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LEGISLATIVE ACTS AND OTHER INSTRUMENTS

Subject: COUNCIL IMPLEMENTING DECISION on establishing the satisfactory fulfilment of the conditions for the payment of the second instalment of the non-repayable financial support and of the loan support under the Ukraine Plan of the Ukraine Facility

COUNCIL IMPLEMENTING DECISION (EU) 2024/...

of ...

**on establishing the satisfactory fulfilment
of the conditions for the payment of the second instalment
of the non-repayable financial support and of the loan support
under the Ukraine Plan of the Ukraine Facility**

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Regulation (EU) 2024/792 of the European Parliament and of the Council
of 29 February 2024 establishing the Ukraine Facility¹, and in particular Article 26(4) thereof,

Having regard to the proposal from the European Commission,

¹ OJ L, 2024/792, 29.2.2024, ELI: <http://data.europa.eu/eli/reg/2024/792/oj>.

Whereas:

- (1) Pillar I of the Ukraine Facility ('the Facility') makes financial support of up to EUR 38 270 000 000 available to Ukraine for the period 2024–2027 in the form of non-repayable support and loans. Financing under pillar I is mainly allocated on the basis of the Ukraine Plan of the Ukraine Facility ('the Plan'). The Plan sets out the reform and investment agenda for Ukraine, and the qualitative and quantitative steps that are linked to funding under pillar I of the Facility.
- (2) Pursuant to Article 19 of Regulation (EU) 2024/792, the Council approved the assessment of the Plan by means of Implementing Decision (EU) 2024/1447², which sets out the timetable for monitoring and implementing the Plan, including the qualitative and quantitative steps that are linked to the funding under pillar I of the Facility.
- (3) The total sum of financial resources made available to the Plan under Implementing Decision (EU) 2024/1447 amounts to EUR 32 270 000 000, of which EUR 5 270 000 000 is in the form of non-repayable financial support and up to EUR 27 000 000 000 is in the form of a loan.

² Council Implementing Decision (EU) 2024/1447 of 14 May 2024 on the approval of the assessment of the Ukraine Plan (OJ L, 2024/1447, 24.5.2024, ELI: http://data.europa.eu/eli/dec_impl/2024/1447/oj).

- (4) In accordance with Articles 24 and 25 of Regulation (EU) 2024/792, EUR 6 000 000 000 has been disbursed to Ukraine as exceptional bridge financing, and EUR 1 890 000 000 has been disbursed to Ukraine in the form of pre-financing representing an advanced payment of 7 % of the loan support that Ukraine is eligible to receive under the Plan.
- (5) In accordance with Article 26(4) of Regulation (EU) 2024/792, EUR 4 165 092 857 has been disbursed to Ukraine under the first instalment, of which EUR 1 500 000 000 in the form of non-repayable financial support and EUR 2 665 092 857 in the form of loans. In accordance with the Loan Agreement concluded between the Union and Ukraine pursuant to Article 22 of Regulation (EU) 2024/792, an amount of EUR 200 598 387 from the first instalment was utilised to clear the pre-financing of the loan.
- (6) In accordance with Article 26(2) of Regulation (EU) 2024/792, on 10 October 2024, Ukraine submitted a request for the payment of the second instalment of the non-repayable financial support and of the loan support, amounting to EUR 4 248 847 926, as set out in the Annex to this Decision, and provided evidence demonstrating the satisfactory fulfilment of eight of the nine qualitative and quantitative steps. Additional evidence relating to the satisfactory fulfilment of the remaining step was submitted on 31 October 2024. The request was accompanied by the documents required under Article 12 of the Framework Agreement, Article 5 of the Financing Agreement and Article 6 of the Loan Agreement concluded between the Union and Ukraine, pursuant to Articles 9, 10 and 22, respectively, of Regulation (EU) 2024/792.

- (7) In accordance with Implementing Decision (EU) 2024/1447, Ukraine has provided, along with its request for payment, evidence demonstrating the satisfactory fulfilment of the nine steps due by Q3-2024. Those nine steps relate to various reforms set out in the Plan under the chapters on the fight against corruption and money laundering, human capital, the business environment, decentralisation and regional policy, the energy sector and the green transition and environmental protection. Ukraine's Specialised Anti-Corruption Prosecutor's Office was given the opportunity to increase its manpower. The Action Plan for the implementation of the Asset Recovery Strategy for 2023–2025, the Demographic Development Strategy for the period up to 2040, the Action Plan on deregulation and the resolutions amending the State Strategy for Regional Development for 2021–2027 were adopted. In addition, the concept note setting out the scope of derogations from Environmental Impact Assessment and Strategic Environmental Assessment rules was developed. Lastly, the laws on the Criminal Code and Criminal Procedure Code and on industrial pollution and the secondary legislation on the Wholesale Energy Market Integrity and Transparency entered into force.
- (8) In accordance with Article 26(4) of Regulation (EU) 2024/792, the Commission assessed Ukraine's request in detail and made a positive assessment of the satisfactory fulfilment of the nine steps for the second instalment, as specified in the Annex to this Decision. That positive assessment has been made in the context of the implementation of the Plan. Further alignment with the EU *acquis* will be facilitated through the EU accession process.

- (9) The Commission considers that Ukraine continues to fulfil the pre-condition for Union support as set out in Article 5 of Regulation (EU) 2024/792. In particular, Ukraine continues to uphold and respect effective democratic mechanisms, including a multi-party parliamentary system and the rule of law, and to guarantee respect for human rights, including the rights of persons belonging to minorities.
- (10) Therefore, this Decision should establish that the relevant conditions for the payment of the second instalment under the Plan have been satisfactorily fulfilled.
- (11) Considering the difficult fiscal situation Ukraine is facing, it is of utmost importance to disburse the funds as soon as possible. Given the urgency of the situation and with a view to expediting the process, this Decision should enter into force on the day of its publication in the *Official Journal of the European Union* and should apply from the date of its adoption,

HAS ADOPTED THIS DECISION:

Article 1

The satisfactory fulfilment of the relevant conditions for the payment of the second instalment amounting to EUR 4 248 847 926 as set out in the Annex to Implementing Decision (EU) 2024/1447 is hereby established in line with the assessment, provided by the Commission in accordance with Article 26 of Regulation (EU) 2024/792, annexed to this Decision.

Article 2

This Decision shall enter into force on the day of its publication in the *Official Journal of the European Union*.

It shall apply from the date of its adoption.

Done at ..., ...

For the Council

The President
