# 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.