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NOTE

From:	The Portuguese Parliament
On:	27 January 2023
To:	The President of the Council of the European Union
Subject:	Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL establishing an Instrument for providing support to Ukraine for 2023 (macro-financial assistance +) [14562/22 - COM(2022) 597 final] - Opinion on the application of the Principles of Subsidiarity and Proportionality

Delegations will find enclosed the opinion[1] of the Portuguese Parliament on the above.

[1] Translation(s) of the opinion may be available on the Interparliamentary EU Information Exchange website (IPEX) at the following address: https://secure.ipex.eu/IPEXL-WEB/search/document/results

Opinion	**Author:** Member of Parliament
COM (2022) 597	Miguel Iglésias (PS)

Proposal for a Regulation of the European Parliament and of the Council establishing an Instrument for providing support to Ukraine for 2023 (macro-financial assistance +)

CONTENTS

PART I – INTRODUCTORY NOTE

Pursuant to Article 7 of Law No 43/2006, of 25 August governing the powers of the Assembly of the Republic to monitor, assess and take decisions on the European integration process, as amended by Law No 21/2012 of 17 May, Law No 18/2018 of 2 May and Law No 64/2020 of 2 November, and the Methodology for the Scrutiny of European Initiatives approved on 1 March 2016, the European Affairs Committee has received the proposal for a Regulation of the European Parliament and of the Council establishing an Instrument for providing support for Ukraine for 2023 (macro-financial assistance +), COM (2022) 597,
In view of its subject matter, the initiative in question was sent to the Committee for Budgetary and Financial Affairs, which examined it and approved the attached report.

PART II – RECITALS

1. Subject, content and grounds of the initiative

Russia's violent invasion of the sovereign state of Ukraine started a war which is having a huge social and economic impact on Ukraine's population and territory, with the Ukrainian people and their legitimate elected representatives fighting for the territorial integrity of their nation, defending their independence and sovereignty.
The impact of the war on Ukraine's public finances has made international aid and solidarity unavoidable, in support of the efforts and courage of the Ukrainian people in this conflict, in what is also a battle for democratic values and international law, which has been completely disregarded by Russia.
In this initiative, the Commission proposes to create an instrument to provide support to Ukraine (macro-financial assistance +) for 2023. The instrument will provide short-term financial assistance under highly favourable conditions in a predictable, continuous, orderly and timely manner,

financing immediate needs, the rehabilitation of critical infrastructure and initial assistance for sustainable post-war reconstruction with a view to supporting Ukraine on its path to European integration.

The EU will subsidise the interest rate costs of Ukraine, which will be financed by contributions from Member States in the form of external assigned revenue until the end of 2027. To ensure coverage of interest costs during the lifetime of the loans, contributions from the Member States beyond 2027 must be renewed and continue as external assigned revenue unless covered through other means in future multiannual financial frameworks. Furthermore, amounts stemming from additional voluntary contributions from Member States and possible contributions from third countries and parties may provide non-repayable support.

Article 220 of Regulation (EU, Euratom) 2018/1046 lays down the rules and implementation of the financial assistance granted by the European Union to Member States or third countries and stipulates in its paragraph 1 that it ‘shall be in accordance with pre-defined conditions and take the form of a loan or a credit line or any other instrument deemed appropriate to ensure the effectiveness of the support’.

Macro-financial assistance is an exceptional EU crisis- response instrument in partner countries experiencing serious balance of payments problems. The main objective of this instrument is to restore macroeconomic and financial stability in candidate and potential candidate countries, as well as in the countries covered by the European Neighbourhood Policy, while encouraging macroeconomic adjustments and structural reforms. It can take the form of loans, in which case the Commission mobilises the necessary funds on the capital markets and then provides loans to the beneficiary country or, in certain circumstances, the form of grants financed by the EU budget.

The proposal follows a series of macro-financial assistance operations provided to Ukraine since 2015. Past ex-post evaluations of previous MFA operations to Ukraine have shown that in general they were highly relevant in terms of their objectives, financial envelope and policy conditions. In particular, MFA operations proved crucial to support Ukraine in addressing its balance-of-payment problems and implementing key structural reforms to stabilise the economy and enhance the sustainability of its external position. They allowed for fiscal savings and financial benefits, and acted as a catalyst for additional financial support and investor confidence. The conditionality attached to the MFA operations was found complementary to the related IMF programmes. It created a politically reinforcing effect that contributed to the mobilisation of the Ukrainian authorities around essential reforms, especially in structural policy areas that are less covered by other international donor programmes.

