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Topics:

- Ukraine – European Union
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Ukraine – European Union

- *THEME ANALYSIS: Will the EU be able to pull Ukraine out of the financial trap of 2026?*

Photo: ZN.UA

The European Commission recently presented three approaches to financing aid to Ukraine. One of them is a reparations loan that could provide up to €210 billion. This is stated in a letter from European Commission President Ursula von der Leyen to EU member states.

In general, there are several options proposed by the European Commission:
First option is providing Ukraine with non-repayable support in the form of voluntary grants from EU countries. Contributions are proposed to be introduced gradually from 2026 ***according to each country's share of gross national income.*** **Minimal** the amount of aid is estimated at **€45 billion per year**, i.e. **at least €90 billion for 2026–2027**.

Second option is ***raising EU loans on financial markets to provide Ukraine with limited credit***. Its repayment should only take place after compensation for damages has been received from Russia. This model does not involve the use of frozen Russian assets.

The third option is a reparation loan. Such mechanism allows ***to raise zero-interest financing through agreements with central securities depositories where frozen Russian assets are held***. It is estimated that this method could mobilize up to €185 billion, and up to €210 billion when other financial institutions are taken into account.

On September 10, 2025, the President of the European Commission proposed a concept of a reparations loan to Ukraine. The idea is to provide a loan based on the remaining Russian assets frozen in Western countries.

Approximately €210 billion of Russian assets located in Europe are held in the Belgian depository Euroclear. Of this amount ***175 billion euros have already been converted into cash***, which could form the basis for a credit mechanism. At the same time **The EU initially seeks to repay the G7 loan of €45 billion ($50 billion) agreed last year.** After that, approximately €130 billion will remain for the new instrument. European Commissioner for Economic Affairs Valdis Dombrovskis said that the final amount will be determined after an assessment by the International Monetary Fund.

Earlier, Ursula von der Leyen emphasized that, according to IMF estimates, Ukraine needs €135.7 billion in additional funding for 2026–2027. The document states: "According to preliminary IMF forecasts, which take into account the possible end of the war by the end of 2026 and the Ukrainian authorities' calculations of the necessary military support, the total residual needs for 2026-2027 amount to €135.7 billion." The European Commission also provides calculations by year: 2026: €20.1 billion is needed to cover macro-financial needs and €51.6 billion for military needs. In total **The minimum necessary assistance amounts to €71.7 billion.**
2027: 32.2 billion euros for macro-financial needs and 31.8 billion for defense. The total amount of funding is 64 billion euros. The explanations note that these amounts reflect the current intensity of hostilities. It is further envisaged that military support in the form of material resources will be gradually reduced, but the need to support the basic functions of the state and the need to further build critical defense and industrial capabilities will increase. It is also emphasized that the large financial deficit is explained by the fact that the existing commitments of international partners, in particular ERA loans, at that rate *will be almost completely exhausted.*[1]

During the formation of financing **the European Commission assumed that the war in Ukraine would end by the end of 2026.** However, progress on the "reparations loan" plan using frozen Russian assets has slowed due to reservations from Belgium, which holds the largest share of Russian assets in the EU. Brussels is concerned about possible legal risks. About a month ago, EU leaders planned to agree on an initiative to use frozen Russian assets to provide Ukraine with a €140 billion "reparation loan." Now, with peace talks intensifying, the issue is back in the spotlight. One EU official noted: *"If we don't act, someone else will do it for us."*

According to EU officials who commented on the situation to Reuters, the Union is considering providing Ukraine with a reparations loan of up to €130 billion. Despite Hungary's opposition to such a mechanism, Brussels is seeking unanimous support from all 27 member states. Von der Leyen's letter also states that the UK is considering using frozen Russian assets to support Ukraine. In addition, London may allocate the remaining funds related to Russian sovereign assets held in commercial banks to finance Ukraine.

At the end of September, it became known that the European Commission had prepared an instrument for Ukraine that would allow it to use frozen Russian assets. The first discussion at the leadership level took place on October 1 at an informal summit in Copenhagen. Von der Leyen also called on EU countries to make a clear decision as soon as possible to ensure that the necessary level of support for Ukraine is approved at the next European Council meeting in December. According to the President of the European Commission, moving in this direction will allow "keeping pressure on Russia, depriving it of illusions of victory, and creating conditions for the cessation of hostilities and the start of the expected peace process."

