

## Parliament approves €5 billion loan to Ukraine

- €5 billion loan is second part of total assistance package of €9 billion
- Provides significant relief to Ukraine's finances amid Russian aggression
- Conditionality applies

**On Thursday, MEPs gave the green light to a €5 billion macro-financial loan to help Ukraine cover its acute financing needs caused by Russia's invasion.**

This is the [second, and largest, tranche](#) of a €9 billion EU support package, of which [€1 billion has already been disbursed](#). The Commission is extending the loan to the government in Kyiv on highly favourable terms.

Ukraine's external financing needs have grown rapidly due to the Russian invasion; besides the tremendous damage to roads, bridges, factories, houses, hospitals and other physical infrastructure, the country has also lost its access to the international financial markets.

After bilateral and multilateral financial support pledges, a residual \$10 billion (€9.8 billion) funding gap remains, according to the International Monetary Fund. "The release of a sizeable part of the remainder of the exceptional [loan] will provide additional and significant relief and help cover part of this shortfall," according to the proposal signed off by MEPs. The EU loan will also contribute, the text says, "to the public debt sustainability of Ukraine and its ability to ultimately be in a position to repay its financial obligations".

### Conditionality

A precondition, included in the text, for granting the assistance is that Ukraine respects effective democratic mechanisms despite the wartime concentration of power in the executive branch.

The text, adopted under Parliament's so-called "[urgent procedure](#)", passed with 534 votes in favour, 30 against and 26 abstentions.

In a separate debate on Tuesday, MEPs discussed the latest developments in the war against Ukraine with EU Foreign Policy Chief Josep Borrell. You can watch the debate [here](#).

## Background

Macro-financial assistance is an emergency resource, provided on highly favourable terms, for EU neighbourhood countries struggling to pay their bills. The total amount of such favourable loans from the EU to Ukraine since the start of the war could be over €10 billion if the whole package is confirmed.

## Next steps

The measure will apply on the day following its publication in the Official Journal of the EU.

## Further information

[The adopted text will be available here \(15.09.2022\)](#)

[Result of the roll call votes \(15.09.2022\)](#)

[Steps of the procedure](#)

[Press release: MEPs approve €1 billion loan to Ukraine \(07.07.2022\)](#)

[European Council conclusions endorsing to €9 billion loan proposal \(23.06.2022\)](#)

[Macro-financial assistance to Ukraine \(European Commission\)](#)

[“EU stands with Ukraine” website](#)

[EU measures in solidarity with Ukraine \(European Commission\)](#)

[Press release: EU candidate status: lead MEP welcomes Council decision \(23.06.2022\)](#)

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