

G7 Finance Ministers' Statement on Extraordinary Revenue Acceleration (ERA) Loan Initiative

Washington, DC, 25 October 2024

We, the G7 Finance Ministers, met in Washington, DC earlier today and were joined by Ukraine's Finance Minister Sergii Marchenko.

In line with the mandate we were given by G7 Leaders at the Apulia Summit in June, we are glad to announce our agreement on the operationalisation of the ERA Loan initiative for the benefit of Ukraine. We recall the G7 Leaders' pledge that, consistent with all applicable laws and our respective legal systems, Russia's sovereign assets will remain immobilized until Russia ends its aggression and pays for the damage it has caused to Ukraine. We will stand by Ukraine for as long as it takes.

Today we approved the principles and technical features of the Extraordinary Revenue Acceleration (ERA) Loan initiative for the benefit of Ukraine that was announced by G7 Leaders at the Apulia Summit in June.

The ERA Loan initiative will disburse approximately USD 50 billion (EUR 45 billion) for the benefit of Ukraine. Principal and interest will be repaid by extraordinary revenues stemming from the immobilisation of Russian sovereign assets (RSA) held in European Union (EU) jurisdictions, and possibly in other G7 countries, in line with our respective legal systems and international law, and by any other voluntary contributions.

The ERA Loan initiative will comprise bilateral loans from G7 members. Today's G7 approval of the principles and technical features will ensure consistency and coordination between constituent loans, while providing sufficient flexibility to account for the legal and institutional specificities of each lender.

The distribution of the flow of extraordinary revenues stemming from Russian sovereign assets to repay ERA lenders will be managed via the Ukraine Loan Cooperation Mechanism (ULCM) that was recently agreed by EU co-legislators. The distribution to repay G7 lenders will be proportional to the committed principal amount of each bilateral loan.

Each bilateral loan will enter into force no later than 30 June 2025. Bilateral loans will be fully disbursed to the benefit of Ukraine between 1 December 2024 and 31 December 2027, in instalments that will reflect Ukraine's urgent financing needs. The support from ERA loans is in addition to other sources of official support, including the EU Ukraine Facility and the IMF Extended Fund Facility. The loan proceeds will be disbursed through multiple channels. These include, but are not limited to, a Macro-Financial Assistance (MFA) loan from the EU, the IMF's Multi-Donor Administered Account for Ukraine, and the new Financial Intermediary Fund for Ukraine at the World Bank.

G7 members commit to closely cooperate to ensure coordination and consistency between constituent bilateral loans throughout the entire life of the ERA Loan initiative for the benefit of Ukraine.

The term sheet with the key technical features of the ERA Loan initiative will be published in the coming days.