



Agreement in the Form of an Exchange of Letters between the European Union and Ukraine on the suspension of Ukraine's payment obligations for its participation in all Union programmes as of 1 January 2021

A. Letter from the Ukrainian Government

Dear President von der Leyen,

Ukraine expresses its heartfelt gratitude for the unprecedented support and financial assistance provided by the European Union (EU) throughout these trying times for our country. We appreciate the measures the European Commission under your leadership has taken to assist Ukraine since the start of the Russian Federation's full-scale war of aggression.

Even amid the challenges of war, significant progress has been made following Ukraine's application to join the EU. Additionally, Ukraine does its best to further extend the scope of its participation in the EU programmes under the current EU multiannual financial framework 2021–2027.

It is noteworthy that participation in the EU programmes plays a major role in advancing Ukraine's integration into the EU. In fact, such participation helps Ukraine develop its institutional and infrastructural capacity as well as to efficiently contribute to engaging key Ukrainian governmental agencies, public and private sector entities, NGOs and experts in interaction with European partners and policies amid the turmoil of the Russian Federation's brutal war.

At this stage, Ukraine has joined eight EU programmes. Notably, the evidence of progress in this area in 2022 is Ukraine's association to Customs, Fiscalis, LIFE, EU4Health, Horizon Europe and the Euratom Research and Training Programme, as well as with Digital Europe Programme, which is a solid step towards the Digital Single Market. In 2021, Ukraine became part of the EU's Creative Europe Programme.

It is with deep appreciation that I extend the Ukrainian Government's gratitude to you and to the European Commission for provisionally approving a full exemption from the contributions for Ukraine's participation in the EU programmes for 2021 and 2022.

In 2023, Ukraine is set to step up its efforts to join six additional EU programmes. Specifically, we are going to conclude agreements to associate Ukraine to the following EU programmes: Single Market (SMP), Citizens, Equality, Rights and Values (CERV), Justice (JUST) and Anti-Fraud (UAFP). Moreover, we also intend to join the Connecting Europe Facility (CEF) to expand the capacities of the EU-Ukraine Solidarity Lanes to secure the majority of Ukrainian agricultural and non-agricultural exports. Lastly, we also intend to join the Union Civil Protection Mechanism (UCPM) and EU Space Program. For this purpose, we would like to solicit your support in Ukraine's joining the above EU programmes still this year.

Given the prolongation of the war and the extent of its financial consequences, it is impossible to comply with Ukraine's financial obligations stemming from the participation in EU Programmes. Accordingly, the Government of Ukraine would like to kindly request your support in considering a suspension of the obligations related to the financial contributions for Ukraine's participation in the EU programmes in 2021 and following years of the current EU multiannual financial framework. A positive decision in relation to this matter will allow us to maintain Ukraine's resilience and plug the financial gap that emerged due to escalating Russian aggression and critical shortages of financial resources.

At a time of turmoil, the above efforts of Ukraine on its path towards the EU would provide greater certainty to a number of sectors along with reliable access to the European best practices, institutions, markets, financial services, investment opportunities, and funding.

I am taking this opportunity to renew my gratitude to you and to the European Commission for being at the core of supporting Ukraine in its fight against the Russian Federation's aggression.

Please accept the assurances of my highest consideration and sincere wishes for every success in the conduct of your high office.

I am very much looking forward to welcoming you in Kyiv on 2 and 3 February 2023 for a meeting with the Ukraine Government and the Ukraine-EU summit.

Yours sincerely,

Denys SHMYHAL

B. Letter from the European Union

Dear Prime Minister,

I acknowledge receipt of your letter on your request to suspend Ukraine's obligation to pay a financial contribution in the context of its association to Union programmes. Following the unprovoked and unjustified Russian military aggression against Ukraine and its serious financial consequences for your country, the EU fully recognises the current impossibility for Ukraine to comply with its financial contribution obligations linked to its participation in those Union programmes. The European Union also acknowledges the important role that these Association Agreements to the Union programmes play in advancing the integration of Ukraine into the European Union.

