

# Outlook for the European Council meeting on 18–19 December 2025

The last European Council meeting of the year usually has a heavy agenda, and the December 2025 meeting will be no exception. This meeting will clearly be decisive for Ukraine. Amid diplomatic efforts to achieve a 'just and lasting peace', the European Council – as its President, António Costa, stated – 'will deliver' on its commitment and set the framework for financing Ukraine over the next few years. The other central topic is the next multiannual financial framework, with Costa hoping to get EU leaders to commit to a timetable, governance provisions and the Danish 'negotiating box' as a starting point. Other agenda points are enlargement, migration, the Middle East, competitiveness and defence. Other topics – the new US National Security Strategy, Mercosur, the Pact for the Mediterranean, and the fight against intolerance – could be raised by EU leaders during their discussions.

## 1. General

As usual, the meeting will start with an exchange of views with European Parliament President Roberta Metsola, followed by a discussion with Ukrainian President Volodymyr Zelenskyy. This meeting will see the [return of Andrej Babiš](#) as Prime Minister of Czechia.

In his [invitation letter](#), Costa underlined his aim to keep the meeting to one day, but 'to deliver on the important decisions that must be taken, namely on Ukraine financing'; 'if necessary', [he said in Ireland](#), 'we will continue discussions on 19 or 20 December, until we reach a positive conclusion'.

As the [Leader's Agenda](#), setting out a work programme for the European Council for [2025](#) comes to an end, Costa is expected to present a new Leader's Agenda for 2026 at this meeting.

## 2. European Council meeting

### Ukraine

As Costa announced in his [invitation letter](#), the 'main priority' on the EU leaders' agenda will be to decide on the framework for covering Ukraine's pressing financial needs, [estimated](#) at €135 billion for 2026 and 2027. EU leaders had made a commitment in principle to covering them at their [23 October 2025 meeting](#). The aim, as [Costa](#) and [Ursula von der Leyen](#) emphasised, is to ensure 'a strong Ukraine, both on the battlefield and at the negotiating table'.

The Commission [proposed](#) two combinable options for the funding of Ukraine. One would consist of using the EU budget's headroom to raise money on the capital markets, i.e. issuing common EU debt – an option [formally ruled out by Hungary](#). The second, [considered](#) by many Member States to



be 'the most financially feasible and politically realistic solution', is 'a [Reparations Loan](#) [of up to €210 billion], using the cash balances from immobilised Russian assets in the EU, with strong safeguards for our Member States'. Ukraine would only repay the loan once Russia has paid war reparations, thus 'increas[ing] the cost of the war for Russia'. However, Belgium, which holds €185 billion of the immobilised Russian assets within Euroclear (the remaining €25 billion are held predominantly in France, but also Germany, Sweden and Cyprus) [continues to oppose](#) the reparations loan option. Its Prime Minister, Bart De Wever, [described](#) it as 'fundamentally flawed', warning of the financial instability and costs it would generate. While the Commission [claims](#) to have addressed 'virtually all of Belgium's concerns', De Wever stated to the [Belgian Parliament](#) that, while the proposal addresses the three preconditions set by his country – pooling of all risks, protection against liquidity risk, and use of all Russian public assets tied up in the EU – it does not meet its demands entirely. Despite a 'constructive discussion' with German Chancellor Friedrich Merz and von der Leyen [on 5 December](#), De Wever has [submitted amendments](#) to the proposals. Belgium seeks additional guarantees to cover potential legal disputes and settlements – a request [opposed](#) by many governments – and an increased financial buffer to protect Euroclear, while [not ruling out](#) legal action. Negotiations continue ahead of the meeting, with [Bulgaria, Italy, Malta](#) and [Czechia](#) joining Belgium in calling for [alternatives](#), while [Hungary](#) and [Slovakia](#) refuse to finance Ukraine.

The [adoption on 12 December](#) by a 'very clear majority' of a [Council Regulation](#) permanently immobilising Russian assets has cleared a major hurdle to an agreement. Justified by the serious economic impact of Russia's war on Ukraine on the EU economy, the measure based on [Article 122 TFEU](#) was critical to avoid the current six-monthly renewal of sanctions against Russia, which involves the risk that EU Member States would have to provide the necessary liquidity if they did not achieve unanimity. To allay Belgium's concerns, the adopted regulation removes references to the reparations loan. While Belgium [questioned](#) the legality of the use of [Article 122](#) and abstained, [Hungary](#) and [Slovakia](#) voted against.

Amid diplomatic efforts to achieve a 'just and lasting peace', EU leaders [are also likely to reiterate](#) their 'continued and unwavering support for Ukraine's independence, sovereignty and territorial integrity within its internationally recognised borders'. In light of the [pressure on Ukraine](#) to respond quickly to a [revised 20-point peace plan](#) involving territorial concessions in [critical areas for Ukraine's](#) security, EU leaders are likely to discuss the latest developments in the peace talks. After the E3 – France, Germany, and the UK – discussion with US President Donald Trump on the components of the plan, notably the territorial aspects, 34 members of the 'Coalition of the Willing' [gathered](#) on 11 December to work on security guarantees for Ukraine. Zelenskyy had [indicated](#) that Ukraine could drop its bid to join NATO if Western nations provided security guarantees similar to NATO's Article 5, but he [opposes](#) the cession of territory to Russia. The latest [talks](#) between Zelenskyy and US envoy Steve Witkoff (von der Leyen also attended) took place [in Germany](#) on 15-16 December, enabling '[a lot of progress](#)'; they were immediately followed by a meeting of [European leaders](#)' (EU, NATO, UK, and Norway), who issued a [statement on Ukraine](#) notably outlining the areas where the 'US and European leaders [had] committed to work together to provide robust security guarantees and economic recovery support measures for Ukraine in the context of an agreement on ending the war'.

