

Parliament approves €1.2 billion in loans to Ukraine

- €1.2 billion loan to cover external financing gap caused by acute crisis
- First tranche to be disbursed immediately, if certain conditions are met

On Wednesday, MEPs gave the green light to a €1.2 billion macro-financial loan to help Ukraine cover its external financing needs in 2022.

Parliament agreed to a [Commission](#) proposal to provide Kyiv with [macro-financial assistance](#), an emergency resource for EU neighbourhood countries struggling to pay their bills. It will be paid out in two instalments.

Half of the 1.2 billion euro loan can be disbursed immediately to foster stability in Ukraine, if certain preconditions are met.

The loan serves as “swift support in a situation of acute crisis and to strengthen the resilience of the country”, the proposal states. In order for the money to be disbursed, the country must show progress in implementing a macroeconomic programme set up by the International Monetary Fund (IMF). MEPs emphasize that “effective democratic mechanisms, including a multi-party parliamentary system, and the rule of law, and guarantees respect for human rights” are also preconditions for disbursement.

The resolution, adopted under the [urgency procedure](#), passed with 598 votes for, 55 against and 41 abstentions.

Ukraine’s external financing has dried up due to Russia’s military threat and the worsening economic situation in the wake of the COVID-19 pandemic.

Background

Since 2014, the EU and European financial institutions have allocated over €17 billion in grants and loans to the country, according to the Commission. €5 billion of this came through five MFA programmes to support the implementation of broad reform.

The [IMF identified a \\$2.5 billion](#) (€2.2 billion) gap in Ukraine's financing needs for 2022.

Further information

[Adopted text \(16.02.2022\)](#)

[The results of the roll call vote will be available here \(16.02.2022\)](#)


[Press release on the Commission's proposal \(01.02.2022\)](#)


[Steps of the procedure](#)

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