As stated, the Union's macrofinancial assistance to Ukraine in 2022 was generous and effective. The Union committed EUR 7.2 billion of highly concessional loans, including a subsidy on interest rate payments, under its emergency and exceptional macrofinancial assistance packages. Yet, the assistance was provided on an ad-hoc basis, covering a few months at a time. It required significant provisioning from the EU budget and national guarantees. Therefore, a more structural and efficient approach to the Union's support for Ukraine in 2023 was considered. The proposal establishes an orderly and sustainable framework for the channelling of financial assistance to Ukraine, while offering sufficient flexibility to adjust the support to the evolving funding needs of the country and preparing the ground for a future 'Rebuild Ukraine' Facility, in line with the Communication of 18 May 2022 on 'Ukraine Relief and Reconstruction' and the principles agreed at the Lugano Ukraine Reform Conference in July 2022.

The broad parameters of the Union's relief and rehabilitation support should be decided for the whole of 2023 on the basis of a stable framework. A unified and efficient system to secure the best borrowing conditions and extend market access for loan support has major advantages in a context of rising costs and interest rates.

The summary of the estimated impact on operational appropriations is clearly set out in the financial statement for the initiative, reproduced here in full.

The proposed expenditure linked to the instrument for providing support to Ukraine will be covered by a maximum amount of EUR 18 000 000 000 in the form of loans stemming from borrowing operations of the Union.

Amounts stemming from specific voluntary contributions from Member States (as external assigned revenue) would be used for the following purposes:

Support to loans' interest costs subsidy – no target volume can be set in advance as these costs will depend on the actual interest on the loans;

Activities covered by the Memorandum of Understanding of the instrument;
Be rechannelled to the Neighbourhood, Development and International Cooperation Instrument – Global Europe (NDICI) and/or humanitarian aid for activities benefitting Ukraine.

Moreover, third countries and parties may make available extra resources to those described above, as external assigned revenue to contribute to the Memorandum of Understanding of the instrument or to be rechannelled to NDICI and/or humanitarian aid for activities benefitting Ukraine.

The European Union should make this MFA+ instrument available to Ukraine for a total amount of up to EUR 18 billion in the form of highly concessional loans in a predictable, continuous, orderly and timely manner, contributing to covering its short-term funding needs, financing the rehabilitation of critical infrastructure and initial support towards post-war reconstruction, with a view to supporting Ukraine on its path towards European integration. The support will contribute to covering the residual external funding gap of Ukraine in 2023 and is planned to be disbursed in several instalments. The disbursements will further be conditional on the implementation of the reporting requirements and policy reforms as agreed in the MoU and referred to in this Regulation, including the report to be provided by Ukraine ahead of the disbursement of each instalment. The Commission will work closely with the national authorities to monitor relevant developments and the application of the requirements and policy conditions, as agreed in the MoU. The support will be managed by the Commission. Specific provisions on the prevention of fraud and other irregularities, consistent with the Financial Regulation, are applicable.

Finally, the Commission will submit to the European Parliament and to the Council an assessment of the implementation of the Union's support for Ukraine under this instrument, including an evaluation.

Not later than two years after the end of the availability period, the Commission is to submit to the European Parliament and to the Council an ex-post evaluation report assessing the results and efficiency of the completed support under the instrument and the extent to which it has contributed to the aims of the support.

The technical note on this initiative, which is annexed to this report, includes a careful analysis of the legal and doctrinal framework, the background, related European initiatives and the position of other Member States, and it is therefore recommended that it be read in full.

2. Principle of subsidiarity and proportionality

In areas in which the European Union does not have exclusive competence, the principle of subsidiarity, laid down in the Treaty on European Union, defines the circumstances in which it is preferable for action to be taken by the Union, rather than the Member States.
The legal basis is Article 5(3) of the Treaty on European Union (TEU) and Protocol (No 2) on the application of the principles of subsidiarity and proportionality.
The principles of subsidiarity and proportionality govern the exercise of the EU's competences. In areas in which the EU does not have exclusive competence, the principle of subsidiarity seeks to safeguard the ability of the Member States to take decisions and action and authorises intervention by the Union when the objectives of an action cannot be sufficiently achieved by the Member States, but can be better achieved at Union level, 'by reason of the scale and effects of the proposed action'. The purpose of including a reference to the principle in the EU Treaties is also to ensure that powers are exercised as close to the citizen as possible, in accordance with the proximity principle referred to in Article 10(3) TEU.

