

# Multiannual financial framework for the years 2021 to 2027

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**PURPOSE:** to extend the mobilisation of a guarantee for financial assistance beyond the ceilings of the Multiannual Financial Framework (MFF) to Ukraine for financial assistance available for the years 2023 and 2024.

**PROPOSED ACT:** Council Regulation.

**ROLE OF THE EUROPEAN PARLIAMENT:** Council may adopt the act only if Parliament has given its consent to the act.

**BACKGROUND:** following Russia's unprovoked and unjustified invasion of Ukraine, the EU has provided significant support to Ukraine to strengthen resilience and provide humanitarian assistance, military aid and other support. Ukraine will require continued assistance to sustain the functioning of the State.

The macro-financial assistance (MFA) to Ukraine by the Union so far has been generous and effective, but it has been provided on an ad hoc basis, covering a few months at a time, and required significant provisioning from the Union's budget and national guarantees in each funding round. Amid heightened external instability, it is appropriate to provide for a **structured financing solution for the years 2023 and 2024** to ensure continued financial support for Ukraine. It is therefore appropriate to allow the Union to provide the needed budgetary resources in a sustainable and sound manner.

**CONTENT:** the proposed amendment to Regulation (EU, Euratom) 2020/2093 laying down the multiannual financial framework for the years 2021 to 2027 will **extend the budgetary coverage** currently applied to loans to Member States also to **loans to Ukraine available for the years 2023 and 2024**; this concerns financial assistance in respect of which a decision authorising the release is adopted in those years.

Accordingly, if the Union has to honour repayment obligations from resources of the Union's budget - in the case a beneficiary state (a Member State or Ukraine for financial assistance available for the years 2023 and 2024) fails to provide the due payment on time - the necessary amounts would be mobilised over and **above the MFF ceilings** up to the limits of the own resources ceiling.

By extending the mobilisation of a guarantee for financial assistance over and above the MFF ceilings to Ukraine for financial assistance available for the years 2023 and 2024 in addition to financial assistance to EU Member States, the proposal will allow a more efficient use of the budgetary resources under the MFF ceilings. The possibility to mobilise the guarantee over and above the MFF ceilings would offer full coverage of the financial assistance to Ukraine available for the years 2023 and 2024, in accordance with the principle of sound financial management.