



Brussels, 27 January 2026
(OR. en)

5628/26

ECOFIN 65
FIN 105
RELEX 86
COEST 56
ECB
EIB

'II/A' ITEM NOTE

From: General Secretariat of the Council
To: Permanent Representatives Committee/Council
Subject: COUNCIL DECISION authorising enhanced cooperation on the
establishment of a Loan for Ukraine
– Adoption

1. On 3 December 2025, the Commission submitted to the Council a Proposal for a Council Regulation amending Council Regulation (EU, Euratom) 2020/2093 of 17 December 2020 laying down the multiannual financial framework for the years 2021 to 2027, as set out in document ST 16367/25 and a Proposal for a Regulation establishing the Reparation Loan to Ukraine and amending Regulation (EU) 2024/792 of the European Parliament and of the Council of 29 February 2024 establishing the Ukraine Facility as set out in document ST 16376/25.

2. With a view to ensuring the necessary financial support for Ukraine as from the second quarter of 2026, the European Council agreed, on 18 December 2025 (EUCO 24/25), 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. The European Council agreed also that any mobilisation of resources of the Union's budget as a guarantee of this loan will not have an impact on the financial obligations of the Czech Republic, Hungary and Slovakia.

3. The loan agreed by the European Council to respond urgently to the situation in Ukraine, requires both unanimous agreement to amend the MFF and an agreement on a loan backed by the EU budget headroom that does not have an impact on the financial obligations of those three Member States. The impossibility of achieving the objective of the loan, within a reasonable period through a package of acts involving the Union as a whole, is therefore clear from the European Council discussions and the conclusions reached, as confirmed by Coreper on 19 December 2025.
4. The instrument providing the loan to Ukraine and the necessary amendments to the MFF Regulation can therefore only be agreed, as a last resort, through the combination of unanimous agreement on the MFF Regulation and an enhanced cooperation on the Article 212 TFEU instruments establishing the loan for which the expenditure resulting from the implementation of that act, is borne by the participating Member States, in accordance with Article 332 TFEU. It therefore requires an enhanced cooperation for the proposal of a loan to Ukraine referred to above.
5. On 20 December 2025, Belgium, Bulgaria, Denmark, Germany, Estonia, Ireland, Greece, Spain, France, Italy, Croatia, Cyprus, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Austria, Poland, Portugal, Romania, Slovenia, Finland and Sweden requested (ST 17101/25) that the Commission submit a proposal to the Council for a decision authorising an enhanced cooperation that has as its objective and scope 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 giving effect to paragraphs 3 and 4 of the European Council Conclusions (EUCO 24/25) as well as paragraph 8 of the text on Ukraine firmly supported by 25 Heads of State or Government (EUCO 26/25).
6. On 23 December 2025, the Commission submitted to the Council a proposal for a Council Decision authorising enhanced cooperation on the establishment of a Loan for Ukraine, as set out in document ST 17116/25.

7. On 9 January 2026, the Permanent Representatives Committee agreed in principle on the text of the draft Council decision authorising enhanced cooperation on the establishment of a Loan for Ukraine as revised by lawyer linguists, as set out in document ST 17113/25, and decided, in view of the urgency of the matter and in accordance with the first subparagraph of Article 12(1) of the Council's rule of Procedures, that the Council use the written procedure for deciding to transmit the above-mentioned draft Council Decision to the European Parliament for consent in accordance with Article 329(1), second subparagraph, of the Treaty on the Functioning of the European Union.
8. On 12 January 2026, the Council decided through written procedure to request the European Parliament to give its consent to draft Council decision authorising enhanced cooperation on the establishment of a Loan for Ukraine as revised by lawyer linguists, as set out in document ST 17113/25.
9. On 21 January 2026, the European Parliament gave its consent to the draft Council decision authorising enhanced cooperation on the establishment of a Loan for Ukraine (ST 5663/26 + COR 1).
10. Against this background, it is suggested that the Permanent Representatives Committee confirms the agreement on the text¹ and recommends to the Council to adopt the Decision as reflected in document ST 17113/25, already revised by lawyer-linguists, in one of its forthcoming meetings, with Hungary abstaining.

¹ The Irish delegation has indicated a parliamentary reservation.