



EU support for Ukraine

The EU's strong support for Ukraine must continue as long as needed. Supporting Ukraine's defence capabilities, both bilaterally and through EU instruments, requires strengthening the EU's defence industrial base and enhancing cooperation.

The Confederation of Finnish Industries (EK) is strongly committed to supporting Ukraine and its accession to the EU, in line with the enlargement process and the conditions for EU membership. Membership negotiations with Ukraine should be opened as soon as possible.

EK supports the EU sanctions against Russia. Implementation and enforcement of sanctions should be strengthened further in the framework of G7 cooperation, particularly to prevent the circumvention of sanctions via third countries.

The role of the business sector in the reconstruction and modernisation of Ukraine is crucial. The cost of future reconstruction is estimated at \$486 billion (the World Bank). Successful modernisation is a precondition for Ukraine's future integration with the West and EU membership. The acute reconstruction needs of critical infrastructure already cost tens of billions of euros.

EK proposes the following measures to contribute to Ukraine's reconstruction:

The established EUR 9.3 billion **Ukraine Investment Framework** should focus to leverage EUR 40 billion investments on Ukraine's **immediate short-term** reconstruction needs. This framework **should be expanded by creating InvestUkraine Fund** in the forthcoming Multi-annual Financial Framework (MFF). This Fund should aim to leverage around EUR 150 billion medium and longer-term reconstruction investments.

The Fund would be implemented in connection with the Ukraine Investment Framework and the Global Gateway, in a similar way as the InvestEU Fund. Funds would be channeled through the EIB, EBRD, IFC and Member States' Development Finance Institutions (DFIs), in cooperation with commercial banks. The Fund would also provide export credit guarantees to EU national Export Credit Agencies (ECAs), investment guarantees to DFIs and make equity investments.

25 percent of the Fund would consist of grants, which would be used to provide blended finance instruments through the DFIs. At least 20 percent of total financing would be allocated to investment projects that support Ukraine's future EU membership, including green transition and digitalization.

We also propose the **establishment of an EU Business Consortium Mechanism** to coordinate and promote InvestUkraine projects. The aim of this mechanism would be to bring together EU-based companies and provide joint European solutions for large-scale reconstruction projects in Ukraine.

InvestUkraine and the EU Business Consortium Mechanism would be coordinated by DG NEAR in close cooperation with other relevant DGs such as the DG INTPA and DG Grow.

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