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EU Agrees to New Ukraine Loan, But Russian Asset Plan Fails

By AFP

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Danish Prime Minister Mette Frederiksen and European Council President Antonio Costa at a meeting in Brussels on Dec. 19, 2025. **John Thys / AFP**

EU leaders agreed Friday to provide Ukraine with a loan of 90 billion euros ($105 billion) to stabilize the war-torn country's finances, but failed to reach consensus on a more ambitious plan to use frozen Russian assets to fund additional aid.

The agreement, reached after overnight talks at a summit in Brussels, offers Kyiv a critical financial lifeline as U.S. President Trump presses for a rapid end to end Russia's nearly four-year war against Ukraine.

"Today's decision will provide Ukraine with the necessary means to defend itself and to support the Ukrainian people," European Council President Antonio Costa said.

Ukrainian President Volodymyr Zelensky wrote on X that the deal "is significant support that

truly strengthens our resilience," adding: "It is important that Russian assets remain immobilized and that Ukraine has received a financial security guarantee for the coming years."

Officials in Moscow reacted favorably to the news. The Kremlin's top economic negotiator Kirill Dmitriev wrote in a post on Telegram that the EU had failed to "illegitimately use Russian assets to finance Ukraine," adding that "for the time being, the law and common sense have won a victory."

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The loan, backed by the EU's common budget and covering the next two years, falls short of proposals to tap roughly 200 billion euros in Russian Central Bank assets frozen within the bloc.

That option stalled after Belgium, where most of the assets are held, demanded guarantees on how potential legal and financial liabilities would be shared, a step other member states were unwilling to take.

Speaking to reporters as the summit wrapped up, Belgian Prime Minister Bart De Wever said he believed "rationality has prevailed."

"This whole business was so risky, so dangerous and raised so many questions. It was like a sinking ship, like the Titanic. The die are cast now, and everyone is relieved," De Wever said.

German Chancellor Friedrich Merz, who had pushed hard for the asset seizure plan, said the final decision reached early Friday still "sends a clear signal" to Russian President Vladimir Putin.

European officials said Ukraine would not be required to pay back the loan until Russia agrees to pay compensation for war damage. Ukraine skeptics, including Hungary, Slovakia and the Czech Republic, were granted exemptions to secure unanimous approval.

The EU estimates Ukraine will need an additional 135 billion euros ($159 billion) over the next two years, with funding pressures expected to intensify in the spring.

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