (Ministries of Agriculture, Economy, Education, Environment, Finance, Housing, the Interior, Justice, Regional Development), the Secretariat of the Cabinet of Ministers and with the Supreme Court, the IFIs, donors and development agencies, civil society the European Business Association and with representatives of EU Member States locally. Following this mission a draft National Indicative Programme was prepared which was shared, in a pre-finalised version, with the Ukrainian authorities.

8.6. Annex 6: Country Environmental Profile for Ukraine

1) State of the Environment

The key environmental issues in Ukraine mostly relate to the air quality, water quality and water resource management, waste management, nature protection and radiation contamination in the north-eastern part of the country.

Air pollution is a health and social problem. With regard to **water quality**, the Dniepro which supplies three quarters of Ukraine's fresh water is heavily polluted. The Crimea suffers from water supply shortages. International cooperation to address environmental concerns in the Azova Sea and the Black Sea areas needs to be enhanced. Existing waste water collection and treatment infrastructure needs to be upgraded and new capacity constructed. **Waste management** is a serious problem, including prevention, collection, treatment, recovery and final disposal. Large amounts of hazardous waste have been generated, in particular mining waste. **Industrial pollution** is a challenge, in view of the historical pollution sources and the inefficient use of resources as well as emissions into air, water and the waste generated by the industrial installations. As regards **nature protection**, deforestation and illegal logging are giving rise to economic and health costs.

Current **trans-boundary environmental issues** include the use and protection of shared waters – in particular the River Danube and the Black Sea. The Danube is a heavily utilised resource. It supports drinking water supply, irrigation, industry, fishing, tourism, power generation and navigation. It is often also the endpoint for waste water disposal. Severe water quality and quantity issues have arisen, and biodiversity in the region is diminishing. The Black Sea faces similar problems, the most serious of which are wastewater discharges, oil pollution in coastal areas and a loss of biodiversity, including fish stocks.

As regards **global environmental issues and climate change in particular**, Ukraine has shown keen interest in climate change, in particular the possibilities to use the flexible mechanisms under the Kyoto Protocol, which Ukraine ratified in April 2004. Ukraine has entered into a binding commitment to freeze its greenhouse gas emissions at the 1990 reference level by 2008–2012.

2) Environment policy

In 1998 Ukraine drafted a National Strategy for the Environment to cover the period 1998-2008. It was amended in 2003 and has been the basis for developing sectoral programmes on key environmental issues such as environmental safety (including nuclear energy), drinking water and construction or rehabilitation of water facilities, prevention of deterioration of the Black Sea, sustainable management of natural resources, environmental technologies and protection of biological and landscape diversity. Based on the Concept of the National Environmental Strategy 2007-2020 (approved by the Cabinet of Ministers in 2007), a National Environmental Strategy and an Action Plan for its implementation were drafted by the Ministry of Environmental Protection.

According to the Concept of the National Environment Strategy, the main priority areas in the field of environmental include development of the legislative base for implementation of the

UNFCCC requirements and the Kyoto Protocol mechanism, improvement of the environmental situation of the Black and Azov Seas, preservation of biodiversity and landscape, improved waste management based on the international standards and norms, improved management of nature reserves and protected areas.

3) Environmental legislation and implementation

Ukraine adopted the Framework Law on Environmental Protection in 1991. Since then it has adopted several pieces of legislation to converge with EU requirements. Environmental legislation is in place in many areas but still needs further development. Implementing legislation is not yet fully developed and applied. Ukraine faces difficulties with implementation and enforcement of environmental legislation due to lack of administrative capacity and insufficient financial resources, especially at regional and local levels.

With regard to **horizontal issues**, Ukrainian legislation contains provisions on environmental impact assessment, but these are not always implemented and enforced. Concerning access to information and public participation, Ukraine has been seeking to incorporate the provisions of the Aarhus Convention into its national legislation.

In the case of **air quality**, framework legislation is in place, but monitoring procedures and equipment need to be improved. In the area of **waste management**, framework legislation is in place but mechanisms for implementation of the legislation are lacking. Existing legislation has had only limited effect. Further implementation mechanisms are needed to address **water quality** concerns, as in some regions water quality needs considerable improvement. **Water management** including river basin approach needs to be improved. In the field of **nature protection**, a law on ecological networks was adopted in 2004.

A draft law on a strategy for sustainable development aiming at integrating environmental considerations into all sectoral policies is under consideration but has not yet been adopted.

