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'I' ITEM NOTE

From:	General Secretariat of the Council
To:	Permanent Representatives Committee (Part 2)
Subject:	Ad hoc Working Party on the use of frozen and immobilised assets to support Ukraine's reconstruction: establishment and mandate - Approval

1. On 30-31 May 2022, the European Council expressed support for options in line with EU and international law being actively explored, including options aimed at using frozen Russian assets to support Ukraine's reconstruction.
2. On 20-21 October 2022, the European Council invited the Commission to present options in line with EU and international law aimed at using frozen Russian assets to support Ukraine's reconstruction.
3. On 30 November 2022, the Commission presented an options paper on the use of frozen assets to support Ukraine's reconstruction (ST 15534/22) which, included among others, part VI. concerning the temporary use of frozen and immobilised Russian assets. The options paper was subsequently discussed by Coreper 2), the Working Party of Foreign Relations Counsellors (RELEX) and Working Party on public international law (COJUR). On 12 December 2022, the Foreign Affairs Council broadly supported the notion that all avenues should be explored in relation to using frozen Russian assets for the post-war reconstruction of Ukraine.

4. On 15 December 2022, the European Council took stock of the options to use frozen assets to support Ukraine's reconstruction and for the purposes of reparation. It invited the Commission, the High Representative and the Council to take work forward, in accordance with EU and international law. The Economic and Financial Committee (EFC) as well as Coreper 2 further discussed the matter in January 2023.
5. In order to efficiently address the cross-sectoral subject matters concerning the use of frozen and immobilised Russian assets in line with EU and international law to support Ukraine's reconstruction, including preparatory work on the legal, financial, economic and political analysis of the feasibility of such use, examination of any relevant proposals and initiatives and preparation and follow-up of discussions with international partners, the Presidency proposes to establish an ad hoc Working Party on the use of frozen and immobilised assets to support Ukraine's reconstruction ("AHWP on Frozen and Immobilised Assets").
6. The AHWP on Frozen and Immobilised Assets will operate on the basis of the mandate as set out in the Annex and draw on the expertise of delegates working in the relevant areas, as appropriate. The expertise of other institutions of the Union, such as the European Central Bank, or international organisations, other stakeholders and experts may also be sought, as appropriate. This working party is established for a period of two years. The mandate of the AHWP on Frozen and Immobilised Assets may be updated or revised, including its possible prolongation, as necessary.
7. In view of the above, the Permanent Representatives Committee is invited to approve:
 - the establishment of the *ad hoc* Working Party on the use of frozen and immobilised assets to support Ukraine's reconstruction (AHWP on Frozen and Immobilised Assets), and
 - its mandate as set out in the Annex to this note.

Mandate

Ad Hoc Working Party on the use of frozen and immobilised assets to support Ukraine's reconstruction (AHWP on Frozen and Immobilised Assets)

Code -

Council configuration This Ad Hoc Working Party operates under:

- General affairs
- Foreign affairs
- Economic and financial affairs¹
- Justice and home affairs²
- Employment, social policy, health and consumer affairs
- Competitiveness (internal market, industry, research and space)³
- Transport, telecommunications and energy
- Agriculture and fisheries
- Environment
- Education, youth, culture and sport⁴

¹ Including budget

² Including civil protection

³ Including tourism

⁴ Including Audio-visual affairs

Sub-areas or subgroups
(if applicable)

n/a

Policy areas

Under the authority of Coreper⁵, the AHWP on Frozen and Immobilised Assets is responsible for the preparatory work concerning the use of frozen and immobilised Russian assets in line with EU and international law to support Ukraine's reconstruction needs resulting from Russia's aggression against Ukraine.

In particular, the AHWP is responsible for:

- conducting preparatory work concerning the legal, financial, economic and political analysis of the feasibility of the use of frozen and immobilised Russian assets to support Ukraine's reconstruction,
- carrying out preparatory work on any relevant proposals and initiatives,
- preparation and follow-up of discussions with international partners.

⁵ In accordance with Article 240(1) TFEU and the Council's Rules of Procedure

Type of work

The Working Party is in charge of the following:

- Work on Union legal acts (i.e. legislative acts and other legal acts)
- Policy preparation

In particular, the AHWP is in charge of

- legislative act(s):
- other Union legal acts:
- external documents or instruments:
- policy document(s):
- other, namely: Council conclusions

**Chairing
arrangement**

The Working Party is chaired by:

- the six-monthly Presidency
- a representative of the High Representative
- other, namely:

Observations

- Date of establishment: 15 February 2023
 - Duration of the mandate: the AHWP on Frozen and Immobilised Assets will cease to exist after two years from the date of its establishment.
 - Main links with other Working Parties:
The AHWP would draw on the expertise of delegates working in the relevant areas, as appropriate. This may entail discussions of specific aspects by other relevant Council working parties, at the request and in full coordination with the Chair of the AHWP. Its activities shall be without prejudice to the work outside the issue of the use of frozen and immobilized Russian assets that may be carried within other Council working parties (e.g. the Financial Counsellors Working Party, Financial Services Attachés, Working Party of Foreign Relations Counsellors (RELEX), Working Party on public international law (COJUR) and Working Party on Judicial Cooperation in Criminal Matters (COPEN)).
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