Therefore, the European Union hereby agrees to Ukraine's request and proposes to suspend Ukraine's obligations to pay the financial contribution for its participation in all Union programmes as of 1 January 2021 under the conditions stated hereunder.

This suspension should apply to the provisions of the Agreements associating Ukraine to the Union programmes that are listed in the Annex to this letter.

This suspension will remain in force unless lifted by one of the Parties.

The necessity to maintain this suspension shall be assessed on a yearly basis by the European Commission primarily based on information provided by the Ukrainian government. If the situation on the ground has changed, the European Union may decide to lift this suspension after notifying Ukraine of its assessment.

Before lifting the suspension, the European Union and Ukraine shall endeavour to agree on the amendment of the existing Association Agreements to set to zero the financial contribution of Ukraine for the years that were subject to the suspension. The termination of this Agreement in the Form of an Exchange of Letters shall take effect at the same time as the entry into force of the amendment of the different Association Agreements to set the financial contribution to zero.

The European Union and Ukraine can agree that future Association Agreements concluded between them before the lifting of this suspension and associating Ukraine to other Union programmes can be subject to the suspension as agreed in this letter. These future Association Agreements to Union programmes shall specify the exact provisions to be suspended in accordance with this Agreement in the Form of an Exchange of Letters, thus supplementing the provisions already listed in the annex to this letter.

A Party may still decide to request termination of one of the Association Agreements covered by this suspension in accordance with the applicable provision contained in that Association Agreement. Before the termination of the Association Agreement takes effect, the Parties can agree to amend the Association Agreement in order to set to zero the financial contribution of Ukraine for the years subject to the suspension.

I would be grateful if you could confirm the agreement of your Government to the above.

If the above is acceptable to your Government, this letter and your confirmation together constitute an Agreement between the European Union and Ukraine. This Agreement in the Form of an Exchange of Letters shall enter into force on the first day of the second month following the date of the last written notification on the fulfilment of the necessary procedures by the Parties.

Yours faithfully,

Ursula VON DER LEYEN

President of the European Commission

ANNEX

Provisions of the Agreements associating Ukraine to certain Union programmes that are suspended

Union programmes	Provisions suspended
Horizon Europe Framework Programme and Research and Training Programme of the European Atomic Energy Community Agreement between the European Union and European Atomic Energy Community of the one part and Ukraine of the other part, on the participation of Ukraine in Horizon Europe - the Framework Programme for Research and Innovation and the Research and Training Programme of the European Atomic Energy Community (2021-2025) complementing Horizon Europe – the Framework Programme for Research and Innovation	Article 3 “Financial contribution” Article 4 “Rules for application of automatic correction mechanism to the operational contribution of Ukraine to Horizon Europe Programme” Article 9 (4) “Final provisions” ANNEX I “Rules governing the financial contribution of Ukraine to the Horizon Europe Programme (2021-2027) and to the Euratom Research and Training Programme (2021- 2025)”
Digital Europe Programme Agreement between the European Union and Ukraine on the participation of Ukraine in the Digital Europe programme (2021-2027)	Article 3 “Financial contribution” Article 6 (3) “Final provisions” ANNEX I “Rules governing the financial contribution of Ukraine to the Digital Europe Programme (2021-2027)”
FISCALIS Programme Agreement between the European Union and Ukraine on the participation of Ukraine in 'Fiscalis', the Union programme for cooperation in the field of taxation	Article 3 “Financial contribution” Article 5(3) “Final Provisions” Annex I “Rules governing the financial contribution of Ukraine to the Union Fiscalis programme (2022-2027)”
CUSTOMS Programme Agreement between the European Union and Ukraine on the participation of Ukraine in 'Customs', the Union programme for cooperation in the field of customs	Article 3 “Financial contribution” Article 5 (3) “Final provisions” Annex I “Rules governing the financial contribution of Ukraine to the Union Customs programme (2022-2027)”
EU4HEALTH Programme Agreement between the European Union and Ukraine on the association of Ukraine to the EU4Health Programme	Article 3 “Financial contribution” Article 5 (3) “Final provisions” Annex I “Rules governing the financial contribution of Ukraine to the EU4Health programme (2021-2027)”

