

On 18 December 2025, the European Council agreed to provide a loan to Ukraine of EUR 90 billion for the years 2026-2027 based on EU borrowing on the capital markets backed by the EU budget headroom. By means of enhanced cooperation (Article 20 TEU) in respect of the instrument based on Article 212 TFEU, any mobilisation of resources from the Union's budget as a guarantee for this loan will not have an impact on the financial obligations of Czechia, Hungary or Slovakia. The text, supported by 25 Heads of State or Government, mentions that: 'This loan would be repaid by Ukraine only once reparations are received. Until then, these assets will remain immobilised and the Union reserves its right to make use of them to repay the loan, in full accordance with EU and international law'.

On 14 January 2026, following the European Council's agreement, the Commission put forward a proposal for a EUR 90 billion limited recourse loan to Ukraine for 2026 and 2027 ('the Commission proposal'). The proposed support would be structured in two components, with an indicative distribution of approximately two thirds (amounting to EUR 60 billion) dedicated to supporting Ukraine's defence industrial capacities, and the remaining one third (corresponding to EUR 30 billion) provided for macro-financial assistance or for budget assistance to be implemented under the Ukraine Facility. The support will help Ukraine strengthen its defence capabilities and ensure the continued functioning of the state and basic public services, while also contributing to Ukraine's resilience and its closer integration with Europe's defence industrial base.

According to recital 33 of the Commission proposal: 'The implementation of the assistance to support Ukraine's defence industrial capacities should be carried out in line with the principles of sound financial management ensuring the protection of the financial interests of the Union as set out in Article 223(4) of Regulation (EU, Euratom) 2024/2509 of the European Parliament and the Council. Detailed requirements in this respect might be entered into an arrangement to be signed between the Commission and Ukraine. Furthermore, for the management of the financial and economic assistance received to support Ukraine's defence industrial capacities, Ukraine should open a single account via which to manage the assistance, where the Commission should be able to monitor that account'.

In addition, recital 42 of the Commission proposal provides that: ‘The Ukraine Support Loan Agreement to be concluded between the Commission and the Ukrainian authorities should contain provisions aligned with the rights, responsibilities and obligations provided for in the framework agreement under the Ukraine Facility referred to in Article 9 of Regulation (EU) 2024/792 signed between the Union and Ukraine that entered into force on 20 June 2024. That will ensure that the Union’s financial interests linked to the Ukraine Support Loan are protected efficiently, providing the appropriate measures relating to the prevention of, and fight against, fraud, corruption and any other irregularities linked to the assistance. It will also, in accordance with Regulation (EU, Euratom) 2024/2509, grant the necessary rights and access to the Commission, the European Anti-Fraud Office (OLAF), the European Court of Auditors and, where applicable, the European Public Prosecutor’s Office, including from third parties involved in the implementation of Union funds during and after the availability period of the Ukraine Support Loan. Ukraine should also report irregularities in relation to the use of the funds to the Commission, in line with the procedures provided for in the framework agreement under the Ukraine Facility’.