



Recovery - Reconstruction - Modernisation of Ukraine on the way to the EU

Katarína Mathernová, Ambassador of the EU to Ukraine



Key objectives of the new Ukraine Facility:



Support **recovery, reconstruction & modernisation**



Support **Ukraine's reforms on the way to EU accession**



Support **Ukraine's financing needs for the State to deliver uninterrupted public services** (schools, hospitals, social benefits, etc.)



Mobilise investments in Ukraine's private sector for economic recovery and reconstruction



Broaden support to Ukrainian society, including helping address the social consequences of the war

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Pillar 1 Support to Ukraine Plan	Pillar 2 Ukraine Investment Framework	Pillar 3 Assistance programmes
<p>EU support to Ukraine's Plan through grants and loans to the State budget - €39 bn (tbc)</p> <p>Support to address the urgent financial needs of the State to maintain macro-financial stability</p> <p>Support to investments to foster recovery, reconstruction and modernisation</p> <p>Support to reforms needed for EU accession</p>	<p>De-risking mechanism available to investors through International Financial Institutions to scale up investments, crowd-in financing and private capital</p> <p>Support to public & private sector investment in Ukraine</p> <p>€8 bn (tbc) translating into €8.9 bn of guarantee capacity and €1.76 bn of blending, to mobilise up to €50 bn in additional loans and private capital investments.</p>	<p>Technical assistance to the Government (EU acquis, structural reforms)- €3 bn (tbc)</p> <p>Capacity building of the authorities at national, regional and local level</p> <p>Support to civil society</p>

Pillar 2: Ukraine Investment Framework

- Objective: **mobilise investments** for economic recovery, reconstruction and modernisation of Ukraine →
Examples: lending to sovereign entities, private investment projects, support to Ukrainian SMEs to invest, support to municipalities having borrowing capacities or to State-Owned Enterprises.
- Type of support: combination of blending grants and guarantees.
- Strategic orientations for the Investment Framework will be given by the Ukraine Plan.
- Implementation: via European and International Financing Institutions (EBRD, EIB, KfW, AFD, BGK, IFC, etc.).
- Guarantee capacity tbc: €8.9 billion (with 70% provisioning); Blending grants: € 1.7 billion

Opportunities for private sector-led reconstruction

- Outstanding economic resilience creates the platform for **private sector-led economic recovery**
- FDI attraction – priority for the government and international partners
- The Ukraine Plan prioritises sectors such as ***Energy, Agribusiness, Transport and Logistics, Green Steel, and Critical Materials. Also social sectors – housing, health, education, municipal services***
- Aim to attract higher added value industry investment/enter European and international value chains

Enabling environment for FDI for reconstruction and economic growth

- **Historic December 2023 European Council decision to open accession negotiations**
- **Active EU accession negotiations and boosting the Deep and Comprehensive Free Trade Agreement (DCFTA)/more access to the EU internal market**
- **Government committed to accelerating business environment reforms as stipulated in the Ukraine plan – e.g. deregulation, access to finance and SME support, harmonisation of legislation and standards with the EU acquis**
- **Development of new industries and infrastructure that reflect Ukraine's deepening integration with European markets and supply chains**

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