




Basic information	
<p><b>2024/0234(COD)</b></p> <p>COD - Ordinary legislative procedure (ex-codecision procedure) Regulation</p>	Procedure completed
<p>Establishing the Ukraine Loan Cooperation Mechanism and providing exceptional macro-financial assistance to Ukraine</p> <p><b>Subject</b></p> <p>4.70.01 Structural funds, investment funds in general, programmes 6.20.07 Macro-financial assistance to third countries</p> <p><b>Geographical area</b></p> <p>Ukraine</p> <p><b>Legislative priorities</b></p> <p><a href="#">EU support to Ukraine</a></p>	


Key players				
European Parliament	<b>Committee responsible</b>		<b>Rapporteur</b>	<b>Appointed</b>
	<b>INTA</b> International Trade		KARLSBRO Karin (Renew)	30/09/2024
	<b>Committee for opinion</b>		<b>Rapporteur for opinion</b>	<b>Appointed</b>
	<b>AFET</b> Foreign Affairs		The committee decided not to give an opinion.	
	<b>Committee for budgetary assessment</b>		<b>Rapporteur for budgetary assessment</b>	<b>Appointed</b>
	<b>BUDG</b> Budgets		LEWANDOWSKI Janusz (EPP)	23/09/2024
Council of the European Union				
European Commission	<b>Commission DG</b>		<b>Commissioner</b>	
	Economic and Financial Affairs		GENTILONI Paolo	

Key events			
Date	Event	Reference	Summary

20/09/2024	Legislative proposal published	COM(2024)0426 	Summary
10/10/2024	Committee referral announced in Parliament, 1st reading		
14/10/2024	Vote in committee, 1st reading		
15/10/2024	Committee report tabled for plenary, 1st reading	A10-0006/2024	
22/10/2024	Decision by Parliament, 1st reading	T10-0021/2024	Summary
22/10/2024	Results of vote in Parliament		
22/10/2024	Debate in Parliament		
23/10/2024	Act adopted by Council after Parliament's 1st reading		
24/10/2024	Final act signed		
28/10/2024	Final act published in Official Journal		

Technical information	
Procedure reference	2024/0234(COD)
Procedure type	COD - Ordinary legislative procedure (ex-codecision procedure)
Procedure subtype	Legislation
Legislative instrument	Regulation
Legal basis	Rules of Procedure EP 58
Other legal basis	Rules of Procedure EP 165
Stage reached in procedure	Procedure completed
Committee dossier	INTA/10/00994

Documentation gateway				
<b>European Parliament</b>				
Document type	Committee	Reference	Date	Summary
Amendments tabled in committee		PE765.011	03/10/2024	
Committee opinion	<span style="border: 1px solid red; padding: 2px;">BUDG</span>	PE763.267	11/10/2024	
Committee report tabled for plenary, 1st reading/single reading		A10-0006/2024	15/10/2024	
Text adopted by Parliament, 1st reading/single reading		T10-0021/2024	22/10/2024	Summary
<b>Council of the EU</b>				
Document type	Reference	Date	Summary	
Draft final act	00096/2024/LEX	24/10/2024		
<b>European Commission</b>				

Document type	Reference	Date	Summary	
Legislative proposal	COM(2024)0426 	20/09/2024	<a href="#">Summary</a>	
<b>National parliaments</b>				
Document type	Parliament /Chamber	Reference	Date	Summary
Contribution	<a href="#">PT_PARLIAMENT</a>	COM(2024)0426	01/12/2024	
Contribution	<a href="#">ES_PARLIAMENT</a>	COM(2024)0426	18/02/2025	

Additional information		
Source	Document	Date
European Commission	EUR-Lex	

Final act
<a href="#">Regulation 2024/2773</a> <a href="#">OJ OJ L 28.10.2024</a> <span style="float: right;"><a href="#">Summary</a></span>

## Establishing the Ukraine Loan Cooperation Mechanism and providing exceptional macro-financial assistance to Ukraine

2024/0234(COD) - 22/10/2024 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted by 518 votes to 56, with 61 abstentions, a legislative resolution on the proposal for a regulation of the European Parliament and of the Council establishing the Ukraine Loan Cooperation Mechanism and providing exceptional macro-financial assistance to Ukraine.

Parliament adopted its position at first reading following the ordinary legislative procedure taking over the Commission proposal.

The proposed regulation is in alignment with a G7 initiative. It aims to use the **extraordinary revenues from immobilised Russian assets** to cover Ukraine's urgent financial needs.

To this end, the proposal seeks to establish the **Ukraine Loan Cooperation Mechanism (ULCM)**, which will enable Ukraine to service and repay loans of up to EUR 45 billion. These loans will be repaid using windfall profits generated from frozen Russian assets. **The macro-financial assistance (MFA)** proposed by the European Union of up to **EUR 35 billion** is intended to help Ukraine cover its immediate financing needs. This assistance will be provided in a predictable, long-term and timely manner. The MFA loan has a maximum maturity of 45 years.

A key feature of this MFA is that Ukraine will not be required to repay the loan directly. Instead, repayments will be covered by windfall profits generated from interest accrued on immobilised Russian assets. Additionally, the terms of this loan will align with the conditions under the Ukraine Facility.

The new MFA funds will be disbursed until the end of 2025. The loan is conditional on Ukraine's continued commitment to uphold effective democratic mechanisms, respect human rights and other policy conditions to be defined in a Memorandum of Understanding.

## Establishing the Ukraine Loan Cooperation Mechanism and providing exceptional macro-financial assistance to Ukraine

2024/0234(COD) - 20/09/2024 - Legislative proposal

PURPOSE: to establish the Ukraine Loan Cooperation Mechanism and provide exceptional macro-financial assistance to Ukraine.

