

the Economic Policy Advisory Council

Statement on

The progress of the Ukraine Facility Programme

<https://kse.ua/economic-policy-advisory-council>

APRIL, 2024

About the Economic Policy Advisory Council

This council, established at the initiative of Vice Prime Minister and Minister of Economy of Ukraine, Yulia Svyrydenko, functions as an advisory body under the Ministry of Economy.

The Economic Council is an international working Group of distinguished economists from around the world, with diverse expertise relevant to Ukraine's economic recovery, EU integration, fiscal policy, and sustainable public debt management.

The role of the Economic Policy Advisory Council is to provide critical recommendations to create a stable macroeconomic environment, attract foreign direct investment, and ensure Ukraine's rapid recovery and development.

The Council is chaired by Yuriy Gorodnichenko, Quantedge Presidential Professor of Economics Department of Economics, University of California, Berkeley

The KSE Institute serves as the Secretary of the Group.

Letter from the Advisory Council

April 2024 marks an important milestone for cooperation between Ukraine and the European Union (EU). The European Commission has approved the [Ukraine Plan](#), clearing the way for regular payments under the Ukraine Facility. This comprehensive document sets out a programme of priority reforms and investments to support Ukraine's economic recovery and development as well as its European integration. Member States now have one month to adopt the Council implementing decision proposed by the Commission.

We believe that this Facility is a key step to ensuring the European future of Ukraine and to setting the stage for Ukraine's post-war reconstruction.

Even before the official start of the programme, it is already delivering good results. Under the Bridge Financing, Ukraine has started to implement the planned reforms and has met five indicators set for the first quarter of 2024. These measures encompass enhancing two important milestones for the anti-corruption infrastructure. Additionally, they included improving the public financial management system, facilitating investment in industrial parks, and automating the system for monitoring land relations. Meeting these indicators will allow Ukraine to receive €1.5 billion in macro-financial assistance in April this year. The initial disbursement of €4.5 billion from the EU came in March through exceptional bridge financing, providing much needed liquidity to Ukraine.

In addition to setting an agenda and timetable for 69 reforms and more than 150 quarterly indicators in the Ukraine Plan, as well as committing EU funds (€38.27 billion in support for the state budget, €6.97 billion for the investment fund, and €4.76 billion for technical and administrative support for the programme over four years), the programme embodies a new spirit of giving the initiative and responsibility to the Ukrainian government to set tangible goals on Ukraine's path to joining the EU. Indeed, the irreversibility of the reforms and their durable success depend on Ukraine having ownership of the process. Hence, it is crucial that the democratically elected Ukrainian government be the main driving force and developer of the programme.

Although the programme offers a detailed plan, the war creates a highly uncertain environment. Russian strikes can alter the priorities and needs. Thus, Ukraine, the EU, and other partners should prepare contingency plans. Furthermore, the balance of risks is such that the EU and Ukraine's other partners will likely need to provide more funding to support Ukraine in these most difficult times. Securing such funding ahead of time is critical.

We call upon all stakeholders in Ukraine and abroad to support the authorities in effectively implementing the programme.

The Advisory Council comprises leading economists from various esteemed institutions, including:

- **Torbjorn Becker**, Director of the Stockholm Institute of Transition Economics (SITE)
- **Tatyana Deryugina**, Associate Professor in the Department of Finance at the University of Illinois at Urbana-Champaign
- **Barry Eichengreen**, George C. Pardee & Helen N. Pardee Chair and Distinguished Professor of Economics and Political Science
- **Anastassia Fedyk**, Finance professor at UC Berkeley Haas School of Business and co-Founder of Economists for Ukraine
- **Ina Ganguli**, Associate Professor, Dept. of Economics, University of Massachusetts Amherst
- **Yuriy Gorodnichenko**, Quantedge Presidential Professor of Economics Department of Economics, University of California, Berkeley
- **Ben Hilgenstock**, Senior Economist at KSE Institute
- **James Hodson**, Chief Executive Officer, AI for Good Foundation, and co-founder of Economists for Ukraine
- **Oleg Korenok**, Professor and Chair of Economics Virginia Commonwealth University
- **Ben Moll**, Professor of Economics at the London School of Economics
- **Roger Myerson**, David L. Pearson Distinguished Service Professor of Global Conflict Studies at The Pearson Institute for the Study and Resolution of Global Conflicts in the Harris School of Public Policy, the Griffin Department of Economics; Nobel Laureate in Economics
- **Tymofiy Mylovanov**, Associate Professor of Economics at the University of Pittsburgh; President, Kyiv School of Economics; Former Minister of Economic Development, Trade and Agriculture of Ukraine
- **Jacob Nell**, a Senior Research Fellow at the Kyiv School of Economics, member of the Yermak-McFaul Group
- **Kenneth Rogoff**, Thomas D. Cabot Professor of Public Policy and professor of economics at Harvard University.
- **Elina Ribakova**, Director of the International Program (KSE) - economist and expert on Emerging Markets in Eastern Europe, the Middle East and Africa
- **Gerard Roland**, Distinguished Professor of Economics and Professor of Political science University of California, Berkeley
- **Alexander Rodnyansky**, Ukrainian Presidential Advisor, Supervisory Board Member of the State Savings Bank of Ukraine, Associate Professor of Economics at the University of Cambridge, and Young Global Leader at the World Economic Forum
- **Natalia Shapoval**, Chairman of KSE Institute, Vice President for Policy Research, Member of Advisory Board of Center of Excellence in Procurement, Member of Editorial Board of VoxUkraine
- **Iona Sologoub**, Scientific Editor at VoxUkraine.
- **Olga Slyvynska**, The Secretary of the Group, Director of International Relations at KSE Institute

Note: The inclusion of affiliations is for identification purposes only and does not represent an endorsement of shared views with the co-signer.