In the field of climate change, Ukraine has published a greenhouse gas (GHG) emissions inventory for 1990 – 2006 and taken preliminary steps to prepare an inventory for 2007. The establishment of a domestic emissions trading scheme, preparation of a third communication, as well as studies on vulnerability and on emissions reduction potential, and the development of mitigation and adaptation measures are planned.

The National Environmental Investment Agency is Ukraine's designated focal point for the implementation of Joint Implementation projects. Fourteen JI projects have been registered at the UN level. The European Commission has continued to support Ukraine in implementing the Kyoto Protocol.

Overall, environment legislation is in place in most areas but still needs further development. Implementing legislation is not yet fully developed and applied. Ukraine faces difficulties with implementation and enforcement of environment legislation due to limited administrative capacities and financial resources, especially at regional and local levels.

4) Administrative capacity

In September 2003 the Ministry of the Environment and Natural Resources was split into the Ministry of Environmental Protection of Ukraine and the State Committee for Natural Resources.

The former is in charge of environmental protection, the latter of rational use of natural resources. During 2005 the State Committee for Natural Resources was liquidated and its staff and functions were transferred to the Ministry of Environmental Protection. Other ministries, such as the Ministry of Health or the Ministry of Housing, are also responsible for environment-related matters.

The Ministry of the Environmental Protection has branch offices at regional level, called State Departments for Environmental Protection. The government established an inter-departmental commission on environmental monitoring in 2001.

In 2007, the National Environmental Investment Agency was set up.

In order to enhance strategic planning, implementation and enforcement of environment legislation, the major challenge facing Ukraine is to strengthen administrative capacity at national, regional and local levels, including coordination between the relevant authorities.

5) Participation in regional and international processes

Ukraine has ratified the relevant **international and regional conventions** to which it is signatory, with the exception of the Protocol on Strategic Environmental Assessment to the UNECE Convention on Environmental Impact Assessment in a Transboundary Context and the following protocols of the UN-ECE Convention on Long-Range Transboundary Air Pollution: Protocol on Persistent Organic Pollutants; Protocol on Heavy Metals; Protocol on Further Reduction of Sulphur Emissions; Protocol concerning the Control of Emissions of Volatile Organic Compounds or their Trans-boundary Fluxes. The implementation of several ratified agreements requires particular attention.

Ukraine participates in environment and climate cooperation under the **Black Sea Synergy** and the **Eastern partnership**. As these initiatives have been launched fairly recently, it is expected that regional and multilateral cooperation will significantly increase.

Ukraine is a member of the **Danube-Black Sea (DABLAS) Task Force**, which provides a platform for cooperation between IFIs, donors and beneficiaries on water protection and water-related issues concerning the Danube and the Black Sea. The main aim is to encourage a strategic focus to the use of financing, and to coordinate action between all financial instruments operating in this region. Ukraine is also a member of the **International Commission for the Protection of the Danube River (ICPDR)**, which defines the work necessary to implement the EU Water Framework Directive – with the aim of keeping water in good ecological and chemical condition – across the whole of the basin.

Ukraine participates in the Eastern Europe, Caucasus and Central Asia regional component of the **EU Water Initiative**, as agreed at the 2002 World Summit on Sustainable Development. The initiative aims to promote better water governance and coordination between stakeholders. It focuses on water supply and sanitation and integrated water resources management, including transboundary river management. A National Policy Dialogue started in Ukraine under the Initiative.

Ukraine also participates in **the Europe and North Asia Forest Law Enforcement Governance (FLEG) process** concerning forest governance and the protection and sustainable management of forests in the region.

The **EU-Ukraine Working Group on Climate Change** met for the first time in 2002 and held its second meeting in July 2005. More regular meetings have been held in 2007 – 2009.

Work is under way to establish a **Regional Environmental Centre (REC)** to help to address environmental issues in Ukraine and neighbouring countries by promoting cooperation between various stakeholders at national and local levels, including civil society, governmental bodies, local communities and the business sector. The REC would also aim to promote public participation in the environmental decision-making process.

Ukraine and the European Commission services have signed an administrative arrangement on closer co-operation in the field of **civil protection**.

6) Key environment areas where action is required

Ukraine faces significant challenges to promote environmental protection. Key areas include air quality, water quality and water resource management, waste management, nature protection and radiation contamination in the north-eastern part of the country.

