

EU agrees on up to €35 billion in macro-financial assistance to Ukraine and new loan mechanism implementing G7 commitment

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On 9 October, the Council of the European Union reached an agreement on a financial assistance package to Ukraine, including an exceptional macro-financial assistance (MFA) loan of up to €35 billion and a loan cooperation mechanism that will support Ukraine in repaying loans for up to €45 billion provided by the EU and G7 partners.

The financial assistance aims to provide immediate relief to Ukraine's urgent financing needs that have increased due to Russia's intensified aggression towards Ukraine.

The repayment of the exceptional MFA loan and eligible bilateral loans from

G7 partners under the 'Extraordinary Revenue Acceleration Loans for Ukraine' (ERA) initiative, will be ensured by funds coming from future flows of extraordinary revenues stemming from the immobilisation of Russian sovereign assets.

The Ukraine loan mechanism will disburse these funds – as well as possible amounts received as voluntary contributions from member states and third countries or other sources – in the form of financial support to Ukraine, to assist it in servicing and repaying the loans.

The up to €35 billion MFA loan is the EU's contribution to the G7 loan of up to €45 billion.

In view of a speedy adoption and ensuring that the macro-financial assistance reaches Ukraine as soon as possible, member states agreed today that if the European Parliament adopts the Commission's proposal without changes, the Council will also proceed to adopt the text without modifications. The aim is to make the MFA loan available in 2024, with disbursement in 2025, to be repaid over a maximum period of 45 years.

