



Brussels, 21.6.2023
C(2023) 4046 final

ANNEX

ANNEX

to the

Commission Decision

on the financing of the interest due on the funds borrowed under Council Decision (EU, Euratom) 2020/2053 to be used for expenditure and the adoption of the work programme for year 2023

Work programme for 2023 for the special measure in favour of Ukraine for 2023

Granting an interest rate subsidy in respect of the loans under the Union's exceptional macro-financial assistance provided to Ukraine in 2022

On the basis of the objectives set out in to Regulation (EU) 2021/947, and of the provisions of Decision (EU) 2022/1628 (which complements and amends Decision (EU) 2022/1201), this work programme contains the action to be financed and the budget breakdown for 2023 as follows:

Amount

EUR 100 087 328,77

Legal basis

Regulation (EU) 2021/947 of the European Parliament and of the Council of 9 June 2021 establishing the Neighbourhood, Development and International Cooperation Instrument - Global Europe.

Budget line

14 02 01 11 – NDICI “Eastern Neighbourhood”

*after transfer from 14 02 04 – NDICI “Emergency challenges and priorities cushion”

Objectives pursued

The aim of this decision is to subsidize the interest rate due by Ukraine in 2023 in relation to the Union's exceptional macro-financial assistance of 2022.

As part of the response to Russia ongoing unprovoked and unjustified war of aggression against Ukraine, the Union's exceptional macro-financial assistance provided swift and urgent support to the Ukrainian budget in 2022. Two decisions were adopted to this aim: Decision (EU) 2022/1201 of July 2022 (up to EUR 1 billion) and Decision (EU) 2022/1628 of September 2022 (up to EUR 5 billion).

By derogation from Article 220(5), point (e), of the Financial Regulation, the Union may bear interest by granting an interest rate subsidy in respect of the loans under both Decisions. Ukraine may request the interest rate subsidy by the Union by the end of March of each year.

Ukraine submitted the official request for 2023 on 6 February 2023. The total due for 2023 amounts to about EUR 100 million, split in 4 subsequent payments; the first payment is due in August 2023 and the last payment is due in November 2023.

Decision (EU) 2022/1628 establishes that the financial envelope of the geographic programme “Neighbourhood” of the NDICI-Global Europe shall be used to cover such subsidy. To this aim, funds will be transferred from the article “Emergency challenges and priorities cushion” (14.02 04) to the item “Eastern Neighbourhood” (14.02 01 11).

This option responds to unforeseen needs and circumstances not contemplated in the multi-annual programming document for Ukraine (C(2021)9351 of 13.12.2021); this explains why it is a special measure in the meaning of article 23(4) of NDICI Regulation.

Method of implementation

Direct implementation by Commission.

The interest rate subsidy should be granted as an instrument deemed appropriate to ensure the effectiveness of the support within the meaning of Article 220(1) of the Financial Regulation and should be borne by the Union budget at least during the period of the multiannual financial framework 2021–2027.

All transactions related to the subsidy will be handled by Commission services (NEAR and BUDG), with no transfer of funds to Ukraine.

Expected results

The fulfilment of timely payment of interests' costs on behalf of Ukraine.