As regards climate change, Ukraine needs to implement the relevant provisions of the Kyoto Protocol to the UN Framework Convention on Climate Change and to prepare for the implementation of a new agreement to succeed the Protocol. Particular attention needs to be devoted to mitigation and adaptation issues, and to ensuring the inclusion of relevant actions in all national plans and budgetary processes. Ukraine has significant possibilities to use flexible mechanisms under this Protocol.

The institutional and administrative capacity needs strengthening, in particular as regards strategic planning, implementation and enforcement. A fully operational Regional Environment Centre (REC) could help to promote environmental awareness and protection by providing a forum for cooperation between various stakeholders.

The key areas of the environment where action is required are identified in the environment section of the EU-Ukraine Association Agenda. It defines a set of priorities for action from environmental governance and issue-specific activities to international and regional cooperation on environmental issues. Progress towards implementing the Association Agenda will also contribute to meeting the objectives of the Partnership and Cooperation Agreement and prepare for and facilitate the entry into force of the EU-Ukraine Association Agreement.

8.7. Annex 7: Ukraine Country Migration Profile

Box 1 Immigrants

Total number of Immigrants:

- Number of immigrants residing in Ukraine at end 2008: 178 830 persons⁷
- Total number of foreign citizens who registered with the Ministry of Interior in 2008: 115 154 persons⁸

Number of immigrants residing on the territory of Ukraine per year by country of origin

Country	2006			2007			2008		
	Total	Quota*	Non-quota**	Total	Quota	Non-quota	Total	Quota	Non-quota
Total	149408	32315	117093	165029	34053	130976	178830	35666	143164
Russia	87805	16764	71041	98906	17812	81094	107095	18410	88685
Moldova	7107	2014	5093	8118	2152	5966	9193	2296	6897
Stateless persons	7018	1709	5309	7052	1735	5317	6930	1687	5243
Armenia	6062	1770	4292	7116	2023	5093	8025	1242	5765
Uzbekistan	6319	1717	4602	6463	1862	4601	6493	1910	4583
Other	13027	1963	11064	12906	1617	10689	13466	2713	11741

* Foreign citizens who immigrated to Ukraine under immigration categories for which a quota is assigned.

** Foreign citizens who immigrated into Ukraine not on the basis of the immigration quota system

Source: Ministry of Interior, State Department of Citizenship, Immigration and Registration of Individual Persons⁹

Type/status immigrants

Refugees/asylum seekers

- In 2008, 2 237 persons applied for refugee status at the Migration Service of Ukraine. The most applications were made by nationals of Pakistan (25.8%) and Afghanistan (19%). 121 persons were granted refugee status in 2008.

Source: State Committee on Nationalities and Religion

⁷ According to the definition of the Ukrainian Mol, an immigrant is a foreign citizen who has been residing in the country for a minimum of 6 months or permanently

⁸ This number includes all persons who were registered by the Ministry of Interior under the following categories: students, holders of work permit, working under international agreement, religious/church representatives, tourists, refugees, business travellers, travellers for private reasons, transiting persons and illegal migrants

⁹ as received upon request by Söderköping Process Secretariat

Labour migrants/temporary seasonal

Foreigners working in Ukraine, 2004-2008, breakdown by reasons of residence

Foreigners' reason for residence in Ukraine	Total				
	2004	2005	2006	2007	2008
Persons with work permits	2,453	2,649	2,822	4172	5801
Persons working under intergovernmental agreements	322	271	252	160	116
Religious workers / clergy	990	840	1,004	1133	1227

Source: Ministry of Interior, State Department of Citizenship, Immigration and Registration of Individual Persons

Number of foreigners working in Ukraine at the beginning of the year

Year	2002	2003	2004	2005	2006	2007	2008
Total	3463	3701	4138	4967	6110	7383	12439

Source: Ministry of Labour and Social Policy¹⁰

Box 2 Emigrants¹¹

Number of Emigration Permits* issued to Ukrainian citizens per country of destination by year

Country of destination	2006	2007	2008	Total
Total	33261	30560	24496	88317
Russia	20044	18212	14379	52635
USA	3010	3159	2113	8282
Belarus	2150	1822	1525	5497
Germany	1969	1842	1462	5273
Israel	1770	1334	1353	4457
Other	1011	1053	1016	3080

* Permit for a Ukrainian citizen to leave the country for permanent residence abroad

¹⁰ as submitted to IOM. This number includes all foreign workers reported to the Ministry of Labour by employers and organizations

¹¹ According to the MoI an emigrant is a Ukrainian citizen who has left Ukraine for a minimum of 6 month or permanently

