

# Implementing enhanced cooperation on the establishment of the Ukraine Support Loan for 2026 and 2027

2026/0008(COD) - 11/02/2026 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted by 458 votes to 140, with 44 abstentions, a legislative resolution on the proposal for a regulation of the European Parliament and of the Council implementing enhanced cooperation on the establishment of the Ukraine Support Loan for 2026 and 2027.

Parliament adopted its position in the first reading under the **urgent procedure**.

## *Ukraine Support Loan*

The regulation implements enhanced cooperation on the establishment of an instrument for providing Union assistance to Ukraine for **2026 and 2027 in the form of EUR 90 billion loan** to be repaid by reparations due by Russia.

The general objective of the Ukraine Support Loan is to provide financial and economic assistance to Ukraine in a predictable, continuous, orderly, flexible and timely manner with a view to supporting Ukraine in covering its financing needs resulting particularly from Russia's war of aggression against Ukraine and Russia's non-payment of reparations due.

The specific objectives of the Ukraine Support Loan are as follows:

- to support **macro-financial stability** via the easing of Ukraine's external and internal financing constraints; and
- to support **Ukraine's defence industrial capacities** through economic, financial and technical cooperation.

Of the **EUR 90 billion**:

- **EUR 30 billion** will be allocated to macro-financial assistance or budgetary support, through the EU's Ukraine Facility;
- **EUR 60 billion** will be allocated to strengthening Ukraine's defence capabilities and supporting the procurement of military equipment, ensuring timely access to critical defence products from - in principle - Ukrainian, EU, and European Economic Area (EEA)/European Free Trade Association (EFTA) defence industries. If certain defence material is not immediately available from these countries for urgent delivery to Ukraine, a set of targeted derogations will apply to sourcing them from other countries.

## *Prerequisites for the granting of assistance under the Ukraine Support Loan*

The support to Ukraine under the Ukraine Support Loan should be made available under the precondition that Ukraine continues to uphold and respect effective democratic mechanisms, including a multi-party parliamentary system and the rule of law, and to guarantee respect for human rights, including those of persons belonging to minorities. Upholding and respecting the rule of law should include the fight against corruption.

## *Ukrainian financing strategy*

The financial and economic assistance available under the Ukraine Support Loan should be made accessible to Ukraine in line with its financing needs. To that end, Ukraine should submit a Ukrainian Financing Strategy on its financing needs and sources. Following an assessment by the Commission, the Council will approve this assessment and determine the amount of assistance to be made available to Ukraine.

### *Assistance aimed at supporting Ukraine's defence industrial capabilities*

The purpose of this assistance is to enable Ukraine to **make urgent and major public investments** in its defence industry and its integration into the European defence industry in response to and following the current crisis situation.

That financial and economic assistance should contribute, in particular, to the reconstruction, recovery and modernisation of the Ukrainian Defence Technological and Industrial Base, with a view to increasing its defence industrial readiness, taking into account its gradual future integration into the European Defence Technological and Industrial Base and through support for the timely availability of defence products and other products for defence purposes, through cooperation between the Union and Ukraine.

### *Eligibility*

Activities, expenditures and measures aimed at supporting Ukraine's defence industrial capabilities related to defence products and other products intended for defence purposes will be eligible for assistance provided they meet certain eligibility conditions.

The acquisition of defence products from manufacturers established in **third countries other than the EFTA States that are members of the EEA and Ukraine** will only take place if there is no other solution available in the Union, in the EFTA States that are members of the EEA and in Ukraine.

In this context, the Council, acting on a proposal from the Commission, may adopt an implementing act to determine that a third country other than the EFTA States that are members of the EEA and Ukraine, which does not affect the security and defence interests of the Union and its Member States and which has not concluded an agreement with the Union, meets the following cumulative conditions:

- the third country has undertaken to make a fair and proportionate financial contribution to the costs arising from the borrowing, corresponding to the value of the contracts awarded to entities established in said third country;
- the third country has concluded a security and defence partnership with the Union; and
- the third country provides significant financial and military support to Ukraine.

Such a possibility, therefore, should be limited to specific defence products taking into account the immediate operational needs of Ukraine, focusing, in particular, on air and missile defence systems, ammunition and missiles, drones and related anti-drone systems, artillery systems, including deep precision strike capabilities, strategic enablers such as, but not limited to, strategic airlift, air-to-air refuelling, C4ISTAR systems as well as space assets and services.