Spontaneous, isolated action by the Member States is not suited to the scale of the support that needs to be provided to Ukraine, at least not if the objectives are to be fully met, and it is preferable and more appropriate to do this through action at EU level.

The main reasons are the fiscal capacity and budgetary constraints faced at national level and the need for strong donor coordination in order to maximise the scale and effectiveness of the support while limiting the burden on the administrative capacity of the Ukrainian authorities, which is very stretched in the current circumstances.

The proposed financial support for Ukraine is considered adequate in size, based on the best estimates of Ukraine's funding needs, submitted by the national authorities and assessed in cooperation with the international community, including the International Monetary Fund. The support does not go beyond what is necessary for the intended purpose of providing structured and predictable support to Ukraine in 2023 and its related financing.

In other words, the initiative both complies with the principle of subsidiarity and is in line with the principle of proportionality in that it does not go beyond what is necessary to achieve its objectives.

PART III – OPINION OF THE PARLIAMENTARY RAPPORTEUR

The war in Ukraine has had massive consequences for the European and global economy, the stability of international relations, and the expectations of both investors and consumers, substantially changing all economic prospects and estimates, which for most institutions are conservative for the coming years. With both Ukraine and Russia being major suppliers of raw materials to Europe, in particular oil, gas, chemicals and cereals, the war and the international sanctions on the aggressor have massively disrupted European trade chains and the secure supply of gas and oil, exponentially pushing up the prices of raw materials and energy and immediately causing a cooldown of the economies of the Member States – notably those countries most dependent on such direct supplies from Russia – and an exponential increase in product prices, resulting in an unaffordable inflation rate in every country.

The latest ECB Economic Bulletin [1] projected a euro area inflation rate of 8.4 % on average in 2022, falling to 6.3 % in 2023, 3.4 % in 2024 and 2.3 % in 2025. Inflation excluding energy and food prices is projected to average 3.9 % in 2022 and increase to 4.2 % in 2023, before falling to 2.8 % in 2024 and 2.4 % in 2025. Gas and electricity prices are expected to have a prolonged impact on headline inflation: although the transport fuel price component is already expected to contribute negatively to inflation from mid-2023 onwards, consumer prices for electricity and gas are expected to continue to make a positive contribution in 2025, despite recent sharp declines in wholesale prices.

As regards the outlook for economic growth, real GDP growth is projected to contract slightly in the first quarter of 2023. With the unwinding of the effects of the post-pandemic reopening, higher inflation, rising bank lending rates and low business and consumer expectations and confidence are expected to hold back consumption and capital spending during the winter.

The ECB will continue to raise interest rates in the first half of 2023 in order to curb inflation, as already announced by the ECB President, with predictable consequences for Euribor, the benchmark index for housing loans in Portugal.

These estimates are also in line with the European Commission, which in its *Autumn* 2023 Economic Forecast [2] already indicated an inflation rate of 7 % in the European Union and 6.1 % in the euro area for 2023, and economic growth of only 0.3 % for both the EU and the euro area. From these data, the European institutions' interpretation of the need for increased support for Ukraine seems clear to us - not just military support, which has also been the subject of extensive debate in several countries, but also financial support to maintain Ukraine's solvency and liquidity, its capabilities in terms of State organisation, its public services to support the population, and the fulfilment of its commitments to creditors, so as not to create further instability in international financial markets.

[1] https://www.bportugal.pt/sites/default/files/anexos/pdf-boletim/bce_n8_dez22.pdf

[2] https://economy-finance.ec.europa.eu/economic-forecast-and-surveys/economic-forecasts/autumn- 2022-economic-forecast-eu-economy-turning-point_en # executive-summary

As stated in the initiative, the European Commission has provided macroeconomic support to Ukraine since 2015, with very positive results, which are crucial to help Ukraine address its balance of payments problems and implement key structural reforms to stabilise the economy and strengthen the sustainability of its external position, have allowed for fiscal savings and financial benefits, and acted as a catalyst for additional financial support and investor confidence, in parallel with the International Monetary Fund's financial support programmes.

In 2022, following the outbreak of the war, the EU committed EUR 7.2 billion of highly concessional loans, including interest rate subsidies, as part of its macro-financial assistance packages, with total support from the EU, its Member States and financial institutions, including the European Investment Bank and the European Bank for Reconstruction and Development, reaching EUR 19.7 billion.