Source: Ministry of Interior, State Department of Citizenship, Immigration and Registration of Individual Persons

Number of Ukrainian citizens working abroad according to Ministry of Labour and Social Policy¹²

Year	2002	2003	2004	2005	2006	2007	2008
Total	40683	38161	45727	56549	61369	11902	80079

Source: Ministry of Labour and Social Policy

EU (EU-27)

Number of Ukrainian citizens emigrated to and working in EU Member States

EU Member State	Number of Ukrainians in EU 27	
	Ministry of Interior (with emigration permits)	Ministry of Labour (working abroad)
Total	24496	80079

Sources: Ministry of Interior, State Department of Citizenship, Immigration and Registration of Individual Persons and Ministry of Labour and Social Policy

Box 3: Remittances and their development impact

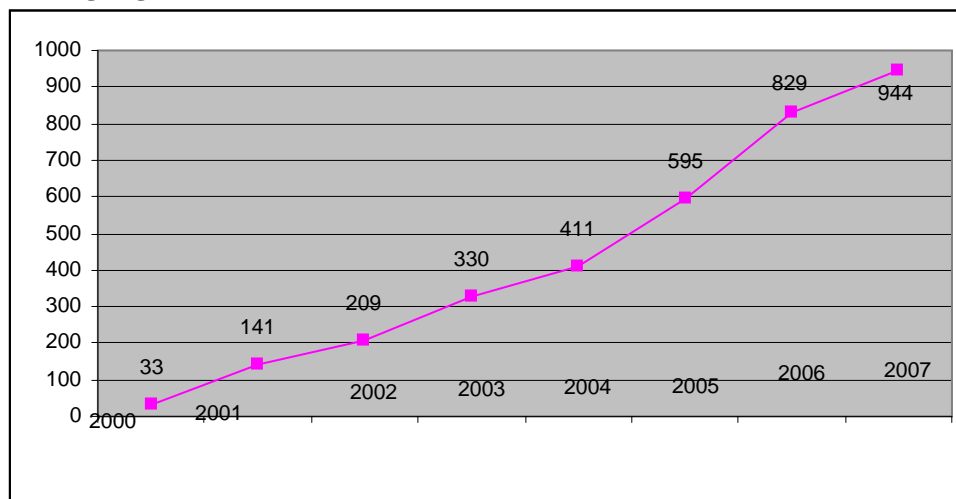
Amount of incoming migrant remittances

2006: USD 829 million, 0,08 % of GDP

World Bank estimate for 2007 (latest available data) USD 944 million

Source: World Bank, Development Prospects Group: Migration and Remittances Factbook 2008

Amount of incoming migrant remittances to Ukraine*



* estimates for 2007

Source: World Bank, Development Prospects Group: Migration and Remittances Factbook 2008

Qualitative aspects of remittances:

Source: IOM: Migration in Ukraine – A Country Profile, 2008

As a large share of income earned by labour migrants is transferred through unofficial channels, it is difficult to gauge the real scale of remittances. Other studies found that Ukrainian citizens

¹² Citizens of Ukraine who work temporarily abroad registered through recruitment agencies

working abroad send between USD 4 and 6 billion per year to their home country, an amount that is ten times higher than the official data on the issue.¹³ If these assumptions are to be taken into consideration, monetary migrants' transfers are therefore comparable with direct foreign investments in the Ukrainian economy, which amounted to USD 7.3 billion in 2005.¹⁴ This would make Ukraine a leading country among the top remittance-receiving developing countries.

According to MFA data,¹⁵ countries with major Ukrainian communities abroad include the Russian Federation, 2,943,471, Moldova, 660,000; Kazakhstan, 550,000; Brazil 500,000; Belarus, 237,000 (the leaders of Ukrainian community in this country claim that almost half a million of ethnic Ukrainians reside in the Brest *oblast*); and Uzbekistan, 100,000. Over 1,027,000 citizens of Ukrainian origin reside in Canada; between 900,000 and 2 million in the United States; and between 300,000 and 350,000 in Argentina. Moreover, according to the same source,¹⁶ large Ukrainian communities also exist in the following EU Member States: Romania (over 61,000); Latvia (around 60,000); Poland (close to 40,000 according to the official statistics, and over 200,000 in unofficial data); Slovakia (about 35,000); the United Kingdom (about 30,000); France (close to 30,000); Germany (30,000); Estonia (28,000); the Czech Republic (over 22,000); Lithuania (22,000); Hungary (over 6,000); Bosnia and Herzegovina (nearly 5,000); Austria (3,000); and Bulgaria (approximately 1,500).

