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Proposal for a

COUNCIL IMPLEMENTING DECISION

on establishing the satisfactory fulfilment of the conditions for the payment of the first instalment of the non-repayable financial support and of the loan support under the Ukraine Plan of the Ukraine Facility

EXPLANATORY MEMORANDUM

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Proposal for a

COUNCIL IMPLEMENTING DECISION

on establishing the satisfactory fulfilment of the conditions for the payment of the first instalment of the non-repayable financial support and of the loan support under the Ukraine Plan of the Ukraine Facility

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Regulation (EU) 2024/792 of the European Parliament and of the Council of 29 February 2024 establishing the Ukraine Facility¹ and in particular Article 26(4) thereof,

Having regard to Council Implementing Decision (EU) 2024/1447 on the approval of the assessment of the Ukraine Plan²,

Having regard to the proposal from the European Commission,

Whereas:

- (1) Pillar I of the Ukraine Facility ('the Facility') makes available to Ukraine financial support of up to EUR 38 270 000 000 for the period 2024-2027 in the form of non-repayable support and loans. Financing under Pillar I is mainly allocated on the basis of the Ukraine Plan. The Ukraine Plan sets out the reform and investment agenda for Ukraine, and the qualitative and quantitative steps that are linked to the funding under Pillar I of the Facility.
- (2) In accordance with Article 19 of Regulation (EU) 2024/792, the Council adopted Council Implementing Decision (EU) 2024/1447 of 14 May 2024 on the approval of the assessment of the Ukraine Plan. The timetable for monitoring and implementation of the Ukraine Plan, including the qualitative and quantitative steps, are set out in the Annex to Council Implementing Decision (EU) 2024/1447.
- (3) The total sum of financial resources made available to the Ukraine Plan ('the Plan') by Council Implementing Decision (EU) 2024/1447 amounts to EUR 32 270 000 000, out of this EUR 5 270 000 000 in the form of non-repayable financial support and up to EUR 27 000 000 000 in the form of a loan.
- (4) In accordance with Articles 25 and 24 of Regulation (EU) 2024/1447, EUR 6 000 000 000 has been made available to Ukraine as exceptional bridge financing and EUR 1 890 000 000 in the form of pre-financing representing an advanced payment of 7% of the loan support that Ukraine is eligible to receive under the Ukraine Plan.
- (5) In accordance with Article 26(2) of Regulation (EU) 2024/792, on 9 July 2024, Ukraine submitted a duly justified request for the payment of the first instalment of the non-repayable financial support and of the loan support, amounting to EUR 4 365 691

¹ OJ L, 2024/792, 29.2.2024, ELI: <http://data.europa.eu/eli/reg/2024/792/oj>.

² OJ L, 2024/1447, 24.5.2024, ELI: http://data.europa.eu/eli/dec_impl/2024/1447/oj

244, as set out in the Annex to the Council Implementing Decision (EU) 2024/1447. The request was accompanied by the documents required under Article 12 of the Framework Agreement, Article 5 of the Financing Agreement and Article 6 of the Loan Agreement concluded between the Union and Ukraine pursuant to Articles 9, 10 and 22 of Regulation (EU) 2024/792.

- (6) Ukraine confirmed in its request for payment the satisfactory fulfillment of the nine steps due by Q2-2024 in accordance with Council Implementing Decision (EU) 2024/1447. The nine satisfactorily fulfilled steps relate to various reforms of the Ukraine Plan under the chapters on Public financial management, Fight against corruption and money laundering, Management of public assets, Business Environment, Energy sector, and Agri-food sector. The Budget Declaration for 2025-2027, the strategic plan for the digitalisation of the State Customs Service, the strategic document on Mine Action for the period up to 2033, the strategy and action plan for thermal modernisation of buildings until 2050, and the Integrated National Energy and Climate Plan have been adopted, a new head of the National Agency on Corruption Prevention has been appointed, and the laws on the corporate governance of state-owned enterprises and on the revised legal basis of the Economic Security Bureau of Ukraine have entered into force.
- (7) In accordance with Article 26(4) of Regulation (EU) 2024/792, the Commission assessed in detail the payment request submitted by Ukraine and made a positive assessment of the satisfactory fulfilment of the nine qualitative and quantitative steps for the first instalment as specified in the Annex to this Decision.
- (8) The Commission assessed that Ukraine continues to fulfil the pre-condition for Union support as set out in Article 5 of Regulation (EU) 2024/792. In particular, Ukraine continues to uphold and respect effective democratic mechanisms, including a multi-party parliamentary system and the rule of law, and to guarantee respect for human rights, including the rights of persons belonging to minorities.
- (9) Therefore, this Decision should establish that the relevant conditions for payment of the first instalment have been satisfactorily fulfilled.
- (10) Considering the difficult fiscal situation Ukraine is facing, it is of utmost importance to disburse the funds as soon as possible. In view of the urgency of the situation and in order to expedite the process, this decision should enter into force on the day of its publication in the Official Journal of the European Union and it should apply from the date of its adoption,

HAS ADOPTED THIS DECISION:

Article 1

The satisfactory fulfilment of the relevant conditions for payment of the first instalment is hereby established in line with the assessment provided by the Commission in accordance with Article 26 of Regulation (EU) 2024/792.

Article 2

This Decision shall enter into force on the day of its publication in the *Official Journal of the European Union*.

It shall apply from [the date of its adoption]*³.

Done at Brussels,

*For the Council
The President*

³ * Date to be inserted by the Council before publication in the Official Journal.