EUROPEAN
COMMISSION

Brussels, 30.10.2026
COM(2026) 606 final

ANNEX

ANNEX

to the

Proposal for a Council Implementing Decision

amending Implementing Decision (EU) 2026/919 approving assistance to Ukraine in implementing the Ukrainian Financing Strategy

ANNEX II

Assessment of the Ukrainian Financing Strategy for 2027

Legal context

Regulation (EU) 2026/467 provides that in order to receive financial and economic assistance under the Ukraine Support Loan, Ukraine must submit to the Commission the Ukrainian Financing Strategy. The Ukrainian Financing Strategy provides details on Ukraine's financing needs and financing resources, in principle for 2027.

In accordance with Article 6 of Regulation (EU) 2026/467, in March 2026, Ukraine submitted the Ukrainian Financing Strategy, which provided financing needs and financing resources for the period until the end of 2026 (the 'Ukrainian Financing Strategy for 2026'). On 23 April 2026, the Council approved assistance to Ukraine in implementing the Ukrainian Financing Strategy for 2026 by means of the implementing decision[1]. On 27 October 2026, Ukraine submitted the Ukrainian Financing Strategy providing details on Ukraine's financing needs and financing sources for 2027.

The Commission assessed that the Ukrainian Financing Strategy for 2027 contains all the elements required under Article 6(2) of Regulation (EU) 2026/467.

Article 7(1) of Regulation (EU) 2026/467 requires that the Commission assess the Ukrainian Financing Strategy without undue delay. The respective conditions of the assessment are included in Article 7(2) and (3) of Regulation (EU) 2026/467.

Cooperation with Ukraine

The Commission services, together with the External Action Service, held several meetings with Ukraine's Ministry of Finance and Ministry of Defence ahead of the submission of the Ukrainian Financing Strategy on 27 October 2026 to discuss the preparation of the Ukrainian Financing Strategy for 2027, Ukraine's budgetary and defence needs, commitments from donors and the resulting financing gap.

Completeness, feasibility and coherence of the Ukrainian Financing Strategy with the underlying assumptions

The Ukrainian Financing Strategy for 2027 meets the requirements of completeness, feasibility and coherence under Article 7(3), point (a) of Regulation (EU) 2026/467.

The Ukrainian Financing Strategy for 2027 and the accompanying tables and annexes provide the complete set of information required by Article 6(2) of Regulation (EU) 2026/467. The main

[1] Council Implementing Decision (EU) 2026/919 of 23 April 2026 approving assistance to Ukraine in implementing the Ukrainian Financing Strategy (OJ L, 2026/919, 23.4.2026, ELI: http://data.europa.eu/eli/dec_impl/2026/919/oj).

methodological approaches and assumptions are explained in an annex included in the Ukrainian Financing Strategy for 2027.

The Ukrainian Financing Strategy for 2027 is based on the assumption that the war continues into 2027. The projected macroeconomic variables and budget scenarios are consistent with the State Budget 2027 and scenario 2 of the Budget Declaration 2027-2029 of a longer active phase of the war. The projections assume an exchange rate of EUR 1 = UAH 54.6 for 2027.

The projections for general government expenditure are generally presented in the required detail and appropriately disaggregated by function and sub-sector, including on-budget defence data presented according to its economic classification.

The projections for general government revenue are also presented in the required detail. The Ukrainian Financing Strategy for 2027 includes information on Ukraine's past and projected financial developments, per quarter and year, including information on the liquidity situation (cash balance) at general government level, and debt amortisations, a debt issuance strategy, other debt creating and reducing flows and the stock of payment arrears and its projected developments at general government level.

The Ukrainian Financing Strategy for 2027 includes information on projected in-kind military assistance needs.

Concerning the gross financing needs, the Ukrainian Financing Strategy for 2027 provides a good overview of the drivers of financing needs in addition to the headline budget balance, including financial developments such as cash liquidity buffers and the impact of debt related flows and amortisation.

Reported gross financing needs are consistent with recent IMF data.

Regarding defence needs specifically, the Ukrainian Financing Strategy for 2027 contains a complete and coherent breakdown of needs between on-budget needs and in-kind military assistance needs outside the scope of the regular Ukrainian budget. The data and accompanying explanations in the Ukrainian Financing Strategy for 2027 allow for a sufficient understanding of Ukraine's on and off-budget defence needs.

Finally, the Ukrainian Financing Strategy for 2027 presents a good overview of projected donor support in 2027 for both on-budget support and in-kind assistance.

Based on the information submitted, needs for defence support amounting to EUR 31.7 billion and for budget assistance mounting to EUR 13.3 billion are presented in a coherent and logical manner.