Box 5 Migration to the EU (where applicable)

Number of illegal arrivals (according to EU statistics)

Refused and apprehended* Ukrainian citizens in EU 27, 2004 – 2007¹⁷

	2004	2005	2006	2007
Ukrainian citizens refused at the borders in EU27	36.896	40.204	35.829	24.915
Apprehended Ukrainian citizens in EU 27	29.289	26.964	22.025	16.537

* “Refusal at the border” data count persons who have not been allowed to enter, while “apprehensions” data include those who are detected on the territory.

Source: Eurostat CIREFI data

Figures and information on return operations

Removed Ukrainian citizens from EU 27, 2004 – 2007¹⁸

	2004	2005	2006	2007
Removed Ukrainian citizens from EU 27	13.156	11.314	12.859	11.518

Source: Eurostat

Readmission Agreements

Ukraine has signed and ratified 13 readmission agreements, including agreements with the Russian Federation, Bulgaria, Georgia, Hungary, Latvia, Lithuania, Moldova, Poland, Slovakia,

¹³ Malynovska, Olena (2006) *Caught between East and West, Ukraine Struggles with its Migration Policy*, Migration Policy Institute, <http://www.migrationinformation.org/Profiles/display.cfm?ID=365>

¹⁴ IOM Kiev (2007) *Labour Migration Assessment for the WNIS Region*, International Organization for Migration, Kiev, p. 66.

¹⁵ Data retrieved from the Ukrainian Ministry of Foreign Affairs website, <http://www.mfa.gov.ua/russia/ru/5785.htm>

¹⁶ Ibid.

¹⁷ Commission of the European Communities: Commission Staff Working Document – Third annual report on the development of a common policy on illegal immigration, smuggling and trafficking of human beings, external borders and the return of illegal immigrants. SEC(2009) 320 Final. Pp. 29-31

¹⁸ Ibid. p. 32

Switzerland, Turkey, Turkmenistan, and Uzbekistan. Currently, there are no centralized statistics on how these agreements are being applied.

On 15 January, the Ukrainian parliament, the Verkhovna Rada, ratified the readmission and visa facilitation agreement between Ukraine and the European Union.

Migration policies in place

The Ukrainian government abolished all exiting restrictions on movement of the population in January 1993, and, in February 1994, the **Law on the Order of Exit from Ukraine and Entrance to Ukraine for the Citizens of Ukraine** was adopted. It guaranteed Ukrainian citizens the right to freely depart and return to their territory. Additional guarantees of free movement are provided by the 2003 **Law on Freedom of Movement and Free Choice of Residence in Ukraine**.

As a result of the liberalization of the emigration regime, the democratization of public life, and the demise of political, religious, and ethnic causes of emigration, the number of people emigrating from Ukraine has decreased by almost five times since the early 1990s. In 1991, 310,200 individuals left the country (236,600 moved to other post-Soviet states and 73,600 to other countries). However, in 2004, only 46,200 emigrated—28,900 to CIS states and 17,300 to other states.¹⁹

International legal framework in place, including signature of key international treaties on migration, bilateral and multi-lateral agreements relevant to migration

- International Covenant on Civil and Political Rights 1966, ratified
- United Nations Convention relating to the Status of Refugees 1951 and Protocol relating to the Status of Refugees 1967, joined in 2002
- Optional Protocol to the International Covenant on Civil and Political Rights 1966, adherence
- Protocol to Prevent, Suppress and Punish Trafficking in Persons, Especially Women and Children, supplementing the United Nations Convention against Transnational Organized Crime 2000, ratified
- United Nations Convention against Transnational Organized Crime 2000 and its Supplementary Protocols: Protocol against the Smuggling of Migrants by Land, Sea and Air, ratified and Protocol to Prevent, Suppress and Punish Trafficking in Persons, especially Women and Children
- European Convention on the Legal Status of Migrant Workers 1977, signed

Illegal migration routes (including smuggling of human beings) and policies to address illegal migration

Following the EU enlargement waves of 2004 and 2007, Ukraine has a common frontier with the EU. Since then, there was an increase in transit irregular migration to the EU countries. According to the EU Centre for Information, Discussion and Exchange on the Crossing of Frontiers and Immigration (CIREFI), the territory of Ukraine is on a major Central European route of irregular migration, including several channels of illegal movements of persons: Vietnamese, Pakistani-Indian, Sri Lankan-Bangladeshi, Afghan, Chinese, Kurdish, Uzbek-Tajik,

