Germany to Include EU Budget Approval to Ukraine Aid

18 NOVEMBER 2026

Luke Brix Modey

Chancellor Friedrich Merz said on Monday that EU member states remain divided over the 2028–2034 budget and further aid for Ukraine, speaking in Munich after a CSU board meeting. The Chancellor said the European Commission would present a new proposal this week. According to the Financial Times, as relayed by Reuters, Brussels plans a €45 billion loan for Kyiv backed by the EU's common budget. Merz has made Germany's approval of the next long-term budget conditional on every member state sharing in Ukraine's financing, a demand set out in a letter to European Council President António Costa. Slovakia's Robert Fico accused him of blackmail, while Estonia, Latvia and Luxembourg backed him.

The leverage is real because the Multiannual Financial Framework needs unanimity, giving Germany, the EU's largest net contributor, a veto over the entire package. Ukraine faces an estimated €70 billion shortfall in 2027, of which the EU has pledged roughly two-thirds. By tying the two files, Berlin is pressing net recipients to choose between co-financing Kyiv and risking the budget funds they rely on. The target is a free-rider problem: Czechia, Hungary and Slovakia carry no financial obligations under the €90 billion loan agreed in December 2025, and Bulgaria has reportedly signalled similar reluctance. Leaders take up both files at a special summit in Brussels on 26–27 November.