



Brussels, 15.5.2020
C(2020) 3294 final

COMMISSION IMPLEMENTING DECISION

of 15.5.2020

**on the financing of the Annual Action Programme, part 1, in favour of Ukraine for 2020
to be financed under the general budget of the Union**

COMMISSION IMPLEMENTING DECISION

of 15.5.2020

on the financing of the Annual Action Programme, part 1, in favour of Ukraine for 2020 to be financed under the general budget of the Union

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Regulation (EU, Euratom) 1046/2018 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012¹, and in particular Article 110 thereof,

Having regard to Regulation (EU) No 236/2014 of the European Parliament and of the Council of 11 March 2014 laying down common rules and procedures for the implementation of the Union's instruments for financing external action², and in particular Article 2(1) thereof,

Whereas:

- (1) In order to ensure the implementation of the Annual Action Programme 2020, part 1, in favour of Ukraine for 2020, it is necessary to adopt a annual financing decision, which constitutes the annual work programme, for 2020. Article 110 of Regulation (EU, Euratom) 2018/1046 establishes detailed rules on financing decisions.
- (2) The envisaged assistance is deemed to follow the conditions and procedures set out by the restrictive measures adopted pursuant to Article 215 TFEU³.
- (3) The Commission has adopted the Single Support Framework⁴ for the period 2018-2020, which prioritises: (a) "strengthening institutions and good governance, including the rule of law and security"; (b) "economic development and market opportunities, including private sector development and improvement of the business climate"; (c) "connectivity, energy efficiency, environment and climate change"; and (d) "mobility and people-to-people contacts, including social inclusion".
- (4) The objectives pursued by the Annual Action Programme , part 1, in favour of Ukraine for 2020 to be financed under the European Neighbourhood Instrument (ENI)⁵ are to support small and medium enterprises, agriculture and small farm

¹ OJ L 193, 30.7.2018, p.1.

² OJ L 77, 15.3.2014, p. 95.

³ www.sanctionsmap.eu Please note that the sanctions map is an IT tool for identifying the sanctions regimes. The source of the sanctions stems from legal acts published in the Official Journal (OJ). In case of discrepancy between the published legal acts and the updates on the website it is the OJ version that prevails.

⁴ Commission Decision C(2017)8264 of 11.12.2017.

⁵ Regulation (EU) No 232/2014 of the European Parliament and of the Council of 11 March 2014 establishing a European Neighbourhood Instrument (OJ L 77, 15.3.2014, p. 27).

development, and the implementation of key reforms and of the EU-Ukraine Association Agreement, including its Deep and Comprehensive Free Trade Area.

- (5) The first action entitled “EU4BUSINESS: Support to Small and Medium Enterprises (SMEs) in Ukraine” (Annex 1) aims at contributing to sustainable and equitable economic growth in Ukraine thereby ensuring better productivity, higher employment, and poverty reduction.
- (6) The second action entitled "EU support to agriculture and small farm development in Ukraine" (Annex 2) contributes to a more inclusive and competitive growth-orientated agricultural sector, respectful of the environment, and thereby to the fight against impoverishment and depopulation of Ukrainian rural areas.
- (7) The third action entitled "Technical Cooperation Facility 2020" (Annex 3) aims at supporting Ukraine in the implementation of the key reforms and of the EU-Ukraine Association Agreement (including its Deep and Comprehensive Free Trade Area) and strengthening the respect for democratic principles, human rights and fundamental freedoms.
- (8) It is appropriate to authorise the award of grants without a call for proposals, pursuant to Article 195 of Regulation (EU, Euratom) 2018/1046.
- (9) The Commission should authorise the eligibility of costs as of a date preceding that of submission of a grant application, which is prior to the date of adoption of this Decision, for reasons of extreme urgency in crisis management aid or in other exceptional and duly substantiated emergencies, whereby an early engagement by the Union would be of major importance.
- (10) Pursuant to Article 4(7) of Regulation (EU) No 236/2014, indirect management is to be used for the implementation of the programme.
- (11) The Commission is to ensure a level of protection of the financial interests of the Union with regards to entities and persons entrusted with the implementation of Union funds by indirect management as provided for in Article 154(3) of Regulation (EU, Euratom) 2018/1046.
- (12) To this end, such entities and persons are to be subject to an assessment of their systems and procedures in accordance with Article 154(4) of Regulation (EU, Euratom) 2018/1046 and, if necessary, to appropriate supervisory measures in accordance with Article 154(5) of Regulation (EU, Euratom) 2018/1046 before a contribution agreement can be signed.
- (13) It is necessary to allow for the payment of interest due for late payment on the basis of Article 116(5) of Regulation (EU, Euratom) 2018/1046.
- (14) In order to allow for flexibility in the implementation of the programme measure, it is appropriate to allow changes which should not be considered substantial for the purposes of Article 110(5) of Regulation (EU, Euratom) 2018/1046.
- (15) The actions provided for in this Decision are in accordance with the opinion of the European Neighbourhood Instrument Committee established under Article 15 of the financing instrument referred to in recital 4.

HAS DECIDED AS FOLLOWS:

Article 1

The programme

The Annual Action Programme, part 1, in favour of Ukraine for 2020, as set out in the Annexes, is adopted.

The Programme shall include the following actions:

- Annex 1: "EU4BUSINESS: Support to Small and Medium Enterprises (SMEs) in Ukraine";
- Annex 2: "EU support to agriculture and small farm development in Ukraine";
- Annex 3: "Technical Cooperation Facility 2020".

Article 2

Union contribution

The maximum contribution of the European Union for the implementation of the Programme for 2020 is set at EUR 105 000 000 and shall be financed from the appropriations entered in the following lines of the general budget of the Union:

- budget line 22 04 02 01: EUR 60 000 000;
- budget line 22 04 02 02: EUR 45 000 000.

The appropriations provided for in the first paragraph may also cover interest due for late payment.

Article 3

Methods of implementation and entrusted entities or persons

The implementation of the actions carried out by way of indirect management, as set out in the Annexes 1, 2 and 3, may be entrusted to the entities or persons referred to or selected in accordance with the criteria laid down in point 5.3 of the Annexes 1, 2 and 3.

Article 4

Flexibility clause

Increases⁶ or decreases of up to EUR 10 million not exceeding 20% of the contribution set in the first paragraph of Article 2, or cumulated changes to the allocations of specific actions not exceeding 20% of that contribution, as well as extensions of the implementation period shall not be considered substantial within the meaning of Article 110(5) of Regulation (EU, Euratom) 2018/1046, where these changes do not significantly affect the nature and objectives of the actions.

The authorising officer responsible may apply the changes referred to in the first paragraph. Those changes shall be applied in accordance with the principles of sound financial management and proportionality.

⁶ These changes can come from external assigned revenue made available after the adoption of the financing decision.

Article 5

Grants

Grants may be awarded without a call for proposals pursuant to Article 195 of Regulation (EU, Euratom) 2018/1046 to the bodies referred to in point 5.3 of the Annex 3.

The eligibility of costs prior to the submission of grant applications and which is prior to the date of adoption of this Decision shall be authorised as of the date set out in the Annex 3.

Done at Brussels, 15.5.2020

For the Commission
Olivér VÁRHELYI
Member of the Commission