¹⁹ Malynovska, Olena (2006) *Caught between East and West, Ukraine Struggles with its Migration Policy*, Migration Policy Institute, Washington D.C.

and Chechen channels.²⁰ The general flow of irregular migrants to Ukraine can be divided into several routes of irregular migration:²¹

- **The Vietnamese channel.** Vietnamese nationals who earlier landed in the FSU republics originally as contract workers overstayed their welcome, effectively becoming illegal migrants. Currently, there is a tendency for growing numbers of such individuals to attempt to cross the Ukrainian state border using fake documents, such as service passports or work permit-based passports for Vietnamese nationals made in Moscow.
- **The Pakistani-Indian channel.** Indian and Pakistani nationals get Ukrainian and Russian tourist visas in Delhi. Afterwards, groups of these "visitors" move through Ukrainian territory to Europe, becoming illegal migrants.
- **The Sri Lankan-Bangladeshi channel.** Nationals of Sri Lanka and Bangladesh move across the border in Western Ukraine with the help of guides who are Ukrainian, Polish, Hungarian, and Romanian nationals.
- **The Afghani channel.** These are refugees from Afghanistan who have been granted asylum in Ukraine, the Russian Federation, or Central Asian countries. Their fellow nationals who are legal residents of Kyiv, Moscow, and other major CIS cities and are involved in commercial activities make a business of collecting and arranging fake documents for and dispatching groups of illegal migrants.
- **The Chinese channel.** Groups of Chinese nationals are formed by recruiters, mostly Malaysian and Vietnamese nationals, and arrive in Moscow legally on tourist visas. They are then moved illegally through Ukrainian territory to Western Europe. According to information of law enforcement bodies, a special center located in Prague coordinates the movement and activity of these groups of Chinese migrants.
- **The Kurdish channel.** Since 1995, after the beginning of hostilities in Kurdistan, the number of Iranian, Iraqi, and Turkish nationals of Kurdish origin who arrive in Ukraine with invalid documents or with the help of international organizations has grown.
- **The Uzbek and Tajik channel.** As a result of ethnic armed conflicts and religious persecutions, the flow of migrants from Uzbekistan and Tajikistan who emigrated to Russia and are trying to get to Western European countries through Ukrainian territory has grown significantly.
- **The Chechen channel.** This channel opened up in late 2002 and many Russian citizens of Chechen origins are using it to reach Eastern European countries such as Poland, Slovakia, and the Czech Republic, where they hope to be granted refugee status.

Ukraine is part of the Central European route—one of the five main routes of global irregular migration that lead to EU countries, as identified by specialists from the EU Center for Information, Discussion and Exchange on the Crossing of Frontiers and Immigration (Cirefi). Going through Russia, Ukraine, Poland, and Slovakia to Western European countries, this route is used by migrants from the Far and Middle East, Southeast Asia, and the CIS. According to the estimates of European experts, this is currently not one of the most threatening routes for Europe. Nevertheless, the existence of such a route entails serious negative consequences for Ukraine.

A recent study, "Migration policy of Ukraine in controlling irregular migration",²² focuses on the following key issues:

- control of irregular migration as a priority area of integral migration policy of Ukraine;

²⁰ Migration situation in Ukraine, Information bulletin of the International Centre for Advanced Studies, No. 8 (312), 6 March 2006, p. 1–2.

²¹ White Paper "Ukraine's Policy to Control Illegal Migration", International Center for Policy Studies (Ukraine)/Institute for Public Affairs(Poland), June 2006.

²² <http://www.isp.org.pl/files/18872815360939916001156773716.pdf>

- problems of migration policy of Ukraine as they refer to preventing and combating irregular migration; and
- changes required for controlling irregular migration in a more effective manner.

It has also identified the main shortcomings of the irregular migration control policy. Among these are the:

- lack of a specialized government agency responsible for migration policy;
- legal shortcomings;
- inadequate level of border policing;
- insufficient funding for combating irregular migration; and
- lack of readmission treaties with countries of origin of irregular migrants.

