

The EU's new Ukraine Facility

What is the Ukraine Facility?

- On 16 October 2023, lawmakers from the European Parliament will vote on a EUR 50 billion reconstruction fund for Ukraine called the <u>Ukraine Facility</u>.
- This dedicated fund is a new addition to the EU's 2021-2027 budget.
- Grants and loans under the Facility will be disbursed between 2024 and 2027.

Why is it important that the Ukraine Facility aligns with the country's green recovery?

- The Ukraine Facility has a dual objective: to facilitate the country's reconstruction and to support the implementation of reforms in alignment with the EU's accession process.
- It's essential that <u>Ukraine's recovery</u> doesn't simply result in a return to pre-war conditions, but rather raises the ambition for its full integration into the European Union, based on sustainable development principles and the European Green Deal.

What amendments have Ukrainian civil society organisations proposed for the draft Ukraine Facility?

- As it stands, the draft Ukraine Facility Regulation does not sufficiently empower Ukrainian civil society to influence the future of the country, limiting their input on decisions on how reconstruction funds are spent. Because they reflect the needs of the population, Ukrainian civil society organisations are central to the nation's recovery. Via monitoring committees Ukraine's economic and social partners as well as civil society organisation, they must be meaningfully involved in designing, implementing, monitoring and evaluating Ukraine's reconstruction in line with the European Code of Conduct on Partnership.
- Reconstruction withing Ukraine Facility should be carried out with meaningful environmental impact assessment and ensuring compliance with nature protection law.
- The Facility should establish clear quantitative climate and environmental earmarking as in previous EU facilities, including key milestones and targets to support Ukraine's green transition.



What's being said about the Ukraine Facility?

<u>Ursula von der Leyen, President of the European Commission</u>: 'Ukraine can count on the EU's full support. We stand ready to take a leading role in the international reconstruction efforts to help rebuild a democratic and prosperous Ukraine. This means investments will go hand in hand with reforms that will support Ukraine in pursuing its European path.'

<u>Olexii Sobolev, Deputy Minister of Economy, Ukraine</u>: 'The Ukraine Facility serves as a basis on which we will be able to attract additional partners and expand the reconstruction to ensure the needs of rapid reconstruction and further development of the economy of Ukraine.'

Michael Gahler, MEP (EPP): 'We will combine the processes of reconstruction and EU accession, and we see it as a joint task of Ukraine and the EU to achieve these goals in an unprecedented effort that counters Russian aggression and replaces the destructive approach with, in the real sense of the word, a constructive approach, showing to the world that the EU and Ukraine together will rebuild a better Ukraine than it was before.'

<u>Eider Gardiazabal Rubial, MEP (S&D)</u>: 'It's true to say that the Commission's proposal is based on the existing instruments of the European Union, such as the Recovery and Resilience Plan and Invest EU to create a Facility crafted specifically for Ukraine. However, the role of the European Parliament and territorial cohesion are inappropriately covered in the document.'

<u>Viola von Cramon, MEP (Greens)</u>: 'It is important to see a place for a modern European, hopefully, green Ukraine – a model for the rest of Europe. Having this in mind, we know from Ukraine that this country has a very active and vibrant civil society. Ukrainian NGOs will play a much more important role in ensuring objectives of the Ukraine Facility than many ever had.'

<u>Valeriya Izhyk, EU policy officer on Ukraine's reconstruction, CEE Bankwatch</u>: 'Decision-makers need to realise the impact that the Ukraine Facility will have on the country's policies. It has the power either to derail Ukraine's reform agenda by pouring money into the country without the necessary safeguards and targets, or to accelerate it by transforming Ukraine into a modern, green, European democracy.'

Additional resources:

- The post-war reconstruction of the Balkans and the Caucasus differ in scale and scope from the monumental task now facing Ukraine. But they also share many of the same challenges. Learn the <u>lessons from past reconstruction efforts</u> in Georgia and Bosnia and Herzegovina.
- More than 50 Ukrainian groups have developed <u>guiding principles</u> to ensure that the country's green post-war reconstruction delivers sustainable economic development for the benefit of all its citizens.



