

EUROPEAN COMMISSION

PRESS RELEASE

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European Commission's support to Ukraine

The European Commission agreed today a package of support identifying a number of concrete measures to assist economically and financially Ukraine. These measures should be seen as the Commission's contribution to a European and international effort to support Ukraine's economic and political reforms, and will be presented to the EU Heads of State and Government ahead of their extraordinary meeting on Thursday 5 March.

"The most immediate priority for the EU is to contribute to a peaceful solution to the current crisis, in full respect of international law", said President Barroso. "In parallel, the international community should mobilise to help Ukraine stabilise its economic and financial situation. The European Commission is proposing today a package designed to assist a committed, inclusive and reforms oriented Government in rebuilding a stable and prosperous future for Ukraine. What we propose could bring overall support of at least €11 billion over the next couple of years from the EU budget and EU-based international financial institutions."

The package of support to Ukraine sets out the main concrete measures that the Commission is proposing for the short and medium term to help stabilise the economic and financial situation in Ukraine, assist with the transition and encourage political and economic reform.

This engagement constitutes both a response to help stabilise the country as well as to support the reform programme and further enhance ownership of the Ukrainian authorities. While some of these measures can be carried out quickly, others will require further planning and preparation. For many of them, the urgent and active support of the Council and European Parliament are necessary.

Underpinning this approach is the ambition to help Ukraine fulfil the aspirations which have been clearly demonstrated by citizens and civil society in recent weeks in the unprecedented events in Kiev and throughout the country.

Key elements of the package agreed today:

- €3 billion from the EU budget in the coming years, €1.6 billion in macro financial assistance loans (MFA) and an assistance package of grants of €1.4 billion;
- Up to €8 billion from the European Investment Bank and the European Bank for Reconstruction and Development;
- Potential €3.5 billion leveraged through the Neighbourhood Investment Facility;
- Setting up of a donor coordination platform;
- Provisional application of the Deep and Comprehensive Free Trade Area when Association Agreement is signed and, if need be, by autonomous frontloading of trade measures;
- Organisation of a High Level Investment Forum/Task Force;
- Modernisation of the Ukraine Gas Transit System and work on reverse flows, notably via Slovakia;

- Acceleration of Visa Liberalisation Action Plan within the established framework; Offer of a Mobility Partnership;
- Technical assistance on a number of areas from constitutional to judicial reform and preparation of elections.

Indicative amounts / ranges:

Source	Indicative amounts / ranges (in € million)
I. EUROPEAN COMMISSION (2014-2020)	
<i>I.1 Overall development assistance (grants)</i>	1,565
Bilateral envelope, where:	
- Annual Action Programme (AAP) for 2014	140-200
- AAPs (average) - for 2015-2020	780
- Umbrella programme ("more for more") for 2015-2020	240-300
Neighbourhood Investment Facility	200-250
Instrument contributing to Stability and Peace (IcSP)	20
CFSP	15
<i>I.2 Macro financial assistance (loans)</i>	1,610
I.2 EUROPEAN FINANCIAL INSTITUTIONS	
EIB	up to 3,000
EBRD	5,000
GRAND TOTAL	11,175

Statement of President Barroso on the support package for Ukraine

The Commission met this morning to discuss the situation in Ukraine.

The events of the last days have shocked us all and reminded us that principles that we cherish, like peace, cannot be taken for granted. It also reminds us how the outdated logic of the balance of powers is dangerous and wrong and we need to replace it with a logic of cooperation and dialogue, in full respect of international law.

Our message has always been, and remains, that it is for the Ukrainian people to decide on their own future. This means their freedom and security must be guaranteed, and that the territorial integrity has to be respected.

Our most immediate priority is to contribute to a peaceful solution to the current crisis. We expect that recent measures to de-escalate the situation will be followed through.

The situation in Crimea needs to be handled through political dialogue in the framework of the

Ukrainian constitution and respecting the rights of all Ukrainian citizens and communities. In this respect, I welcome the direct dialogue established between Moscow and Kiev, and I expect no one will oppose a deployment of international observers to Crimea.

In parallel, the international community should mobilise to help Ukraine stabilise its economic and financial situation, which will in turn also contribute to political and social peace. The Commission currently has a mission on the ground in Ukraine to conduct a needs assessment.

Today, the European Commission has identified a package of support to Ukraine. This is our contribution to tomorrow's meeting of Heads of State and Government. The package combined could bring an overall support of at least 11 billion euros over the next couple of years, from the European Union budget and European Union based international financial institutions. It is a package designed to assist a committed, inclusive and reforms oriented Ukrainian Government. Importantly, we will have the opportunity to meet and discuss with Prime Minister Yatseniuk tomorrow, and of course I am very pleased about this.

Our package consists of immediate short and medium term measures offering trade, economic, technical and financial assistance to Ukraine.

- It offers €1.6 billion in loans under macro-financial assistance.
- It offers €1.4 billion in grants, of which €600 million can be disbursed in the next two years.
- It adds another €3 billion from the European Investment Bank from 2014-2016 and it proposes to create a trust fund in which the European Union budget money and bilateral money from Member States can be pooled.
- We will work with the European Bank for Reconstruction and Development, to which the European Union with its Member States is a majority shareholder, to liberate a further €5 billion.
- We will also mobilise money (€250 million) from the Neighbourhood Investment Facility to leverage €3.5 billion of loans from bankable investment projects.
- And to coordinate the aid effort by the international community and the International Financial Institutions, we propose to create a special donor coordination mechanism. The European Union is ready to host in Brussels a meeting with interested partners for this purpose.

Going beyond aid and moving to trade, the European Commission is ready to propose to the Council and the European Parliament to give an early unilateral application of the goods import provisions of the Deep and Comprehensive Free Trade Area in the Association agreement, which we stand ready to sign, meaning millions of valuable savings on import duties.

There are a number of other measures through which we are ready to support Ukraine. Let me just highlight one of them, energy, where we are looking in the short term at the gas transmission network to ensure that reverse flows with the European Union are fully operational.

You will find all details in the document that is going to be distributed to you very soon and that presents in a comprehensive manner all this different strands of support to Ukraine.

This is a package that needs to be complemented by further efforts of our Member States, of other international financial institutions like the IMF and the World Bank and all partners that want to contribute.

The situation in Ukraine is a test of our capability and resolve to stabilise our neighbourhood and to provide new opportunities for many, not just a few. We need to be up to this challenge. I believe we are going to up for this challenge for Ukraine and for Europe as a whole.