According to the Ukrainian law, irregular migrants are subject to a formal legal process once their country of origin is identified, to determine whether they have a right to seek asylum in the country of detention. If not, they are subject to deportation. State Border Guard officials propose to apprehended irregular migrants to return to their country of origin voluntarily, but an authorized procedure of forced removal remains in place if necessary. The majority of irregular migrants try to enter Ukraine through the Ukrainian-Russian border (over 80% of those detained) and the Ukrainian-Belorussian border (11%), and to leave the country across the Ukrainian-Slovakian (almost 60%) and Ukrainian-Polish (20%) borders²³.

The strategy to combat irregular migration has, however, improved in recent times. It was defined by Decree 837/1996 of the President of Ukraine (On the Comprehensive Target-specific Programme for Combating Crime for 1996-2000), the Programme for Combating Irregular Migration for 1996-2000, and the Programme for Combating Irregular Migration for 2001-2004.

Following the signature of the readmission agreement, the European Commission has agreed to add to it a declaration that would enable Ukraine to have technical and financial assistance for its implementation and define it as one of its priorities. The agreement stipulated the procedures for citizens of returning parties residing abroad illegally. A special rapid procedure is stipulated for violators detained in border regions. As for readmission of third-country nationals, appropriate regulations will come into force in the two-year transition period during which Ukraine, with EU assistance, will create the required infrastructure essential for its admittance and subsequently return them to their countries of origin.

Existence of human trafficking networks and policies to address trafficking with an emphasis on trafficking of women and children

Source: IOM: Migration in Ukraine – A Country Profile 2008; IOM Kiev, Statistics on Combatting Trafficking in Human Beings, last updated on 31 December 2008

Ukraine is a major country of origin for trafficking in persons. It is less often a country of transit and rarely a country of destination. The IOM Mission in Ukraine collects data on victims of trafficking that have entered the IOM Counter-trafficking Programme and received some type of rehabilitation and reintegration assistance. There is a referral system in place among law enforcement bodies of Ukraine, NGOs dealing with counter-trafficking, and the IOM office in Kiev where number are being collected and analyzed.

²³ Ibid.

Since January 2000 until December 2008, 5485 victims of trafficking received reintegration assistance through IOM Kiev, including legal assistance with civil issues, legal consultation and representation for victims serving as witnesses in criminal cases, medical care, psychological counselling, reintegration grants, vocational training, etc.

While identified victims were exploited in more than 50 different countries of the world, in the period 2000-2008, 61 per cent of the caseload was trafficked to the following three countries: Turkey, Russia, and Poland.

Ukraine is a destination as well as a transit country for human trafficking. In 2003-2008, 110 cases of internal trafficking and 20 cases of foreign nationals (mainly citizens of Kyrgyzstan, Uzbekistan, and Moldova) trafficked to Ukraine have been documented. In addition, Ukraine is often used a transit country for trafficking of Moldovan nationals to Russia.²⁴

Types of exploitation of victims of trafficking

Type of exploitation	2004	2005	2006	2007	2008
Sexual*	403	558	597	584	392
Labour *	190	232	320	500	404
Mixed	24	28	15	33	7
Begging	9	10	5	4	14
Other	--	--	1	--	3

* Includes 20 attempts in 2008, 41 attempts (2007), 31 attempts (2006), 58 attempts (2005) and 21 attempts (2004) of trafficking for sexual exploitation; 2 attempts (2007) of trafficking for labor exploitation

Victims of Trafficking, by gender

Gender	Number of VoTs				
	2004	2005	2006	2007	2008
Female	540	713	761	849	625
Male	86	115	176	272	195

Source: IOM Kiev, Statistics on Combating Trafficking in Human Beings, last updated on 31 December 2008

IOM Kiev: Migration in Ukraine – A Country Profile 2008; US Government Trafficking in Persons Report 2008²⁵

All forms of trafficking are prohibited through Ukraine’s Criminal Code's Article 149, which prescribes penalties that are sufficiently stringent and commensurate with those prescribed for other grave crimes.

In the US State Department Trafficking in Persons Report for 2008, Ukraine is placed at Tier 2, moving up that year from its 2007 position on the Tier 2 Watch List. The report assesses that while the Government of Ukraine does not fully comply with the minimum standards for the elimination of trafficking, it is making significant efforts to do so. According to the report, while in 2008 there was little evidence of efforts to curb trafficking complicity of government officials and of concrete steps to protect and assist trafficking victims at the national level, local

²⁴ IOM Kiev statistics

²⁵ US State Department (2008) Trafficking in Persons Report, <http://www.state.gov/g/tip/rls/tiprpt/2008/105389.htm>

governments made some progress on victim assistance. The government also made modest, but tangible, progress in improving the punishment of convicted traffickers, prosecuting labor trafficking, training the judiciary, and carrying out prevention activities.²⁶

According to the US Government report in 2008 the government completed 82 criminal investigations and arrested 56 people on trafficking charges. The Interior Ministry reported that the number of prosecutions for labor trafficking increased from 3 in 2006 to 23 in 2007. Overall until 2008, the government prosecuted 95 cases resulting in 83 convictions of trafficking offenders under Article 149. Of the total number of persons convicted, 59 were placed on probation and not subjected to imprisonment²⁷.

