

Instrument for providing support to Ukraine for 2023 (macro-financial assistance +)

2022/0371(COD) - 14/12/2022 - Text adopted by Parliament, 2nd reading

The European Parliament adopted a legislative resolution **approving the Council position at first reading** with a view to the adoption of a regulation of the European Parliament and of the Council establishing an instrument for providing support to Ukraine for 2023 (macro-financial assistance +).

The Regulation establishes an instrument for the provision of EU support to Ukraine (macro-financial assistance +) in the form of loans, non-repayable support and an interest rate subsidy.

Objective of the Instrument

The general objective of the Instrument is to provide short-term financial relief to Ukraine in a predictable, continuous, orderly and timely manner, financing of rehabilitation and initial support towards post-war reconstruction, where appropriate, with a view to supporting Ukraine on its path towards European integration.

Areas of support

To achieve its objectives, the Instrument will support notably the following:

- the financing of Ukraine's funding needs, with a view to maintaining the macro-financial stability of the country;
- rehabilitation, for instance in restoring critical infrastructure, such as energy infrastructure, water systems, transport networks, internal roads or bridges, or in strategic economic sectors and social infrastructure, such as healthcare facilities, schools, and housing for relocated persons, including temporary and social housing;
- sectoral and institutional reforms, including anti-corruption and judicial reforms, respect for the rule of law, good governance, and modernisation of the national and local institutions;
- preparation for the reconstruction of Ukraine;
- support for the alignment of the regulatory framework of Ukraine to that of the Union and Ukraine's integration into the single market, as well as strengthening economic development and improving competitiveness;
- the strengthening of Ukraine's administrative capacity through appropriate means, including the use of technical assistance.

Available support under the Instrument

The support under the Instrument in the form of loans will be available for an amount of up to **EUR 18 billion** for the period from 1 January 2023 to 31 December 2023 with possible disbursement until 31 March 2024.

Additional support under the Instrument for the period from 1 January 2023 to 31 December 2027 will also be available for covering the expenditure concerning interest rate subsidies. This additional support may be available beyond 31 December 2027.

Member States' contributions in the form of guarantees

Member States will be able to contribute by providing guarantees up to a total amount of EUR 18 billion as regards support under the Instrument in the form of loans. The relative share of the Member States' contribution will correspond to the relative share of that Member State in the total GNI of the Union. The Regulation sets out the main features of the guarantee agreements to be concluded between the Commission and the Member States.

The Regulation provides for the possibility for Member States to make available additional resources in the form of external assigned revenue, the implementation of which will be covered by the instrument's Memorandum of Understanding. This possibility of additional contribution will also be granted to third countries and interested third parties in the form of external assigned revenue.

Conditions of support

The availability of support under the Instrument is subject to the precondition that Ukraine continues to respect effective democratic mechanisms and institutions, including parliamentary pluralism, and the rule of law, and that it ensures respect for human rights.

Support should be linked to political conditions set out in a Memorandum of Understanding. These conditions should also include commitments to strengthen the country's economic performance and resilience, improve the business environment, facilitate the reconstruction of critical infrastructure and address challenges in the energy sector.