

Further macro-financial assistance to Ukraine

2018/0058(COD) - 04/07/2018 - Final act

PURPOSE: to provide additional macro-financial assistance to Ukraine to support economic stabilisation and structural reforms.

LEGISLATIVE ACT: Decision (EU) 2018/947 of the European Parliament and of the Council providing further macro-financial assistance to Ukraine.

CONTENT: under this Decision, the Union shall make available to Ukraine **macro-financial assistance (MFA) of a maximum overall amount of EUR 1 billion** in the form of medium and long-term loans to facilitate the stabilisation of its economy and the implementation of a comprehensive reform programme. The assistance shall supplement resources provided by the International Monetary Fund (IMF) and other donors.

In spring 2014, Ukraine embarked on an ambitious reform programme with the aim of stabilising its economy and improving the livelihoods of its citizens. Ukraine and the Union have jointly defined a reform agenda (the 'Association Agenda', which was last updated in March 2015). The fight against corruption as well as constitutional, electoral and judicial reforms are among the top priorities on the agenda.

This is the **third package of macro-financial assistance** for Ukraine since 2014. The EU pledged EUR 1.6 billion in 2014 and EUR 1.8 billion in 2015, of which Ukraine received EUR 2.81 billion. A EUR 600 million instalment was cancelled in January 2018 due to incomplete compliance with the conditions set as regards the fight against corruption.

The decision provides that disbursements shall be subject to **economic policy and financial conditions**, focusing on structural reforms and sound public finances and including a timeframe for their fulfilment. The conditions will be laid down in a memorandum of understanding between Ukraine and the Commission.

The European Parliament, the Council and the Commission issued a **joint statement** specifying the following points:

- a **pre-condition** for granting macro-financial assistance that Ukraine respects **effective democratic mechanisms** – including a multi-party parliamentary system – and the rule of law, and guarantees respect for human rights. The Commission and the European External Action Services shall monitor the fulfilment of this pre-condition throughout the life-cycle of the Union's macro-financial assistance;
- the economic policy and financial conditions of the Memorandum of Understanding to be agreed between the European Union and Ukraine, which shall include, *inter alia*, obligations to **strengthen the governance**, in particular for the **fight against corruption**, notably regarding a well-functioning specialised anti-corruption court and conditions on combating money laundering and tax avoidance. Where the conditions are not met, the Commission shall temporarily suspend or cancel the disbursement of the macro-financial assistance.

The Commission shall be responsible for the disbursement of the macro-financial assistance.

ENTRY INTO FORCE: 9.7.2018.