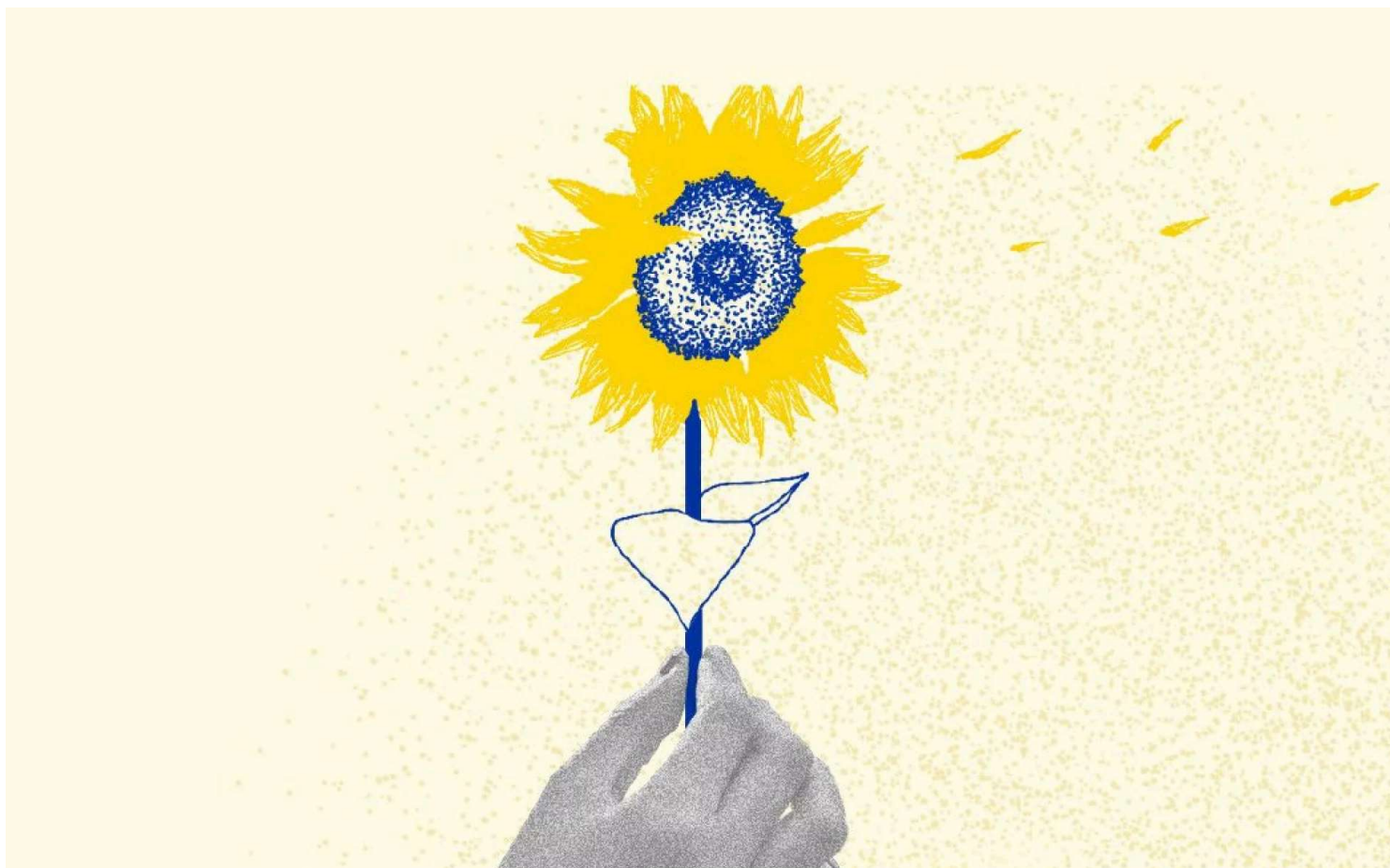


EU greenlights up to €35 billion in macro-financial assistance to Ukraine

October 24, 2024



The Council of the European Union yesterday adopted 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 package aims at supporting Ukraine in covering its urgent financing needs that have increased due to Russia's intensified aggression against Ukraine. The exceptional MFA will contribute to covering Ukraine's financing gap, supporting the country's macro-financial stability and easing its external financial constraints.

The exceptional MFA loan and eligible bilateral loans from G7 partners will be

repaid by future flows of extraordinary profits accruing to central securities depositories in the EU as a result of the immobilisation of Russian sovereign assets.

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

The new MFA operation will be linked to policy conditions that are consistent with the Ukraine Facility, in particular the Ukraine Plan. The management and control systems proposed under the Ukraine Plan and specific provisions on the prevention of fraud and other irregularities will also apply to the MFA loan.

The MFA loan is expected to be made available to Ukraine before the end of 2024 and have a maximum duration of 45 years.

The European Commission presented a proposal for a regulation on an exceptional macro-financial assistance (MFA) loan and a Ukraine loan cooperation mechanism on 19 September 2024. In view of a speedy adoption and ensuring that the macro-financial assistance reaches Ukraine as soon as possible, the European Parliament and the Council adopted the Commission's proposal for a regulation without changes.