## Middle East

The European Council will review developments in the Middle East. Regarding Gaza, and following the adoption in November of United Nations [Security Council Resolution 2803](#), authorising the Board of Peace and an International Stabilisation Force envisaged in the Comprehensive Plan to End the

Gaza Conflict, EU leaders are likely to call for its full implementation, so that 'this process remains on a path to a comprehensive, just and lasting peace based on the two-state solution'. They are also expected to reiterate their call for safe and unhindered delivery and sustained distribution of humanitarian aid, and to condemn the settler violence and threats of annexation in the West Bank. On Lebanon, EU leaders are likely to express their support for the country's economic and security stabilisation and call again for the implementation of the November 2024 [UNSC resolution 1701](#).

### Multiannual financial framework

For the first time since the presentation of the Commission [proposal on 16 July 2025](#), the European Council will have an in-depth exchange of views on the next multiannual financial framework (MFF) and take stock of the preparatory work carried out under the Danish Council Presidency. As outlined by [EPRS](#), the proposed 2028-2034 budget corresponds to 1.26 % of the EU's gross national income (GNI), including 0.11 % of EU GNI for repayment of the debt created by Next Generation EU (NGEU) (i.e. the EU's economic recovery package adopted after the COVID-19 pandemic).

Costa aims to get EU leaders to commit to the timetable, governance provisions and the latest [Danish 'negotiating box'](#) – first [put forward](#) in November 2025 and [bringing together](#) the elements most likely to require political direction and priority-setting from EU leaders – as a starting point for discussions in the European Council. Regarding the timetable, Costa [aims](#) to conclude the MFF negotiations in the European Council by the end of 2026 (sectoral programmes need to be adopted in 2027). Analysts are [sceptical](#) and [expect](#) negotiations to go on until the last possible moment.

On governance, the Commission proposal includes a comprehensive restructuring of the EU budget, which is streamlined from the current seven headings and two sub-headings into four headings. Moreover, it consolidated the 21 current MFF programmes, and regrouped 14 of these into national and regional partnership plans (NRPPs) for each Member State (see the [EPRS briefing on the EU Budget 2028-2034](#)). Fourteen Member States [criticised](#) this proposed centralisation of management, while other Member States focused their [criticism](#) on the total amount suggested as well as the proposed options for new own resources.

The proposed NRPPs have proven particularly controversial in the European Parliament, as they are seen to risk ['renationalising'](#) the EU budget. In a [joint letter](#) to the Commission, four parliamentary groups threatened to reject the Commission's [draft regulation on the NRPPs](#) if it did not substantially amend its proposal (see [EPRS blog](#)). Subsequently, on 9 November 2025, the Commission [sent](#) a non-paper to the Council and Parliament outlining amendments to the ['NRP Fund'](#) proposal.

In the [draft interim report](#), the rapporteurs from the Committee on Budgets reiterate Parliament's 'objection to how current and previous MFF Regulations were adopted, with the European Council overstepping its role by predetermining multiple elements such as financial envelopes and policy-specific provisions, thereby violating Treaty provisions in both substance and intent'.

### Enlargement

After the [EU-Western Balkans Summit](#) on 17 December, EU leaders will hold a strategic discussion on the way forward on enlargement, seen as a geostrategic investment in peace, security and stability, and on internal reforms to be carried out in parallel. They may endorse [the Council conclusions on enlargement](#), based on the Commission's 2025 [enlargement package](#). As Member States have so far not been able to agree a unanimous position on this topic, due to Hungary's [opposition](#) to Ukraine's EU membership, conclusions are likely to be limited.

In [December 2023](#), the European Council committed to addressing internal reforms needed for the EU to be fit for purpose, and in [June 2024](#) it set out a roadmap for future work. The June 2025 European Council meeting was [supposed](#) to discuss 'Internal reforms in light of the pre-enlargement policy reviews by the Commission', but did not do so. The Commission has [postponed](#) the publication of its communication on internal reforms several [times](#), leading Metsola to [underline](#) at the 23 October European Council meeting that, 'if we want to be ready for an enlarged European Union, we need to get serious about our own internal reforms.' Costa [stressed](#) himself that 'internal reforms will be needed, including adjusting the Multiannual Financial Framework, to support the enlargement process and the necessary infrastructure for new members'.

## Migration

The European Council will take stock of progress in the implementation of its previous conclusions on migration. As usual, a letter by the Commission President is [expected](#) to inform the EU leaders' discussions. The latter are likely to welcome the agreement on a [Council common position](#) on three draft laws regarding the return of illegal migrants: i) on [return](#) of irregular migrants; ii) a [list of safe countries of origin](#); and iii) the application of the [safe third country](#) concept.

## Geoeconomy and competitiveness

Since 'rules-based economic relations and traditional partnerships can no longer be taken for granted', as Costa stresses in his [invitation letter](#), EU leaders are expected to hold a strategic discussion on the geoeconomic situation and its implications for EU competitiveness. The [joint communication](#) on strengthening EU economic security will feed into the discussion, which is likely, inter alia, to focus on China, considering the [widening trade deficit](#) and the [impact](#) of the [export controls](#) imposed on rare earth elements this year. EU leaders are expected to discuss competitiveness in detail in a [brainstorming](#) session on 12 February 2026.

## European defence and security

With defence now a recurrent agenda point, EU leaders are expected to take stock of progress on initiatives to ramp up Europe's defence readiness by 2030 and call on work to be intensified on the priorities identified at its [23 October](#) meeting, including establishing 'capability coalitions' to enable concrete projects to be launched in the first half of 2026. They may also condemn, again, the numerous hybrid attacks against EU Member States and request further restrictive measures.

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