The EUR 18 billion that will be provided in the macro-financial assistance + programme in 2023 will represent around EUR 1.5 billion per month, with the Ukrainian financing gap estimated at EUR 3-4 billion, so the EU will make a huge contribution to Ukraine's war effort.

The Ukrainian economy shrank by 35 % in real terms and the inflation rate reached 30 %. Tens of thousands of people have already died in the war, with the UN estimating about 10 000 civilians killed. Gratuitous violence, continual bombing of all Ukrainian infrastructure, and total disregard for human rights have marked this conflict, with Russia trying to cause fear and chaos among the Ukrainians, who have shown heroic resilience and capacity for resistance in defending their country, their values and their territory.

The rapporteur considers that all the efforts that can be made by the Ukrainians' allies will always be little when set against that people's suffering and the destruction and barbarism perpetrated by Russia led by a kleptomaniac dictator, who may have already understood that he has lost the war and any credible international support, but insists on pursuing a scorched-earth approach, continuing a wave of destruction that will not lead to any gain except shame and degradation of values for the Russian people, who he is supposed to represent and who are also suffering from the deterioration of the economy, with the international sanctions imposed, and the limitation of consumer products and services available and their international mobility.

It seems clear that macroeconomic support for Ukraine is not only essential, but a moral imperative for the European Union and its Member States in order to allow the survival of a country that has been invaded without justification, foundation or any fault, the economy of which has been shattered by the conflict, with armed forces fighting heroically against a disproportionately larger and more highly-equipped army, and a population living tormented in the midst of armed conflict and continual bombing.

It is estimated that at least 13 million Ukrainians have fled the war in their country, 4.8 million of whom have sought refuge in EU countries. The EU has also provided them with humanitarian aid worth EUR 523 million, and host countries continue to do their best to integrate people and families looking for a new start for their lives.

It is expected that this macroeconomic effort will be duly complemented with military and logistical support, in due proportion and in line with Ukraine's needs, in order to reverse the course of the war and to allow Ukraine the conditions for peace negotiations that could resolve the conflict. It is also hoped that in the face of economic distress in the coming months, both the European Union and the United States will be able to synchronise macroeconomic policies aimed at close and healthy cooperation, and will not stimulate competition between their economic actors that would put further pressure on continental trade relations and logistics chains.

We conclude by saying that Portugal must continue its unconditional and assertive support for Ukraine, integrating all the efforts of the European and international bloc of allies in order to provide Ukraine with all the conditions to continue its resistance and fight against the Russian aggressor. This will also enable to us to hopefully look forward to the end of the conflict, and return to a vibrant economy free of the shackles which it has imposed.

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PART IV – CONCLUSIONS

In light of the above, the European Affairs Committee has concluded as follows:

a) This initiative does not infringe the principle of subsidiarity insofar as the objective will be better achieved by action at EU level; nor does it infringe the principle of proportionality insofar as it does not exceed what is necessary to achieve its objectives.

b) Analysis of this initiative has not raised any questions which require subsequent monitoring.

c) This initiative is already part of the EU legal order by means of Regulation (EU) 2022/2463 of the European Parliament and of the Council of 14 December 2022, published in the Official Journal of the European Union of 16 December 2022.

PART V – OPINION

Pursuant to Article 7 of Law No 43/2006 of 25 August, governing the powers of the Assembly of the Republic to monitor, assess and take decisions on the European integration process as amended by Law No 21/2012 of 17 May, and the Methodology for the Scrutiny of European Initiatives approved on 1 March 2016, the European Affairs Committee has received the proposal for a Regulation of the European Parliament and of the Council establishing an Instrument for providing support for Ukraine for 2023 [COM (2022) 597 final].

Given its subject matter, this initiative was sent to the Budget and Finance Committee, which examined it and approved both the attached report and the Technical Note drawn up by the Committee's services.

This initiative does not infringe the principle of subsidiarity insofar as the objective will be better achieved by action at EU level; nor does it infringe the principle of proportionality insofar as it does not exceed what is necessary to achieve its objectives.
This initiative is already part of the EU legal order by means of Regulation (EU) 2022/2463 of the European Parliament and of the Council of 14 December 2022, published in the Official Journal of the European Union of 16 December 2022.

The examination of this initiative does not raise any questions requiring subsequent monitoring; the scrutiny is therefore concluded and the competent institutions informed.

