



## **Ukraine Recovery Conference: President von der Leyen and Executive Vice-President Dombrovskis showcase strong EU support with new €50 billion Ukraine Facility and €800 million in agreements to mobilise investment for Ukraine's recovery**

London, 21 June 2023

At the Ukraine Recovery Conference 2023 in London, President of the European Commission, Ursula von der Leyen, [presented](#) the details of the Commission's proposal for a new Ukraine Facility that, if adopted by the European Parliament and Council of the EU, will mobilise **up to €50 billion** over four years in the form of both grants and loans. The Facility will support Ukraine's efforts to sustain macro-financial stability, promote recovery as well as rebuild and modernise the country, whilst also implementing key reforms on its EU accession track between 2024 and 2027. The Facility underscores the EU's steadfast commitment to supporting Ukraine in the face of Russia's ongoing war of aggression and on its path towards EU membership.

In the margins of Conference, Executive Vice-President of the European Commission Valdis Dombrovskis, together with the President of the European Investment Bank (EIB), Werner Hoyer, the President of the European Bank for Reconstruction and Development (EBRD), Odile Renaud-Basso, and the Managing Director of the International Finance Corporation (IFC), Makhtar Diop, signed agreements worth **over €800 million** to mobilise private investment for the recovery and reconstruction of Ukraine's economy. The agreements, which are supported by the European Fund for Sustainable Development Plus, the financing arm of NDICI-Global Europe, underscore the joint international commitment to mobilise the private sector for Ukraine's recovery and reconstruction. These agreements are separate to the new Ukraine Facility, which is expected to be operational in 2024.

### **Five agreements to finance recovery of Ukraine's economy, energy and municipal infrastructure:**

The signed agreements will support private sector participation in Ukraine's recovery and reconstruction. They will mobilise funds for war insurance and provide guarantees that de-risk finance for the Ukrainian private sector, including small enterprises, agri-business and women-led companies:

1. **EU4Business Guarantee for Micro Small and Medium Sized Enterprises:** new agreement with the EIB Group to provide €40 million in EU guarantees, including €30 million for Ukraine that will unlock €375 million in loans for small and micro-entrepreneurs. The rest will be made available to banks in Moldova, Georgia, Armenia and Azerbaijan.
2. **Facility for SMEs – Deep and Comprehensive Free Trade Area (DCFTA):** further €125 million in new loans for SMEs from Ukrainian banks will be made possible thanks to an adjustment to an ongoing risk-sharing programme funded by the EU and implemented by the EIB Group.
3. **Fast Recovery Loans – EU for Ukraine (EU4U) Initiative:** €100 million of new EIB financing to Ukraine guaranteed by the EU in sovereign loans for fast recovery, including urgent repairs to municipal and energy infrastructure
4. **Small Loan Guarantee Programme:** up to €200 million in financing from Ukraine's financial institutions to smaller businesses, with a focus on agribusiness and women-owned enterprises thanks to a partnership between the EU and IFC aimed to de-risk investments by the private sector.
5. **Grant to Kremenchuk City under the Ukraine Energy Efficiency Fund & Crisis Response Programme:** €1.1 million in EU grants channelled through the IFC to Kremenchuk City Council to help renovate municipal buildings to accommodate hundreds of internally displaced people who fled the areas damaged by Russia's aggression.

### **New partnership towards war-risk insurance for investment into Ukraine's reconstruction**

## and international trade:

**War Insurance Pilot Scheme – Ukraine Recovery and Reconstruction Guarantee:** The Commission has expressed interest to support an innovative pilot scheme by the EBRD, considering to mobilise its guarantee funding. The scheme aims at bridging market failures to facilitate access to war insurance for Ukrainian and international companies. The guarantees will protect future private investments as well as insure international shipping and trade against war-risks.

Also, in the margins of the Ukraine Recovery Conference 2023 in London, the first in person meeting of the Steering Committee of the **Multi-agency Donor Coordination Platform for Ukraine** co-chaired by the European Commission, the United States and Ukraine advanced on its extensive work to ensure that Ukraine's urgent priority needs for 2023 are met and matched by donor commitments. The Steering Committee also discussed next steps for further coordination on Ukraine's reform agenda. The EU will work with Ukraine on a plan for investments and reforms to be supported under the new Ukraine Facility, that can serve to guide other donors' assistance for Ukraine.

## Background

Russia's aggression against Ukraine continues to cause terrible human suffering, massive destruction of infrastructure and major disruption of the economy. The European Union (EU) and its Member States have demonstrated unprecedented unity in condemning Russia's actions and providing support to Ukraine. The EU, its Member States and European Financial Institutions, in a Team Europe approach, have made available over €70 billion in wide ranging support to Ukraine and its people as of May 2023.

The new **Ukraine Facility** will support Ukraine's efforts to sustain macro-financial stability, promote short-term recovery as well as rebuild and modernise the country whilst implementing key reforms on its EU accession track. It will support the transition towards green, digital and inclusive economy that is progressively aligned with EU rules and standards.

The Commission welcomes the progress Ukraine is making to address the seven reform priorities identified in its Opinion on Ukraine's membership application, despite the difficult situation on the ground due to Russia's war of aggression, which shows that Ukraine is taking seriously the accession process. The Commission will give an oral update to the Council on the progress made by Ukraine at the upcoming informal General Affairs Council on 22 June and stands ready to further assist Ukraine in making sustained progress in the coming months.

The Multi-agency Donor Coordination Platform for Ukraine was launched on **26 January 2023** with its inaugural Steering Committee meeting. It brings together high-level officials from Ukraine, the EU, the G7 countries, as well as partners from International Financial Institutions, notably the European Investment Bank, the European Bank for Reconstruction and Development, the International Monetary Fund and the World Bank, to coordinate efforts to address Ukraine's financing needs, both in the short to medium-term.

The Ukraine Recovery Conference 2023 in London focused on mobilising international support for Ukraine's economic and social stabilisation and recovery from the effects of war. In particular, the conference focused on the emergency assistance for immediate needs and financing of private sector participation in Ukraine's reconstruction process. It follows the international conferences held in Paris, Berlin and Lugano.

The support to the War Insurance Pilot Scheme comes as part of the London Conference Framework on War Risk Insurance, that set the vision on how mechanisms to insure against political, including war-related, risks can play a supportive role in unlocking the flow of private investment needed to sustain Ukraine's economy during the war, as well as support Ukraine's early recovery and longer-term reconstruction.

## For More Information

[Keynote speech](#) by President von der Leyen at the Ukraine Recovery Conference 2023

[Webpage](#) of the Ukraine Recovery Conference 2023.

[Webpage](#) on EU support for Ukraine.

[Website](#) Multi-agency Donor Coordination Platform for Ukraine

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Quotes:

Investment in Ukraine's recovery and reconstruction must start immediately. The EU remains committed to providing financial support for this process. We will work closely with international partners and the business community to help rebuild a democratic and prosperous Ukraine on its path to the European Union. The agreements signed today provide incentives for the private sector to invest in Ukraine, create wealth and jobs, and lead the Ukrainian economy closer towards the EU.  
Valdis Dombrovskis, Executive Vice-President for an Economy that Works for People

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