[1] Єврокомісія напрацювала три варіанти фінансування України у 2026-27 роках.17.11.2025.https://www.pravda.com.ua/news/2025/11/17/8007668/

Despite this, the EU emphasizes that the issue of using seized Russian assets to financially support Ukraine remains relevant, and ***final decision expected in December 2025***. European officials suggest that US President Donald Trump's new initiative for a peaceful settlement may even strengthen support for the plan to use Russian assets to finance a “reparation loan.” According to the plan, these funds would only have to be returned to Russia in the unlikely event that it voluntarily agrees to compensate for war damages.

Another factor is the increased chances of a peace agreement. The draft peace proposals provide for the use of frozen Russian assets to rebuild Ukraine. European officials were outraged that the initial American draft provided for the US to profit from managing these funds.

EU diplomats expect European Commission President Ursula von der Leyen to commission a legal draft of a “reparation credit” mechanism in the coming days, as **the need for a solution is growing rapidly**. Despite intensive consultations between the European Commission and Belgium in recent weeks, Belgian Prime Minister De Wever still expresses concern about the possible legal consequences and the risk of Russian retaliation if the assets are used to lend to Ukraine.

Because of this **Brussels is working on backup options**, which will help secure financing for Ukraine if the agreement on the reparations mechanism is not approved in time for the EU summit on December 18. One such option is ***bridge loan***, which will be financed by joint EU and ***should support Ukraine in the first months of 2026***. According to four officials, this scheme would give more time for the final agreement on a full “reparation loan,” in such a way that Belgium could agree to a compromise solution.

Some diplomats note that after the launch of the long-term mechanism, Ukraine may be asked to repay the transitional loan. The issue of aid to Ukraine was discussed by EU ambassadors at a meeting with the European Commission in Brussels. Countries such as France, Germany, the Netherlands, Lithuania, and Luxembourg insist on continuing work on financial instruments to support Ukraine. EU Commissioner for Economy Valdis Dombrovskis warned on November 4 that delays in decision-making would complicate the situation.

But it seems that progress is finally being made. French President Emmanuel Macron said that in the coming days, the EU will make a final decision that will “secure funding” and “create predictability for Ukraine.”

In the long term, a “reparation loan” is considered to be practically the only realistic option, because member countries are not prepared to finance Ukraine from their own budgets with grants, as they are already facing deficits and rising borrowing costs. Therefore ***convincing Belgium to support the initiative is a key task.***. “We hope to dispel their doubts. We simply do not see any other viable alternative to the reparations loan,” emphasized one of the EU diplomats. One idea is to combine the reparations mechanism with other financing options, but the time for decision-making is very limited.

At the same time **creating a transitional loan also has its complications**: Such loans require unanimous support from all 27 EU member states, and Hungary has long blocked new initiatives on financial assistance to Ukraine. However, some experts believe that Budapest's position may soften if the transitional loan is positioned as a tool for Ukraine's reconstruction.

EU leaders now hope that Trump's team has been persuaded that it is the European Union that should make the final decisions on the future of the assets, as well as determine the conditions for lifting sanctions against Russia and Ukraine's progress towards EU membership.

The EU loan to Ukraine in the amount of €140 billion, which is planned to be secured by frozen Russian assets, also does not pose a risk to the sovereign ratings of EU countries. Rating agencies S&P and Fitch have stated that the risks are minimal, despite possible legal claims from Russia, according to Reuters.

Belgium, where most of these funds are located, has expressed serious concerns and does not rule out possible legal action by Russia. At the same time, experts note that if the risks are shared among all EU countries, such lawsuits are unlikely to affect their ratings. S&P analyst for the EMEA region Frank Gill said that the agency does not see any risks to the EU's sovereign ratings: “Since these guarantees are backed by liquid assets, we do not consider this to be a significant fiscal risk.” A similar opinion was expressed by Federico Barriaga-Salazar, head of Western European sovereign ratings at Fitch, who stressed that the EU's commitments would be conditional and could only be activated in exceptional circumstances. Fitch noted that a full guarantee of €140 billion would be excessive for Belgium, amounting to about 22-23% of its GDP, but for the EU as a whole, it is less than 1% of GDP and therefore poses no threat.[2]

Despite that, **EU procrastination continues**. It seems that Brussels still does not understand that the former US shield no longer exists. ***No one will protect Europe except Europe itself, and the era of peace is over.*** Nevertheless, Europe seems afraid to isolate Russia in the hope of doing business, but we are not in a reality where the economy should dictate decision-making. **Even the prediction that the war will end by the end of 2026 seems like wishful thinking.** ***It is time to understand that Moscow is no ally, no business partner, only an enemy, enemies who is already marching toward destruction. This is not about banks, finances, and interest rates, but about survival.***

