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NOTE

From:	General Secretariat of the Council
To:	Delegations
Subject:	Regulation implementing enhanced cooperation on the establishment of the Ukraine Support Loan to Ukraine for 2026 and 2027 and Regulation amending Regulation (EU) 2024/792 establishing the Ukraine Facility – Mandate for negotiations with the European Parliament

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 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 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. 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).

4. 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 17116/25.

5. On 14 January 2026 the Commission put forward a set of legislative proposals to secure continuous financial support to Ukraine in 2026 and 2027. These legislative proposals consist of a new proposal establishing a support loan for Ukraine based on Article 212 TFEU (Proposal for a Regulation implementing enhanced cooperation on the establishment of the Ukraine Support Loan to Ukraine for 2026 and 2027, as set out in document ST 5304/26), a new proposal to amend the Ukraine Facility based on Article 212 TFEU (Proposal for a Regulation amending Regulation (EU) 2024/792 establishing the Ukraine Facility, as set out in document ST 5305/26) and an amended proposal for a Council Regulation amending Regulation (EU, Euratom) 2020/2093 laying down the multiannual financial framework for the years 2021 to 2027 based on article 312 TFEU, based on Articles 312 TFEU and 106a of the Euratom Treaty, as set out in document ST 5302/1/26 REV 1.

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6. The proposals were presented at the Permanent Representatives Committee on 14 January 2026 and were subsequently discussed at the Working Party of Financial Counsellors on 16 January in the presence of delegates from the Working Party on Defence Industry and Budget Committee. The Permanent Representatives Committee discussed the proposals again on 21 January 2026.

7. On 20 January 2026, the European Parliament approved the application of the urgent procedure to the proposal for a Regulation implementing enhanced cooperation on the establishment of the Ukraine Support Loan to Ukraine for 2026 and 2027 (as set out in document ST 5304/26) and the Proposal for a Regulation amending Regulation (EU) 2024/792 establishing the Ukraine Facility (as set out in document ST 5305/26).

8. On 28 January 2026, the Presidency put forward a compromise text on the proposal for a Regulation implementing enhanced cooperation on the establishment of the Ukraine Support Loan to Ukraine for 2026 and 2027 (as set out in document 5688/26). On the same date, the Presidency also put forward a compromise text on the proposal for a Regulation amending Regulation (EU) 2024/792 establishing the Ukraine Facility, taking over the text of the Commission's proposal without amendments (as set out in document 5738/26). On 28 January 2026, the Permanent Representatives Committee discussed such compromise texts.

9. On 31 January 2026, the Presidency put forward a revised compromise text on the proposal for a Regulation implementing enhanced cooperation on the establishment of the Ukraine Support Loan to Ukraine for 2026 and 2027 (as set out in document 5688/1/26 REV 1).

10. On 2 February 2026, the Permanent Representatives Committee held an exchange of views and agreed to revert to this item at one of its upcoming meetings. On 3 February 2026, the Presidency put forward a revised compromise text on the proposal for a Regulation implementing enhanced cooperation on the establishment of the Ukraine Support Loan to Ukraine for 2026 and 2027 (as set out in document 5688/1/26 REV 2).

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11. In view of the above, the Permanent Representatives Committee is invited to:

- agree the negotiating mandate on the draft Regulation implementing enhanced cooperation on the establishment of the Ukraine Support Loan to Ukraine for 2026 and 2027, in the form of the compromise text set out in document ST 5688/1/26 REV 2;

- agree the negotiating mandate to take over the text of the Commission's proposal without amendments on the draft Regulation amending Regulation (EU) 2024/792 establishing the Ukraine Facility, as set out in document ST 5738/26;

- invite the Presidency to start negotiations with the European Parliament, on the basis of these mandates, with a view to reaching an agreement at first reading;

- in view of the urgency of the matter, authorise the Chair of the Permanent Representatives Committee to send letters to inform the Chair of the European Parliament's Committees on International Trade (INTA), Budgets (BUDG), Foreign Affairs (AFET), Security and Defence (SEDE) that, should the European Parliament adopt its position at first reading on the text of the proposals in the exact form set out in documents ST 5688/1/26 REV 2 and 5738/26, and subject to revision of those texts by the lawyer-linguists of both institutions, the Council will approve the European Parliament's position and the acts will be adopted with the wording which corresponds to the European Parliament's position;

12. In accordance with the approach to legislative transparency endorsed by Coreper on 14 July 2023, and in full consistency with Regulation (EC) 1049/2001 and the Council's Rules of Procedure, the text of the mandates thus agreed (ST 5688/1/26 REV 2 and ST 5738/26) will be made public unless the Permanent Representatives Committee objects.

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