

## Non-paper on the Ukraine Facility

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The two-year mark of Russia's war of aggression against Ukraine is approaching. The war is undermining European and global security and stability, and is in gross violation of international law and the principles of the UN Charter. **Russia's war of aggression against Ukraine is causing devastating suffering and damage**, with reconstruction costs estimated so far at EUR 384 billion (World Bank March 2023), and the State of Ukraine's financing gap estimated at EUR 75.1 billion until 2027 (IMF, March 2023). It is urgent that the Union **confirms its continued engagement and swiftly moves forward with the Ukraine Facility**.

Ukraine, international donors, and international financial institutions expect decisive and structural support from the EU that will help close the funding gap of Ukraine until 2027 and cater for the recovery needs and medium-term reconstruction and modernisation of Ukraine. Securing structural and predictable support to Ukraine is imperative. The Union has to **honour its strong political commitment** to provide financial, economic, humanitarian, military, and diplomatic support to Ukraine and its people for as long as it takes.

Hence, it is important to swiftly adopt the proposed Ukraine Facility that brings together the stable, predictable and sustainable financial support provided by the Union to Ukraine for the years to come. It is important to **safeguard the overall level of ambition** in the proposal for the Ukraine Facility. The **proposed balance of non-repayable support and loans should be maintained**, and no changes be made to undermine the support for Ukraine.

As the provision by the Union of macro-financial assistance to Ukraine of up to EUR 18 billion for 2023 will soon come to an end, we note **with concern the lack of progress in decision-making and the risk of a late adoption of the Ukraine Facility**. Swift adoption is imperative to guarantee stable financing for Ukraine from 1<sup>st</sup> of January 2024.

There is an unprovoked and unjustified war of aggression raging at the EU border. The Union has a **responsibility to collectively ensure strong and comprehensive support to Ukraine**. No other task is as urgent for the Union<sup>1</sup>, and any delay in providing stable, predictable, and sustainable support for Ukraine would be inexcusable.

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<sup>1</sup> This does not prejudice individual MS' overall position on the mid-term revision of the Multiannual Financial Framework