PROPOSED ACT: Regulation of the European Parliament and of the Council.

ROLE OF THE EUROPEAN PARLIAMENT: the European Parliament decides in accordance with the ordinary legislative procedure and on an equal footing with the Council.

BACKGROUND: since the start of Russia's unprovoked and unjustified war of aggression against Ukraine on 24 February 2022, the Union, its Member States and European financial institutions have mobilised unprecedented support for Ukraine's economic, social and financial resilience. That support amounting to EUR 118 billion, combines support from the Union budget, including exceptional macro-financial assistance and support from the European Investment Bank (EIB) and the European Bank for Reconstruction and Development (EBRD), fully or partially guaranteed by the Union budget, as well as further financial support by Member States.

However, Russia's intensified aggression has increased Ukraine's financing needs. Therefore, it is clear that additional sources of funding both from the EU and the international community will be needed.

CONTENT: against this background, the Commission is proposing to establish a **Ukraine Loan Cooperation Mechanism** which will support G7 partners and the Union in issuing loans of up to **EUR 45 billion** to Ukraine. As part of the EU contribution to these loans, the European Commission is also proposing an **exceptional macro-financial assistance (MFA)** loan worth up to **EUR 35 billion**.

#### ***Ukraine loan cooperation mechanism***

To ensure that Ukraine is provided with sufficient and continuous financial support, a Ukraine loan cooperation mechanism should be established to provide Ukraine with non-repayable financial support to assist it in repaying loans provided by G7 partners.

The loan cooperation mechanism should receive resources, including from future flows of the extraordinary profits stemming from **Russia's immobilised assets**, and disburse those resources on a regular basis to Ukraine to cover the principal, interest and any other related costs of loans.

The purpose of the mechanism is to provide Ukraine with non-repayable financial support with a view to assisting Ukraine to repay the MFA Loan and eligible bilateral loans. To achieve this purpose, the Mechanism will receive resources and disburse them on a regular basis to Ukraine to cover the principal, interest and any other related costs of the macro-financial assistance loan and eligible bilateral loans.

For the purposes of implementing the mechanism, the Commission will enter into an agreement with Ukraine setting out the conditions and obligations to receive and use the non-repayable financial support.

#### ***Exceptional Macro-Financial Assistance (MFA)***

In addition to the support under the Ukraine Loan Cooperation Mechanism, the Commission is proposing an exceptional MFA loan of up to **EUR 35 billion** to support macro-financial stability in Ukraine, and to ease Ukraine's external financing constraints, in particular with a view to covering the country's financing needs. Given the urgent nature of those financing needs, the MFA loan will be available in 2024. It will be made available by the Commission in one instalment, which may be disbursed in one or more tranches. The disbursement of all such tranches will take place by 31 December 2025 at the latest.

The support to Ukraine will be made available under the precondition that Ukraine continues to uphold and **respect effective democratic mechanisms**, including a multi-party parliamentary system and the rule of law, and to guarantee respect for human rights, including those of persons belonging to minorities.

## **Establishing the Ukraine Loan Cooperation Mechanism and providing exceptional macro-financial assistance to Ukraine**

2024/0234(COD) - 28/10/2024 - Final act

PURPOSE: to establish the Ukraine Loan Cooperation Mechanism and provide exceptional macro-financial assistance to Ukraine with a view to supporting it in covering its financing needs as a result of the intensification of Russia's aggression against Ukraine.

LEGISLATIVE ACT: Regulation (EU) 2024/2773 of the European Parliament and of the Council establishing the Ukraine Loan Cooperation Mechanism and providing exceptional macro-financial assistance to Ukraine.

CONTENT: the regulation includes an **exceptional macro-financial assistance (MFA) loan** of up to EUR 35 billion and a **loan cooperation mechanism** that will support Ukraine in repaying loans for up to **EUR 45 billion** provided by the EU and G7 partners.

The exceptional MFA will contribute to covering Ukraine's financing gap, thereby supporting macro-financial stability in Ukraine and easing Ukraine's external financial constraints.

The exceptional MFA loan and eligible bilateral loans from G7 partners under the 'Extraordinary Revenue Acceleration (ERA) Loans for Ukraine' initiative will be repaid by future flows of extraordinary profits accruing to central securities depositories in the EU as a result of the implementation of the **immobilisation of Russian sovereign assets**.

The Ukraine loan cooperation mechanism will disburse these funds in the form of financial support to Ukraine, to assist it in servicing and repaying all G7 loans.

The up to EUR 35 billion MFA loan is the EU's contribution to the G7 loan of up to EUR 45 billion. EU borrowing to fund the extraordinary MFA loan to Ukraine will be guaranteed by the EU budget headroom.

The MFA Loan will be available until 31 December 2024. It will be made available by the Commission in one instalment, which may be disbursed in one or more tranches. The disbursement of all such tranches shall take place by 31 December 2025.

The MFA Loan will have a maximum duration of 45 years.

A precondition for granting the MFA Loan will be that Ukraine continue to uphold and respect effective democratic mechanisms, including a multi-party parliamentary system and the rule of law, and to guarantee respect for human rights, including the rights of persons belonging to minorities. The Commission will agree with Ukraine on policy conditions to which the MFA Loan is to be linked. Those policy conditions will be set out in a memorandum of understanding (MoU).

According to new rules, 95% of the proceeds that have been generated by central securities depositories (CSDs) in the EU as a result of their implementation of the immobilisation of Russian sovereign assets and that have been transferred to the Union will be allocated to the EU budget and will now be used for the Ukraine Loan Cooperation Mechanism (ULCM), which will disburse these funds in the form of financial support to Ukraine, to assist it in servicing and repaying the loans.

ENTRY INTO FORCE: 29.10.2024.