

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

2022/0371(COD) - 16/12/2022 - Final act

PURPOSE: to provide EUR 18 billion in assistance to Ukraine.

LEGISLATIVE ACT: Regulation (EU) 2022/2463 of the European Parliament and of the Council establishing an instrument for providing support to Ukraine for 2023 (macro-financial assistance +).

CONTENT: Russia's war of aggression against Ukraine since 24 February 2022 has led to a loss of market access for Ukraine and a massive drop in public revenues, while public expenditure to address the humanitarian situation and ensure the continuity of public services has increased significantly. Since the beginning of Russia's war against Ukraine, the EU, its Member States and the European financial institutions have mobilised EUR 19.7 billion to support Ukraine's economic, social and financial resilience.

The European Council of 23 June 2022 decided to grant the status of candidate country to Ukraine. Ongoing strong support to Ukraine is a key priority for the Union. As the damage from Russia's war of aggression to the Ukrainian economy, citizens and businesses is tremendous, ongoing strong support to Ukraine requires an organised collective approach as set out in the instrument for providing Union support to Ukraine (macro-financial assistance +) established by this Regulation.

Objective of the Instrument

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

The 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

In order to achieve the overall objective of the instrument, assistance will be provided with a view to fostering macro-financial stability in Ukraine and alleviating Ukraine's external financing constraints.

The provision of rehabilitation support, repair, and maintenance of critical functions and infrastructure as well as relief for people in need and for most affected areas in terms of material and social support, temporary housing, residential and infrastructural construction should also count among the main areas of support under the Instrument.

The Instrument will also support the strengthening of the capacity of Ukrainian authorities to prepare for the future post-war reconstruction and for the early preparatory phase of the pre-accession process, as appropriate, including the strengthening of Ukraine's institutions, reforming and reinforcing the effectiveness of public administration as well as transparency, structural reforms and good governance at all levels.

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. Loans provided to Ukraine will be on highly concessional terms with a maximum duration of 35 years and to not start the repayment of the principal before 2033.

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.

ENTRY INTO FORCE: 17.12.2022.