



THE EU AND UKRAINE

#Strongertogether
#EUEnlargement

October 2024



Ukraine is an **EU candidate country** since 2022.



Strong and continued EU support for Ukraine

The EU is one of Ukraine's strongest supporters. Since the start of Russia's war of aggression against Ukraine, the EU and its Member States made available almost **€122 billion** in **financial, humanitarian, and military assistance** to Ukraine and to cater for Ukrainians' needs in the EU.



The EU is Ukraine's

✓ largest trade partner

✓ largest investor

✓ largest provider of financial assistance



Ukraine Facility

The EU has established a dedicated financing instrument of up to **€50 billion** to provide predictable and flexible support to Ukraine for the period 2024-2027 to support its recovery, reconstruction and modernisation, in line with its EU path. The Ukraine Facility is operational since 1 March 2024. In 2024, a total of **€15.6 billion** has been mobilised and €12.4 billion disbursed so far under the Ukraine Facility.



Under its first pillar, the Ukraine Facility supports the implementation of Ukraine Plan through grants and loans to Ukraine's budget. The Ukraine Plan is Ukraine's strategy for the modernisation and recovery on the country. This addresses the most urgent financial needs of the State and helps maintaining macro-financial stability. It also supports investments to foster recovery and reconstruction linked with EU accession process.

The **second pillar**, the **Ukraine Investment Framework**, is equipped with €9.3 billion in guarantees and grants and aims to mobilise up to €40 billion in public and private investment for Ukraine's recovery and reconstruction in cooperation with EU Member States, the Government of Ukraine and International Financial Institutions (including the European national development banks).

Under the **third pillar** the EU has allocated €4.76 billion, focusing on providing technical assistance and support to help Ukraine align with EU laws and regulations. This includes capacity-building initiatives, support for implementing EU accession reforms, and assistance in responding to Russian aggression against Ukraine. The pillar also provides interest rate subsidies for the cost of loans provided to Ukraine by the Facility or previous macro-financial assistance instrument.

Under the new **Macro-Financial Assistance Regulation (MFA)**, support of up to €35 billion is available, with the EU planning to provide approximately €18 billion through the revised MFA and Ukraine Loan Cooperation Mechanism (ULCM). This mechanism will further assist Ukraine in repaying loans from the EU and G7 partners, with total support reaching up to **€45 billion**. The Loan Cooperation Mechanism is to be financed by extraordinary revenues stemming from frozen Russian assets. The EU will work with Ukraine and G7 partners to operationalise these two measures by the end of this year.

On 26 July 2024, the EU made available in support of Ukraine the first payment of **€1.5 billion** generated from immobilised Russian assets.



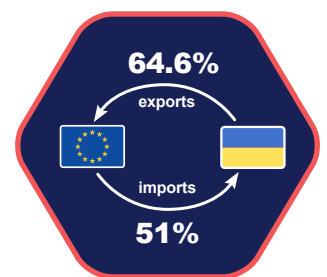
Close trade & investment links

The EU is Ukraine's **main trading partner**. In 2023, the EU made up 55.9% of Ukrainian trade. 64.6% of Ukrainian exports go to the EU, and 51% of Ukraine's imports come from the EU*.

The EU is granting Ukraine **autonomous trade measures** thus suspending all outstanding import duties, quotas, and trade defence measures on Ukrainian exports to the EU until June 2025.

In response to the global food security threat posed by Russia's war of aggression against Ukraine and the blockade of its seaports which hindered traditional export routes, the **EU-Ukraine Solidarity Lanes** were established as part of the solidarity response to facilitate Ukraine's export and import of goods through alternative rail, road, and inland waterway channels.

According to Ukrainian customs registers, since May 2022 the Solidarity Lanes have enabled Ukraine to export about **150 million tonnes** of goods, including around 75 million tonnes of grain, oilseeds and other related products, and to import around more than 58 million tonnes of goods it needs. The total value of trade via the Solidarity Lanes since May 2022 is **€170 billion**, including around €52.5 billion for Ukrainian exports.



Economic & Investment Plan (EIP)

The EU's **EIP for the Eastern Neighbourhood** supports the investments needed to make the economies of the region more resilient and able to generate concrete benefits for people in areas such as transport, private sector, energy, environment and climate, water and sanitation, digital and human capital. It includes specific flagship projects in each country. In Ukraine **€5.2 billion** have already been mobilised under the EIP, of this the EU has contributed €1.2 billion.



Humanitarian and civil protection

The Commission has allocated **€950 million** for humanitarian aid programmes in Ukraine to be implemented by partners on the ground. In line with the priorities of the Ukrainian government, EU humanitarian assistance provides shelter, cash support, healthcare, food assistance, education, water and sanitation.



Support for resilience and civil society

The EU swiftly implemented the Temporary Protection Directive, granting Ukrainian refugees residency, work permits, housing, healthcare, and education in the EU. Over **four million Ukrainians** have been welcomed, with protection extended until March 2026. The Commission has introduced maximum flexibility so that Member States can support people fleeing the war using unspent cohesion funds, thus making available up to **€17 billion**.

The EU has enhanced Ukraine's cyber defenses by supplying €10 million worth of equipment and software.



Supporting Ukraine's Energy Security

At least **€2 billion** of support for energy security has already been provided to Ukraine since Russia's full-scale invasion, via the Ukraine Energy Support Fund and the Union Civil Protection Mechanism, among others. The EU is making available an additional amount of close to €160 million to support Ukraine's energy security for the winter. Additionally, €19 million supports Ukraine's digital resilience, and €31 million aids civil society through thematic programs focused on human rights and democracy.

* Source: DG Trade

ec.europa.eu/neighbourhood-enlargement
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