[2] Кредит ЄС Україні, забезпечений російськими активами, не загрожує рейтингам інших країн – Reuters.25.11.2025.https://unn.ua/news/kredyt-yes-ukraini-zabezpechenyi-rosiiskymy-aktyvamy-ne-zahrozhuie-reitynham-inshykh-krain-reuters

THEME ANALYSIS: Trump's latest peace plan on Russia's terms and his supporters in Ukraine

Source: AP

American media report that the 28-point document was prepared in secret with the participation of Steve Witkoff, J.D. Vance, Marco Rubio, and Jared Kushner. According to journalists, **the plan** is partly ***based on the "peace initiative for Gaza".*** Neither Ukraine nor European countries were involved in the work, but the authors probably consulted with Russian representative Kirill Dmitriev. Dmitriev, head of the Russian Direct Investment Fund, arrived in the US at the end of October, just as Washington imposed sanctions on Lukoil and Rosneft. During his trip, he stated that the US, Russia, and Ukraine had "almost reached a diplomatic solution."

There is no official confirmation of Dmitriev's involvement in the preparation of the "peace plan." However, Steve Witkoff actually hinted at his involvement on social network X: commenting on the Axios article, he wrote, "He must have got this from K.," referring to Dmitriev. The post was later deleted, presumably because Witkoff confused a private message with a public comment. Dmitriev himself reposted the Axios article.

Popular American publications Axios, the Financial Times, and The Wall Street Journal published roughly the same details. The plan allegedly provides for the transfer of the entire Donbas region to Russia, including territories currently controlled by the Ukrainian army. Ukraine is being offered to renounce NATO membership, the deployment of peacekeeping missions on its territory, a number of long-range weapons, and even to halve its armed forces.

The Financial Times also claims that the document may contain a clause recognizing Russian as the official language and granting official status to the Russian Orthodox Church. In exchange, Kyiv will allegedly receive "security guarantees" from the US and Russia, although their content has not been disclosed. According to US media reports, Donald Trump has already approved this approach.

US Secretary of State Marco Rubio said that ending the war requires ***"complex but realistic ideas" and compromises from both sides***. The American delegation presented proposals to Ukraine during a recent visit—US Army Secretary Daniel Driscoll arrived in Kyiv on November 19 and met with Commander-in-Chief of the Armed Forces of Ukraine Oleksandr Syrskyi. Syrsky emphasized that Ukraine must strengthen its air defense, increase the number of strikes on Russian military targets, and hold the front line in order to force Russia to **"just peace"**.

In response, the US resorted to unprecedented pressure on Zelensky to force him to accept the proposed terms, which the American media calls **"capitulation."** For his part, on the day of the visit, Zelensky wrote that he supports "President Trump's decisive actions and leadership" and believes that the US has the power to end the war. Prior to this, the Ukrainian president visited Greece, Spain, France, and Turkey, where he negotiated arms deals, energy security, and prospects for negotiations.

European leaders responded quite unequivocally. German Foreign Minister Johann Wadephul said that any negotiations to end the war are only possible with the participation of Ukraine and Europe. He said the first condition is that Russia stops its aggression without any preconditions. French Minister Jean-Noël Barrot stressed that Russia is blocking peace and that the path to an agreement can only start with a ceasefire, after which it will be possible to talk about territory and security guarantees. Kaja Kallas noted that Europe has always supported the idea of a just and lasting peace, but any plan is only possible with the participation of Ukrainians and Europeans. She stressed that Russia is not taking any steps towards this goal.

In Kyiv, people are skeptical about the latest "peace initiative". Kira Rudyk stated that she does not expect "any breakthroughs" from this plan and reminded that Russia has never agreed to a ceasefire. Political scientist Viktor Shlinchak suggests that Dmitriev's participation could be an attempt by Moscow to demonstrate its willingness to negotiate in order to avoid new sanctions. Economist Roman Sheremeta emphasizes that peace for Ukraine cannot mean capitulation or a "frozen conflict." Any agreement on Ukraine without Ukraine's participation could turn into ***"new Molotov–Ribbentrop Pact"***.

