

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

2026/0008(COD) - 26/02/2026 - Final act

PURPOSE: to provide financial and economic assistance to Ukraine for 2026 and 2027 in a predictable manner in order to help Ukraine cover its financing needs resulting from Russia's war of aggression against Ukraine.

LEGISLATIVE ACT: Regulation (EU) 2026/467 of the European Parliament and of the Council implementing enhanced cooperation on the establishment of the Ukraine Support Loan for 2026 and 2027.

CONTENT: this regulation implements enhanced cooperation on the establishment of an **instrument for providing Union assistance to Ukraine for 2026 and 2027 in the form of a loan** to be repaid by reparations due by Russia (the 'Ukraine Support Loan').

In its conclusions of 18 December 2025, the European Council agreed to provide a **loan to Ukraine of EUR 90 billion for the years 2026 and 2027** based on Union borrowing on the capital markets backed by the Union budget headroom. On 29 January 2026, the Council adopted a Decision authorising enhanced cooperation between 24 Member States on the establishment of a Loan for Ukraine.

Ukraine Support loan

The general objective of the Ukraine Support Loan is to provide financial and economic assistance to Ukraine to support 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: (i) to support macro-financial stability via the easing of Ukraine's external and internal financing constraints; and (ii) to support Ukraine's defence industrial capacities through economic, financial and technical cooperation.

Under the proposed framework, the EU will make funding available to Ukraine in two ways:

- **EUR 30 billion** will be provided as macroeconomic support to Ukraine, channelled via macro-financial assistance (MFA) or implemented through the Ukraine Facility, the EU's dedicated instrument for providing Ukraine with stable and predictable financial support;

- **EUR 60 billion** will be used to support Ukraine's capacity to invest in defence industrial capacities and to procure military equipment. The funding will give Ukraine crucial and timely access to defence products from both the Ukrainian and EU defence industries.

The financial and economic assistance available under the loans will be made accessible in line with Ukraine's financing needs, determined by a **financing strategy** to be prepared by Ukraine itself. The Council will need to approve this strategy following a Commission assessment.

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.

Support for Ukraine's defence industrial capacities

The assistance to support Ukraine's defence industrial capacities should aim to enable Ukraine to carry out **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 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.

Eligibility criteria

Defence products should in principle only be procured from **companies in the EU, Ukraine, or EEA-EFTA countries**. Should Ukraine's military needs require the urgent delivery of a defence product which happens not to be available in the EU, Ukraine or an EEA-EFTA country, a set of targeted derogations would apply.

To allow third countries to contribute to the assistance to Ukraine while at the same time safeguarding the Union's and Member States' security and defence interests and taking into account the existing agreements under the SAFE instrument, the regulation provides for the possibility to **extend the eligibility criteria to third countries other than Ukraine and EEA EFTA States** that do not contravene the security and defence interests of the Union and its Member States, provided that:

- the third country has entered into a Security and Defence Partnership with the Union; and
- the third country is providing financial and military support to Ukraine in a significant manner.
- the third country has committed to provide a fair and proportionate financial contribution.

Such a possibility should be limited to specific defence products taking into account the immediate operational needs of Ukraine.

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