

Macro-financial assistance to Ukraine

2015/0005(COD) - 15/04/2015 - Final act

PURPOSE: to grant macro-financial assistance to Ukraine (MFA) in order to support the new Ukrainian authorities in achieving their aims of stabilising the situation and pursuing the course of reforms.

LEGISLATIVE ACT: Decision (EU) 2015/601 of the European Parliament and of the Council providing macro-financial assistance to Ukraine.

CONTENT: the Decision provides that the Union shall make macro-financial assistance available to Ukraine of a **maximum amount of EUR 1.8 billion**, with a view to supporting Ukraine's economic stabilisation and a substantive reform agenda. The assistance shall contribute to covering Ukraine's balance of payments needs as identified in the International Monetary Fund (IMF) programme.

Form of assistance: the full amount of the Union's macro-financial assistance shall be provided to Ukraine in the form of loans. The Commission shall be empowered on behalf of the Union to borrow the necessary funds on the capital markets or from financial institutions and to on-lend them to Ukraine. The loans shall have a **maximum maturity of 15 years**.

Reform strategy: the Commission shall agree with the Ukrainian authorities on clearly defined economic policy and financial conditions, focusing on structural reforms and sound public finances, to which the Union's macro-financial assistance is to be subject. These conditions shall be laid down in a **Memorandum of Understanding**, which shall include a timeframe for the fulfilment of those conditions.

Conditions for granting the assistance: the assistance will be disbursed in **three loan instalments**. The provision of MFA is subject to the following:

- a pre-condition that Ukraine respects effective **democratic mechanisms** — including a multi-party parliamentary system — and the rule of law, and guarantees respect for human rights. The Commission and the European External Action Service shall monitor the fulfilment of this pre-condition throughout the life-cycle of the Union's macro-financial assistance;
- a **continuous satisfactory track record** of Ukraine implementing a policy programme that contains strong adjustment and structural reform measures supported by a non-precautionary IMF credit arrangement; and
- the implementation of the **economic policy and financial conditions** agreed in the Memorandum of Understanding within a specific time-frame.

The Commission should regularly inform the European Parliament and the Council of developments relating to the assistance and provide them with relevant documents.

ENTRY INTO FORCE: 20.4.2015.