



## Commission unveils two solutions to support Ukraine's financing needs in 2026-2027

Brussels, 3 December 2025

To bolster Ukraine's financial resilience amidst the ongoing Russian war of aggression, the European Commission today proposes two solutions to address Ukraine's financing needs for 2026-2027: EU borrowing and a Reparations Loan. These two solutions are underpinned by a comprehensive set of five legal proposals. With Russia continuing to show no sign of willingness to commit to a just and sustainable peace, the strain on Ukraine's resources continues to grow, making sustained EU support all the more vital.

The proposed solutions mark a pivotal step in responding to the [European Council's commitment to address Ukraine's future budgetary and defence needs on 23 October 2025](#). The proposals build on the options presented by President von der Leyen on 17 November 2025 following the [call by the European Council for the Commission to present options for financial support to Ukraine](#) and further discussions with Member States.

The package is designed to respond to Ukraine's evolving financing needs in a flexible and effective manner, irrespective of the situation on the ground, whether the country is at war or at peace. It comes as Russia's attacks against Ukraine and its infrastructure increase intensively, alongside rising hybrid warfare attacks across EU Member States and incursions of EU and NATO airspace.

### The two proposed solutions

With these legal proposals, the Commission puts forward two possible solutions: EU borrowing, which would rely on the EU budget ("headroom"), and a Reparations Loan, which would empower the Commission to borrow cash balances from EU financial institutions holding immobilised Russian Central Bank assets. They reflect the EU's commitment to supporting Ukraine not only in defending its sovereignty and maintaining state functions, but also as a strategic investment in Europe's security and in the pursuit of a just and lasting peace.

These proposals put in place a number of safeguards to protect Member States and financial institutions from possible retaliation measures within Russia, and from unlawful expropriations outside Russia, notably in Russia-friendly jurisdictions. To cover any residual risk, the package includes a strong mechanism of solidarity backed by bilateral national guarantees or the EU budget. While the proposals comply fully with European and international law, they also maintain the integrity of the Union's financial market and the euro's status as a global currency.

The package consists of:

- a proposed Regulation to establish a Reparations Loan;
- a proposal to prohibit any transfer of immobilised Russia Central Bank assets back to Russia;
- two proposals that put in place important safeguards for the Reparations Loan, designed to protect EU Member States and financial institutions from possible retaliation measures. The two joint proposals to amend [Council Regulation 833/2014](#) will be made public once the Council takes position on them, according to the applicable procedures. These will be complemented by a parallel proposal for a Council decision from Kaja **Kallas**, the High Representative for Foreign Affairs and Security Policy and Vice-President of the European Commission, and;
- a proposed amendment of the current multi-annual financial framework to allow for the use of the EU budget to underpin a loan to Ukraine, which could serve both of the solutions put forward.

Ursula **von der Leyen**, President of the European Commission said: "*With today's proposals, we will*

*ensure Ukraine has the means to defend themselves and take forward peace negotiations from a position of strength. We are putting forward solutions to help cover Ukraine's financial needs for the next two years, support the State budget and strengthen its defence industry as well as its integration into the European defence industrial base. We are proposing to create a Reparations Loan, using the cash balances from immobilised Russian assets in the EU, with strong safeguards for our Member States. We are increasing the cost of Russia's war of aggression. And this should act as a further incentive for Russia to engage at the negotiating table."*

## Next Steps

The Commission stands ready to support the European Parliament and the Council in reaching rapid progress.

The next [European Council on 18-19 December](#) should aim at reaching a clear commitment on the way forward.

## For more information

[Proposal for a Regulation establishing the Reparations Loan to Ukraine and amending Regulation \(EU\) 2024/792](#)

[Proposal for a Council Regulation on emergency measures addressing the serious economic difficulties caused by Russia's actions in the context of the war in Ukraine](#)

[Proposal for a Council Regulation on amending Council Regulation 2020/2093 laying down the MFF for the years 2021-2027](#)

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## Quote(s):

*"With today's proposals, we will ensure Ukraine has the means to defend themselves and take forward peace negotiations from a position of strength. We are putting forward solutions to help cover Ukraine's financial needs for the next two years, support the State budget and strengthen its defence industry as well as its integration into the European defence industrial base. We are proposing to create a Reparations Loan, using the cash balances from immobilised Russian assets in the EU, with strong safeguards for our Member States. We are increasing the cost of Russia's war of aggression. And this should act as a further incentive for Russia to engage at the negotiating table."*

Ursula von der Leyen, President of the European Commission - 03/12/2025

*"The destinies of Europe and Ukraine are bound together. We have now reached a moment of reckoning. Ukraine must receive the backing it urgently needs to continue its fight until a just and lasting peace is secured. The European Commission has today presented proposals to achieve this objective and ensure that European taxpayers do not carry the cost alone. They include a Reparations Loan, which will use the cash balances of immobilised Russian assets to quickly provide Ukraine with financial and military support. Our proposals comply with international law, maximise pressure on Russia, and send a clear message that its aggression will not prevail."*

Valdis Dombrovskis, Commissioner for Economy and Productivity; Implementation and Simplification - 03/12/2025

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[Press conference by Ursula von der Leyen, President of the European Commission, and Valdis Dombrovskis, European Commissioner, on addressing Ukraine's financing needs for 2026-2027](#)