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Brussels, 26. July 2023

Dear Mr Frankiewicz,

Thank you for your letter concerning the role of Ukrainian municipalities in maintaining the resilience of Ukraine during the full-scale Russian invasion, and their importance for the EU enlargement process and reconstruction of the country.

I wish to express my appreciation for the assistance provided by a large number of Polish municipalities to Ukrainian people fleeing the war, and for peer-to-peer partnerships entered into between Polish and Ukrainian cities and regions, which contribute to the recovery process.

The Commission fully shares your assessment of the importance of decentralisation reform of Ukraine. As mentioned in the Commission's opinion on Ukraine's application for membership of the European Union¹, it is one of the most impactful and successful reforms implemented in the country and is essential for its social and economic development. Given the crucial role of municipalities in the recovery and reconstruction process, the Commission is of the view that that process should in turn serve to consolidate and further strengthen decentralisation reform.

Supporting decentralisation and local development is one of the specific objectives of the Commission's proposal for a new financing instrument, the Ukraine Facility², adopted on 20 June 2023. The Facility is aimed at providing predictable and flexible financial support of up to \in 50 billion for the period from 2024 to 2027. As part of the Facility, Ukraine will be required to consult and involve municipalities in decision-making on the use of the support to be provided, and projects selected and implemented by sub-national authorities should constitute an adequately substantial share of the overall support.

1 COM(2022) 407 final

² COM(2023) 338 final

Zygmunt Frankiewicz President Of The Association of Polish Cities Concerning cross-border cooperation between Poland and Ukraine, the Commission is grateful for the involvement of Polish cities in the implementation of the Interreg programme. Its geographical coverage has been designed to serve the cross-border character of cooperation between Poland and Ukraine. The current legal framework allows to select projects covering partners from the entire territory of Poland and Ukraine, provided that their involvement brings benefit for cross-border cooperation. In addition, the Commission and Member States are finalising the inclusion of Ukraine in Interreg interregional programmes (Interreg Europe and URBACT), which will cover the whole of Poland.

Yours sincerely,

Olivér Várhelyi