PART VI – ANNEXES

- Technical Note on the Proposal for a Regulation of the European Parliament and of the Council establishing an Instrument for providing support to Ukraine for 2023 (macro-financial assistance +) (COM (2022) 597)
- Report of the Budget and Finance Committee

São Bento Palace, 24 January 2023

Parliamentary Rapporteur	**Chair of the Committee**
(Miguel Iglésias)	**(Luis Capoulas Santos)**

Report	Author: Member of Parliament
COM (2022) 597	Ana Bernardo (PS)

Proposal for a Regulation of the European Parliament and of the Council establishing an Instrument for providing support to Ukraine for 2023 (macro-financial assistance +)

CONTENTS

PART I – INTRODUCTORY NOTE

Pursuant to Article 7 of Law No 43/2006 of 25 August 2006 governing the powers of the Assembly of the Republic to monitor, assess and take decisions on the European integration process, as amended by Law No 21/2012 of 17 May 2012, Law No 18/2018 of 2 May 2018 and Law No 64/2020 of 2 November 2020, and to the Methodology for the Scrutiny of European Initiatives approved on 1 March 2016, the Budget and Finance Committee has received the initiative COM (2022) 597, i.e. the proposal for a Regulation of the European Parliament and of the Council establishing an Instrument for providing support for Ukraine for 2023 (macro-financial assistance +), and, in view of its subject matter, has decided to issue this report.

PART II – RECITALS

1. Subject, content and grounds of the initiative

In the context of Russia's unprovoked and unjustified military aggression against Ukraine, the proposal for a Regulation follows on from the support provided by Team Europe, the EU and its Member States and European financial institutions for Ukraine's economic, social and financial resilience, and is intended to establish an instrument for providing support to Ukraine called **'macrofinancial assistance+'** (hereafter 'MFA+').

In 2022, the European Union (EU) committed EUR 7.2 billion of highly concessional loans for Ukraine, including interest rate subsidies, under its emergency and exceptional macrofinancial assistance packages, out of which EUR 4.2 billion had already been disbursed by mid-October, with the remaining EUR 3 billion set to reach Ukraine by the end of the year. Looking back, the financial assistance that the EU provided to Ukraine in 2022 was generous and effective.

However, the EU's macrofinancial assistance to Ukraine has been provided on an ad-hoc basis, covering only a few months at a time, and has required significant provisioning from the EU budget and national guarantees.

Thus the proposal for a Regulation is based on the awareness that the EU needs to adopt a more structured and efficient approach to providing support to Ukraine.

MFA+ is intended both to offer sufficient flexibility to adjust the support to the evolving funding needs of the country and to prepare the ground for a future 'Rebuild Ukraine' Facility, in line with the Communication of 8 May 2022 entitled 'Ukraine Relief and Reconstruction' (COM/2022/233 final) and the principles agreed at the Lugano Ukraine Reform Conference in July 2022.

As we know, the consequences of the Russian aggression against Ukraine are severe, with the International Monetary Fund (IMF) predicting that the Ukrainian economy could contract by up to 35 % in real terms by the end of 2022. At the same time, inflation has been accelerating and has been estimated to potentially reach 30 % by the end of 2022, due to scarcities of goods, logistical challenges to supply and the financing of government needs by monetary creation.

Against this background, Ukraine's short-term financing needs in 2023 are expected to be significant, with the IMF pointing to a funding gap of between EUR 3 and 4 billion per month in 2023.

Thus Ukraine will continue to have high funding needs in the short term, in order to maintain essential state functions, ensure macroeconomic stability and rehabilitate critical infrastructure destroyed by Russia's war. It is therefore important to mobilise further support as soon as possible. It is also worth stressing the importance of deciding the broad parameters of the EU's relief and rehabilitation support for the whole of 2023 on the basis of a stable framework and by means of a unified and efficient system to secure the best borrowing conditions and extend market access for loan support, which will have major advantages in a context of rising costs and interest rates.

The **MFA+** instrument is intended to meet these objectives and is expected to be able to provide short-term financial relief in the form of highly concessional loans in a predictable, continuous, orderly and timely manner, financing immediate needs, rehabilitation of critical infrastructure and initial support towards sustainable post-war reconstruction, with a view to supporting Ukraine on its path towards European integration.

The planned financial assistance will take the form of loans, which will have a grace period of 10 years, with Member States covering most of the interest costs with external assigned revenue. The guarantees for that borrowing will be provided either by the EU budget or by Member States.

The instrument will enable the EU to grant Ukraine interest rate subsidies, which will be financed by contributions from Member States in the form of external assigned revenue until the end of 2027. To ensure coverage of interest costs during the lifetime of the loans, contributions from the Member States beyond 2027 must be renewed and continue as external assigned revenue unless covered through other means in future multiannual financial frameworks. Furthermore, amounts stemming from additional voluntary contributions from Member States and possible contributions from third countries and parties may provide non-repayable support.