Finally, the Ukrainian Financing Strategy outlines a residual budgetary and defence gap in 2027 of around EUR 27 billion for budget support under the baseline scenario and EUR 40.9 billion for defence. This gap comes on top of the support provided through the Ukraine Support Loan. It also indicates risks to its baseline scenario, including *inter alia* macroeconomic and financial risks, a further deterioration of the security situation, geopolitical risks and delays to or a reduction in external financing. The latter could bring the residual budgetary gap to EUR 30 billion. Furthermore, the defence gap of EUR 40.9 billion takes into account commitments that are

expected to be fulfilled with a high level of certainty. The defence gap could be reduced depending on the fulfilment of commitments made at the Ankara NATO summit.

The Ukrainian Financing Strategy includes mitigating measures and policy responses intended to address uncovered financing and defence needs and mitigate downside risks. This includes expenditure prioritisation, use of reserve funds and treasury liquidity management. It also includes domestic revenue mobilisation measures, through improved tax administration and compliance, and further broadening of the tax base, as well as improvements in expenditure efficiency. Where these measures are insufficient to close the remaining gap, Ukraine will seek to mobilise additional external support, including by accelerating or reallocating already available resources and, where necessary, securing additional financing from international partners.

Based on the explanation of contingency measures to address uncovered financing and defence needs and mitigate downside risks that would increase the gaps, the Ukrainian Financing Strategy is considered feasible.

Consistency of the information in the Ukrainian Financing Strategy with external sources, including any recent reviews of the International Monetary Fund (IMF) and information from the Ukraine Donor Platform and the Ukraine Defence Contact Group

The Ukrainian Financing Strategy for 2027 is consistent with the external sources available as required by Article 7(3), point (b) of Regulation (EU) 2026/467.

The outcome of consultations with the IMF found that the relevant elements of the Ukrainian Financing Strategy were consistent with IMF data, following its staff visit in September 2026 to assess recent developments and progress.

Regarding quarterly disbursements under the budget assistance, the Ukrainian Financing Strategy for 2027 and its accompanying tables assume disbursements of the 11th, 12th, 13th and 14th instalments in line with the amounts and indicative timelines in the annex to Council Implementing Decision (EU) 2026/1923.

The information on other donor funding is consistent with information collected via the Ukraine Donor Platform (UDP) and with the budget data that is regularly presented at UDP meetings, as well as with the outcome of the consultations on the Ukrainian Financing Strategy for 2027 with the UDP.

The information on defence needs and existing sources of assistance is also consistent with the information shared via the Ukraine Defence Contact Group (UDCG), as well as with the outcome of the consultations on the Ukrainian Financing Strategy for 2027 with the UDCG.

Consistency of the expected external financing gap with the indicative distribution of the Ukraine Support Loan

The figures are consistent with the indicative allocations of the Ukraine Support Loan established in Article 7(3), point (c) of Regulation (EU) 2026/467.

In line with the Commission's assessment of the completeness, feasibility and coherence of the Ukrainian Financing Strategy for 2027, a total amount of support of up to EUR 45 billion, of which up to EUR 13.3 billion of budget support assistance and up to EUR 31.7 billion of defense support, should be made available to Ukraine for 2027.

Regarding the allocation of the budget assistance between the Ukraine Facility and Chapter III of the Regulation (EU) 2026/467, EUR 6.65 billion should be provided in the form of loans implemented pursuant to Chapter III of Regulation (EU) 2024/792[2] and EUR 6.65 billion as macro-financial assistance granted under Chapter III of Regulation (EU) 2026/467. This is based on an assessment of the appropriate financing modalities, taking into account the nature and urgency of the financing needs.

In assessing the proposed schedule of payments under the budget assistance, the Commission takes into account the various sources of funding available to the Government of Ukraine. When implementing the detailed schedule of the Ukraine Support Loan in 2027, the Commission might need to adjust quarterly instalments depending on the evolution of the actual liquidity position of the Government of Ukraine. The maximum number of instalments for macro-financial assistance in 2027 in accordance with Chapter III of Regulation (EU) 2026/467 is three. The indicative value of those instalments is EUR 2 000 000 000 for the first instalment, EUR 3 000 000 000 for the second instalment, and EUR 1 650 000 000 for the third instalment. The indicative amounts of the instalments of macro-financial assistance that are indicated in Article 1 of this Decision may be further refined in the context of the Memorandum of Understanding as approved in accordance with Article 11 of Regulation (EU) 2026/467.

Compliance with the precondition set out in Article 5(1) of Regulation (EU) 2026/467

The Ukrainian Financing Strategy for 2027 complies with the precondition set out in Article 5(1) of Regulation (EU) 2026/467. In particular, 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 the rights of persons belonging to minorities. Upholding and respecting the rule of law includes the fight against corruption. The detailed assessment has been carried out for submission to the competent bodies of the European Parliament and of the Council in accordance with Article 5(2) of Regulation (EU) 2026/467.

[2] Regulation (EU) 2024/792 of the European Parliament and of the Council of 29 February 2024 establishing the Ukraine Facility PE/10/2024/REV/1 (OJ L, 2024/792, 29.2.2024, ELI: http://data.europa.eu/eli/reg/2024/792/oj).