Creative Europe Programme Agreement between the European Union and Ukraine on the participation of Ukraine in the Creative Europe Programme (2021 to 2027)	Article 3 “Financial contribution” Article 6 (4) “Final provisions” Annex I “Rules governing the financial contribution of Ukraine to the Creative Europe programme (2021-2027)”
LIFE Programme <i>Agreement between the European Union and Ukraine on the participation of Ukraine in the Union programme LIFE - the Programme for the Environment and Climate Action</i>	Article 3 “Financial contribution” Article 5 (5) “Final provisions” Annex I “Rules governing the financial contribution of Ukraine to the LIFE programme (2021-2027)”
Single Market Programme Agreement between the European Union, of the one part, and Ukraine, of the other part, on the participation of Ukraine in the Union programme Single Market Programme (SMP) (2021-2027)	Article 3 “Financial contribution” Article 5 (3) “Final provisions” Annex I “Rules governing the financial contribution of Ukraine to the Single Market programme (2021-2027)”
Union Civil Protection Mechanism Agreement between the European Union, of the one part, and Ukraine, of the other part, on the participation of Ukraine in the Union Civil Protection Mechanism	Article 3 “Financial contribution” Article 5 (3) “Final provisions” Annex I “Rules governing the financial contribution of Ukraine to the Union Civil Protection Mechanism”
Connecting Europe Facility Programme Agreement between the European Union, of the one part, and Ukraine, of the other part, on the participation of Ukraine in the Union programme Connecting Europe Facility	Article 3 “Financial contribution” Article 5 (3) “Final provisions” Annex I “Rules governing the financial contribution of Ukraine to the Connecting Europe Facility Programme (2021-2027)”

On behalf of the European Union,

C. Letter from the Ukrainian Government

Your Excellency

Ursula von der Leyen
The President,
European Commission

I have the honour to acknowledge receipt of your letter of 5 April 2023, which reads as follows:

“Dear Prime Minister,

I acknowledge receipt of your letter on your request to suspend Ukraine’s obligation to pay a financial contribution in the context of its association to Union programmes. Following the unprovoked and unjustified Russian military aggression against Ukraine and its serious financial consequences for your country, the EU fully recognises the current impossibility for Ukraine to comply with its financial contribution obligations linked to its participation in those Union programmes. The European Union also acknowledges the important role that these Association Agreements to the Union programmes play in advancing the integration of Ukraine into the European Union.

Therefore, the European Union hereby agrees to Ukraine’s request and proposes to suspend Ukraine’s obligations to pay the financial contribution for its participation in all Union programmes as of 1 January 2021 under the conditions stated hereunder.

This suspension should apply to the provisions of the Agreements associating Ukraine to the Union programmes that are listed in the Annex to this letter.

This suspension will remain in force unless lifted by one of the Parties.

The necessity to maintain this suspension shall be assessed on a yearly on basis by the European Commission primarily based on information provided by the Ukrainian government. If the situation on the ground has changed, the European Union may decide to lift this suspension after notifying Ukraine of its assessment.

Before lifting the suspension, the European Union and Ukraine shall endeavour to agree on the amendment of the existing Association Agreement to set to zero the financial contribution of Ukraine for the years that were subject to the suspension. The termination of this Agreement in the Form of an Exchange of Letters shall take effect at the same time as the entry into force of the amendment of the different Association Agreement to set the financial contribution to zero.

The European Union and Ukraine can agree that future Association Agreements concluded between them before the lifting of this suspension and associating Ukraine to other Union programmes can be subject to the suspension as agreed in this letter. These future Association Agreement to Union programmes shall specify the exact provisions to be suspended in accordance with this Agreement in the Form of an Exchange of Letters, thus supplementing the provisions already listed in the annex to this letter.

