

# EU greenlights first payment of nearly €4.2 billion under Ukraine Facility

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Photo by: EU

On 6 August, the Council of the European Union approved the first regular disbursement of grants and loans under the EU Fund for Ukraine, aimed at supporting Ukraine's macro-financial stability and the functioning of its public administration.

The Council concluded that Ukraine had satisfied the necessary conditions and reforms envisaged in the Ukraine Plan for receiving the funds, which will be disbursed from the Ukraine Facility. These reforms cover public financial management, governance of state-owned enterprises, business environment, energy and demining. The Council conclusions stressed the importance of allocating the money as soon as possible, given the difficult fiscal situation in Ukraine.

The Ukraine Plan sets out Ukraine's intentions regarding the recovery, reconstruction and modernisation of the country and the reforms it plans to undertake in the next four years as part of its EU accession process.

In May 2024, the Council concluded that the Ukraine Plan fulfilled the preconditions for Ukraine to receive up to €50 billion in support under the Ukraine Facility.

The Ukraine Facility, which entered into force on 1 March 2024, foresees up to €50 billion of stable financing, in grants and loans, to support Ukraine's recovery, reconstruction, and modernisation for the period 2024 to 2027. Of this, up to €32 billion is indicatively earmarked to support reforms and investments set out in the Ukraine Plan, whereby disbursements will be conditioned to the delivery of identified indicators.

Since its entry into force, the Ukraine Facility has already disbursed €6 billion by way of bridge financing and €1.89 billion in pre-financing, after fulfilment of agreed policy conditions.

