

# Ukraine Facility: EU agrees on elements of new support mechanism for Ukraine

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On 10 January, member states' EU ambassadors approved a partial negotiating mandate on a proposal to set up the Ukraine Facility, a new single dedicated instrument to support Ukraine's recovery, reconstruction, modernisation, and reforms.

It was proposed by the European Commission in June 2023, with a total budget of €50 billion – €17 billion in grants and €33 billion in loans.

The Ukraine Facility would pool the EU's budget support to Ukraine into one single instrument, providing predictable and flexible support for Ukraine over the period 2024-2027 – despite the challenges of war.

Subsidies and loans to the state of Ukraine will be provided based on the fulfilment of the Ukraine Plan developed by the government of Ukraine and

supported by a set of conditions and a payment schedule.

*“The Ukraine Facility aims to grant consistent support for Ukraine to rebuild its country in the midst of the unprecedented challenges brought by Russia’s war of aggression,” said Belgian Finance Minister Vincent van Peteghem. “At the same time, the support would help Ukraine take forward the reforms and modernisation efforts needed for it to advance on its path towards future EU membership.”*

The Council’s partial negotiating mandate does not include budget-related issues, in particular the overall size of the instrument and the share of grants and loans.

The partial position will serve as the Council’s mandate for negotiations with the European Parliament. Once an agreement is reached, the regulation will need to be formally adopted by the Council and the European Parliament.