A Party may still decide to request termination of one of the Association Agreements covered by this suspension in accordance with the applicable provision contained in that Association Agreement. Before the termination of the Association Agreement takes effect, the Parties can agree to amend the Association Agreement in order to set to zero the financial contribution of Ukraine for the years subject to the suspension.

I would be grateful if you could confirm the agreement of your Government to the above.

If the above is acceptable to the Government, this letter and your confirmation together constitute an Agreement between the European Union and Ukraine. This Agreement in the Form of an Exchange of Letter shall enter into force on the first day of the second month following the date of the last written notification on the fulfilment of the necessary procedures by the Parties.

Yours faithfully,

Ursula VON DER LEYEN

President of the European Commission

ANNEX

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Digital Europe Programme Agreement between the European Union and Ukraine on the participation of Ukraine in the Digital Europe programme (2021-2027)	Article 3 “Financial contribution” Article 6 (3) “Final provisions” ANNEX I “Rules governing the financial contribution of Ukraine to the Digital Europe Programme (2021-2027)”
FISCALIS Programme Agreement between the European Union and Ukraine on the participation of Ukraine in 'Fiscalis', the Union programme for cooperation in the field of taxation	Article 3 “Financial contribution” Article 5(3) “Final Provisions” Annex I “Rules governing the financial contribution of Ukraine to the Union Fiscalis programme (2022-2027)”
CUSTOMS Programme Agreement between the European Union and Ukraine on the participation of Ukraine in 'Customs', the Union programme for cooperation in the field of customs	Article 3 “Financial contribution” Article 5 (3) “Final provisions” Annex I “Rules governing the financial contribution of Ukraine to the Union Customs programme (2022-2027)”
EU4HEALTH Programme Agreement between the European Union and Ukraine on the association of Ukraine to the EU4Health Programme	Article 3 “Financial contribution” Article 5 (3) “Final provisions” Annex I “Rules governing the financial contribution of Ukraine to the EU4Health programme (2021-2027)”

Creative Europe Programme Agreement between the European Union and Ukraine on the participation of Ukraine in the Creative Europe Programme (2021 to 2027)	Article 3 “Financial contribution” Article 6 (4) “Final provisions” Annex I “Rules governing the financial contribution of Ukraine to the Creative Europe programme (2021-2027)”
LIFE Programme <i>Agreement between the European Union and Ukraine on the participation of Ukraine in the Union programme LIFE - the Programme for the Environment and Climate Action</i>	Article 3 “Financial contribution” Article 5 (5) “Final provisions” Annex I “Rules governing the financial contribution of Ukraine to the LIFE programme (2021-2027)”
Single Market Programme Agreement between the European Union, of the one part, and Ukraine, of the other part, on the participation of Ukraine in the Union programme Single Market Programme (SMP) (2021-2027)	Article 3 “Financial contribution” Article 5 (3) “Final provisions” Annex I “Rules governing the financial contribution of Ukraine to the Single Market programme (2021-2027)”
Union Civil Protection Mechanism Agreement between the European Union, of the one part, and Ukraine, of the other part, on the participation of Ukraine in the Union Civil Protection Mechanism	Article 3 “Financial contribution” Article 5 (3) “Final provisions” Annex I “Rules governing the financial contribution of Ukraine to the Union Civil Protection Mechanism”
Connecting Europe Facility Programme Agreement between the European Union, of the one part, and Ukraine, of the other part, on the participation of Ukraine in the Union programme Connecting Europe Facility	Article 3 “Financial contribution” Article 5 (3) “Final provisions” Annex I “Rules governing the financial contribution of Ukraine to the Connecting Europe Facility Programme (2021-2027)”

I have the honour to confirm that the above is acceptable to Ukraine and that your letter and this letter constitute an Agreement in the Form of an Exchange of Letter between the European Union and Ukraine, which will enter into force on the first day of the second month following the date of the last written notification on the fulfilment of the necessary procedures by the Parties.

Please accept, Dear President, the assurance of my highest consideration.

Denys SHMYHAL
Prime Minister of Ukraine

For Ukraine,