It is clear from Article 19 of the proposal for a Regulation that it ‘shall be binding in its entirety and directly applicable in all Member States’.

It is therefore important to assess the relevant provisions to be observed by the Member States in order to anticipate the implications for Portugal resulting from the possible adoption of the Regulation.

Article 5(1) of the proposal for a Regulation describes how Member States, third countries and stakeholders can contribute to the additional support under the Instrument, which will be available in the period from 1 January 2023 to 31 December 2027 to cover the expenses associated with interest rate subsidies and administrative costs related to borrowing and lending, with the exception of costs related to early repayment of the loan, in relation to loans granted under this Regulation.

Under this provision, in this context, contributions from Member States should correspond to the relative share of that Member State in the total gross national income (GNI) of the Union: for the contributions for year n, the GNI-based relative share will be calculated as the share in the total GNI of the Union, as resulting from the respective column in the revenue part of the last annual Union budget adopted or amending annual Union budget for the year n-1.

In addition, pursuant to Article 5(2) of the proposal for a Regulation, Member States may contribute to the Instrument with additional amounts, which may be implemented as non-repayable support where provided for in the Memorandum of Understanding to be concluded in accordance with Article 7 of the proposal for a Regulation or in accordance with Regulation (EU) 2021/947 and Regulation (EC) No 1257/96 to finance measures achieving the specific objectives of the Instrument, which they aim to support, and as set out in Article 2(2) of the proposal for a Regulation:

- macrofinancial stability, and to ease the country's external and internal financing constraints;
- a reform agenda gearing towards the early preparatory phase of the pre-accession process, as appropriate, including strengthening Ukraine's institutions, reforming and reinforcing the effectiveness of public administration as well as transparency, structural reforms and good governance at all levels;
- rehabilitation of critical functions and infrastructure and relief for people in need.

Support under this instrument will require Ukraine to further enhance the rule of law, good governance, anti-fraud and anti-corruption measures.

The technical note on this initiative, which is annexed to this report, includes a careful analysis of the legal and doctrinal framework, the background, related European initiatives and the position of other Member States, and it is therefore recommended that it be read in full.

2. Principle of subsidiarity and proportionality

The imperative of a common response in providing support to Ukraine on an adequate scale cannot be fully achieved by Member States acting alone, it is more appropriate and preferable to achieve this by acting at EU level.

The fiscal capacity and budgetary constraints faced at national level and the need for strong donor coordination in order to maximise the scale and effectiveness of the support while limiting the burden on the administrative capacity of the Ukrainian authorities – which is very stretched in the current circumstances – determine that the objective will be better achieved by action at EU level.

The initiative therefore complies with the principle of subsidiarity, since the objective will be better achieved by action at EU level.

At the same time, the proposed financial support is considered adequate in size, based on the available estimates of Ukraine’s funding needs, submitted by the national authorities and assessed in cooperation with the international community, including the IMF. The support does not go beyond what is necessary for the intended purpose of providing structured and predictable support to Ukraine in 2023 and its related financing.

As a result, the initiative is in line with the principle of proportionality in that it does not exceed what is necessary to achieve its objectives.

PART III – OPINION OF THE PARLIAMENTARY RAPPORTEUR

The Parliamentary Rapporteur does not wish to express her opinion on this initiative, an opinion described as ‘optional’ under Article 137(3) of the Rules of Procedure of the Assembly of the Republic.

PART IV – CONCLUSIONS

In light of the above, the Budget and Finance Committee has concluded as follows:

(a) This initiative does not infringe the principle of subsidiarity insofar as the objective will be better achieved by action at EU level.

(b) Analysis of this initiative has not raised any questions which require subsequent monitoring.

(c) Accordingly, the Budget and Finance Committee concludes its scrutiny of this Initiative and the current version of this report should be forwarded to the European Affairs Committee pursuant to Law No 43/2006 of 25 August 2006, for the appropriate purposes.

PART IV - ANNEXES

- Technical note on the **proposal for a Regulation of the European Parliament and of the Council establishing an Instrument for providing support to Ukraine for 2023 (macro-financial assistance +) (COM (2022) 597)**

São Bento Palace, 11 January 2023

Parliamentary Rapporteur	**Chair of the Committee**
(Ana Bernardo)	**(Filipe Neto Brandão)**