The Government of Ukraine addresses the phenomenon of trafficking within the framework of the State Programme against Human Trafficking 2006-2010. Within the government, the Ministry of Family, Youth and Sport assumes a coordinating role in the implementation of the state programme. In addition, the Counter-trafficking Department within the Ministry of Interior, currently the largest specialized unit worldwide with more than 600 active officers and active in all oblasts of Ukraine, carries the leading role in the effective criminalization of this transnational crime.

Presence of refugees, asylum seekers, and internally displaced persons in the country and policies to address asylum issues

UNHCR Protection Assessment 2008

IOM: Migration in Ukraine – A Country Profile, 2008

The refugee status is regulated by the Law on Refugees, passed in 2002 and amended in 2003 and 2005. Other normative acts on this issue include:

- Resolution on Regulations on the Refugee's Travel Document for the Purpose of Travelling Abroad
- Resolution on Regulations on the Refugee's Certificate
- Order on Procedures for Execution, Issuance and Extending Validity of a Refugee's Certificate
- Order on Regulations on Temporary Refugee Accommodation Centres and Rules of Residence in Temporary Refugee Accommodation Centre
- Instructions on Procedures of Acceptance of Applications for Granting Refugee Status

Ukraine joined the Geneva Convention on the Status of Refugees in January 2002 and has committed to admit asylum seekers to the procedure granting them refugee status, to admit and shelter recognized refugees on its territory, and to help them integrate. However, there are at least three flaws in the current legislation as indicated by the United Nations High Commissioner for Refugees (UNHCR).²⁸ Firstly, the Law allows recognized refugees to be stripped of their status without recourse to the courts (Art. 15). Secondly, this Law also fails to define the principle of

²⁶ Ibid.

²⁷ Ibid.

²⁸ International Centre for Policy Studies (Kyiv, Ukraine) and Institute for Public Affairs (Warsaw, Poland) (2006) Ukraine's Policy to Control Illegal Migration, White Paper, <http://www.isp.org.pl/files/18872815360939916001156773716.pdf>

non-refoulement—not subjecting to deportation individuals who qualify as “war refugees” or as unable to return because of a serious risk of torture or inhuman or degrading treatment and punishment. Thirdly, the Law establishes an overly complicated system for issuing documents to asylum seekers who are in the midst of applying for refugee status. This leads to refugees and asylum seekers being detained at the point when they exchange documents, a detention that can last up to 30 days. During this detention, the asylum seeker has essentially no documents.

Other important migration actors within the country (Member States with specific migration and development programmes, relevant international organisations)

Donors

- Government of Belgium
- Government of the Czech Republic
- Danish Ministry of Foreign Affairs
- Italian Ministry of Foreign Affairs
- European Union (EU)
- Swedish International Development Cooperation Agency
- Swiss Agency for Development and Cooperation (SDC)
- World Childhood Foundation
- Government of Poland
- Government of the United Kingdom
- Government of Norway
- Government of Hungary
- Government of Greece

International organizations

- UN country team in Ukraine
- International Committee of the Red Cross (ICRC)
- Organisation for Security and Cooperation in Europe (OSCE)
- IOM
- ICMPD/GDISC

8.8. Annex 8: List of ongoing budget support programmes

SECTOR BUDGET SUPPORT IN UKRAINE - NIP 2007-2010			
AAP		BS amount	TA component
<i>2007</i>			
Implementation of the Ukraine's Energy Strategy		82	5
<i>2008</i>			
Promoting mutual trade by removing technical barriers to trade between Ukraine and the European Union		39	6
Implementation of Ukraine's strategy in the area of energy efficiency and renewable sources of energy		63	7
<i>2009</i>			
Implementation of an Environmental Strategy in Ukraine – joint EU and Swedish SIDA programme		35	none
Implementation of the transport strategy of Ukraine		65	none
	<i>Total</i>	284	18

*Situation as of September
2009*