

ANNEX

Work programme of the Ukraine Facility pillar I for 2024-2027

On the basis of the objectives set out in Regulation (EU) 2024/792, and in particular Article 6(1)a thereof, the work programme of the Ukraine Facility pillar I for 2024-2027 contains the action to be financed and the budget breakdown as follows:

1. AMOUNT

Total estimated cost: EUR 5 270 000 000,00

Total amount of EU budget contribution: EUR 5 270 000 000,00

The contribution is for an amount of EUR 3 000 000 000,00 from the general budget of the European Union for 2024, and for an amount of EUR 1 500 000 000,00 from the general budget of the European Union for 2025, and for an amount of EUR 500 000 000,00 from the general budget of the European Union for 2026, and for an amount of EUR 270 000 000,00 from the general budget of the European Union for 2027, subject to the availability of appropriations for the respective financial years following the adoption of the relevant annual budget, or as provided for in the system of provisional twelfths.

2. LEGAL BASIS

Regulation (EU) 2024/792 of the European Parliament and of the Council of 29 February 2024 establishing the Ukraine Facility.

3. BUDGET LINE

16.06.01: EUR 5 270 000 000,00

4. BENEFICIAR(Y)/(IES) OF THE ACTION

The action shall be carried out for the benefit of Ukraine. The final beneficiaries of the action are the people of Ukraine.

5. OBJECTIVES PURSUED

This action aims to activate the non-repayable financial support of Pillar I of the Ukraine Facility.

The Ukraine Facility makes available to Ukraine financial support of up to EUR 5 270 000 000 for the period 2024-2027 in the form of non-repayable support. Most of this support is channelled via the Ukraine Plan (the Plan), which constitutes the basis for support provided under Pillar I of the Facility.

The Plan includes 15 sectoral chapters and 3 horizontal chapters on the reconstruction and modernisation processes across all levels of the government, on the mechanisms and arrangements to protect the financial interests of the Union, and on the stakeholders' consultation during the preparation of the Plan. A total of 146 measurable qualitative and quantitative steps are linked to the financing under the Plan. Beyond the measures covered under the Facility, the Plan proposes a broader reform and investment agenda. In this regard, it serves as one comprehensive Plan for the Ukrainian government, setting out the reform and investment priorities for all the donors in the short to medium term.

The Council Implementing Decision (EU) 2024/1447 of 14 May 2024 on the approval of the assessment of the Ukraine Plan sets out the qualitative and quantitative steps necessary to implement the Plan, and the amount to be made available from the Union in the form of non-repayable financial support, as well as loan support. Payments will be made in instalments distributed over 2024-2027 upon Ukrainians' satisfactory fulfilment of the relevant quantitative and qualitative steps and following the Council implementing decision establishing the satisfactory fulfilment of the conditions for payments.

This decision will enable the Commission to release instalments, in accordance with the Framework Agreement and Financing Agreement to be concluded between the Union and Ukraine pursuant to Articles 9 and 10, respectively, of Regulation (EU) 2024/792. Releases will be conditional on available budget appropriations, the fulfilment of the precondition for Union support in accordance with Article 5 of Regulation (EU) 2024/792 and a decision by the Council, taken in accordance with Article 26 of Regulation (EU) 2024/792, that Ukraine has satisfactorily fulfilled the relevant qualitative and quantitative steps identified in relation to the implementation of the Ukraine Plan following a positive assessment by the Commission. In order to be eligible for payment, Ukraine shall complete the quantitative and qualitative steps no later than 31 December 2027.

6. METHOD OF IMPLEMENTATION

1.

Direct management – Budget Support according to Art 236 FR

One Financing Agreement for the period 2024-2027 for the total envelope of the action: EUR 5.270.000.000,00.

The Financing Agreement will set out the conditions for payment of the Budget Support.

2. EXPECTED RESULTS

Timely release of instalments under Pillar I of the Ukraine Facility, against positive assessment that Ukraine has satisfactorily fulfilled the relevant qualitative and quantitative steps identified in relation to the implementation of the Ukraine Plan.