

# Chancellor sets out further economic support for Ukraine at G7 meeting in Bonn

- Rishi Sunak also discussed how global partners can continue to work together to soften the war's impact on the global economy
- He will also urge G7 counterparts to maintain momentum behind and deliver the historic agreement on global tax reform – ensuring companies pay their fair share of tax in the countries in which they operate

The Chancellor of the Exchequer Rishi Sunak confirms that the UK stands ready to guarantee up to \$50 million for further financing to Ukraine, to help ensure the continued provision of electricity to its citizens.

The Chancellor attended meetings with G7 partners today and will continue to do so tomorrow, alongside the Bank of England Governor Andrew Bailey. They discussed efforts to support Ukraine and the ways in which the war is adding to pressures on the global economy, including impacts on the cost of living in the UK.

Today, Rishi Sunak announced the UK's commitment to guarantee \$50million, of further financing to Ukraine from the European Bank of Reconstruction and Development, which is headquartered in London. This comes on top of the \$950m in loan guarantees that the UK has already committed to significantly scale up World Bank lending to the Government of Ukraine to help meet urgent fiscal needs.

This guarantee will be used by the EBRD to provide further financing to the Ukrainian electricity grid operator, Ukrenergo to support continued provision of electricity to the brave Ukrainian people, subject to approval by Parliament.

This funding forms part of the significant economic, humanitarian and military support the UK has committed to Ukraine, totalling well over \$3 billion.

The Chancellor also discussed the shared challenges facing the global economy, including the rising cost of living globally, and the acute challenges faced by developing economies including heightened food insecurity.

He pushed his partners in the G7 to ensure that the sanctions announced so far are being urgently implemented and strongly enforced to exert maximum cost on Putin and his regime.

## **Ahead of the meetings, Chancellor of the Exchequer, Rishi Sunak said:**

I remain steadfast with my G7 partners in standing with Ukraine. I am pleased to confirm up to \$50million in UK guarantees for EBRD critical support in Ukraine. This will help Ukraine continue to provide electricity to its citizens as they fight for their freedom.

It's clear that Putin's barbaric and illegal invasion of Ukraine has not only had a devastating humanitarian impact on Ukraine; it is also causing significant disruption to the global economy, the impacts of which are being felt across the G7, including here at home in the UK.

I am determined to work with my G7 partners to confront these shared challenges.

Tomorrow, the Chancellor will also call for progress on the implementation of the international tax agreement that was struck last year during the UK's presidency of the G7. This historic global tax reform will ensure companies pay their fair share of tax in the countries in which they operate. In Bonn, the Chancellor will encourage his partners to maintain momentum and collaborate to deliver on the agreement as swiftly as possible.

### **Further information**

- Whilst in Bonn for the G7 Finance Ministers and Central Bank Governors meeting, the Chancellor will meet with his partners for working sessions over today and tomorrow and will have bilats with some of the attending finance ministers.
- The UK's combined economic, humanitarian and military package of support, totalling over \$3 billion comprises:
  - i) around \$500 million in economic and humanitarian grant support for Ukraine. This comprises: a £220 million (c.\$290m) package of humanitarian aid, making the UK a leading bilateral humanitarian donor; a c.£75m (\$100m) fiscal support grant, channelled through the World Bank Trust Fund; a £100 million (c.\$130m) grant to support Ukraine's energy security and reforms,
  - ii) Almost \$1 billion in guarantees on World Bank lending to Ukraine, unlocking additional WB financing on a 1:1 basis over the coming months. These financial guarantees are subject to parliamentary approval.
  - iii) \$50 million in potential guarantees on lending to Ukraine by the European Bank of Reconstruction and Development (EBRD). This will be used to guarantee \$100 million of EBRD lending to Ukrenergo. This guarantee is subject to parliamentary approval.

iv) Over \$1.5 billion in military aid, including thousands of anti-tank weapons

- The G7 is also expected to discuss international solutions to combat carbon leakage and financing for pandemic preparedness.