The secretive nature of the process is also evidenced by the fact that some American Republicans were not informed. Senator Lindsey Graham said that this was the first he had heard of the plan and stressed that any agreement must include specific military guarantees for Ukraine and measures to limit Putin's ability to finance the war. Other Republican senators, Mike Rounds and Pete Ricketts, also said they were unaware of the details. Congressman Don Bacon sharply criticized the negotiations without Ukraine and without European participation, comparing the situation to Munich in 1938.

The Kremlin reacts cautiously to the publication, declaring "openness to negotiations," although the Russian Foreign Ministry claims that it does not know the details of the document. Russian propagandists emphasize that "everything is being decided without Ukraine." Dmitriev, for his part, wrote that the anti-corruption scandal in Ukraine (the NABU 'Midas' operation) "ironically" increases the chances for peace.

The announcement of the plan coincided with a period of political crisis in the Ukrainian government, which is also affecting President Zelensky's position. After Donald Trump and Volodymyr Zelensky spoke at the White House, both leaders talked about the possibility of ending the Russian-Ukrainian war in the near future. Ukrainian MPs have been making similar predictions for several weeks. Since the beginning of autumn, several Ukrainian politicians, both from the opposition and the ruling party, have begun to predict that the fighting could end in the coming months — approximately by the end of November or by Christmas.

Politicians in Ukraine began making predictions about the end of the full-scale war almost from its inception in February 2022. However, such statements intensified in late 2024 and early 2025, which was associated with Donald Trump's return to power in the US, who had promised several times to end the war quickly. However, the deadlines passed, and the course of the fighting did not change significantly.

In February, former president and leader of the opposition European Solidarity party Petro Poroshenko said that elections in Ukraine should take place on October 26, 2025. For this to happen, he said, the war would have to end before that date. Another experienced politician, Batkivshchyna leader Yulia Tymoshenko, also said in October that "the end of the war is not far off." Similarly, European Solidarity MP Oleksiy Honcharenko said that "the end of the war is already on the horizon." He explained that certain events are signs of a possible end to hostilities: in particular, Putin's call to Trump on October 16, which, in his opinion, was caused by the Kremlin's fears about the supply of Tomahawk long-range missiles and Typhon launchers to Kyiv.

He also noted that the US reported a 50% reduction in India's purchases of Russian oil under pressure from Washington, which reduces the Kremlin's revenues. Deputies from the ruling faction in the Rada are also making similar predictions. For example, Fedir Venislavskyi predicts that hostilities will end by the end of the year. His colleague Yuriy Kamelchuk believes that this is possible before Christmas if a trilateral meeting between Zelensky, Putin, and Trump takes place. Deputy Maksym Buzhansky expects the fighting to end as early as next month.

At the same time **Russia shows no willingness to end the war,** and Putin receives optimistic reports about the economy and the front. Mykhailo Samus, director of the New Geopolitics Research Network, claims that ***the cessation of hostilities is possible only in two scenarios:*** Ukraine's surrender or Trump's decisive pressure on the Kremlin. Ukrainian military leaders have not officially announced the approaching truce. On October 17, General Syrsky noted that the Armed Forces of Ukraine are "successfully destroying" the Kremlin's plans, and Tomahawk missiles could force Russia to make peace.

At the same time, never before in US history has a president been at odds with public opinion on an important foreign policy issue for as long as Donald Trump has been on Russia's war against Ukraine. Both Trump and the majority of Americans oppose US involvement in foreign military conflicts. No one wants to see more soldiers caught in the trap of endless wars. However, both sides have radically different ideas about the ultimate outcome of the conflict.

For Trump, these issues are not a priority. Regardless of the reasons for the war and its duration, he sees another conflict that needs to be stopped, mainly for humanitarian reasons. If he succeeds, even despite the losses among Ukrainians, it will be an argument in his favor in the race for the Nobel Peace Prize and a place in history alongside Theodore Roosevelt and Henry Kissinger, according to Joseph Bosco, former director for China at the US Department of Defense (2005–2006).

On the other hand, ordinary Americans are well aware of Vladimir Putin and consider him one of the worst criminals of our time: a former KGB agent, nostalgia for the Soviet regime, wars in Chechnya, violation of Ukraine's territorial integrity guarantees in 1997, invasion of Georgia in 2008, occupation of Crimea and part of Donbas in 2014, full-scale invasion in 2022, and numerous war crimes.

This does not matter to Trump: he calls Putin “strong” and “brilliant” and, during a meeting in Alaska, showered him with compliments, treating him as a conquering hero, in stark contrast to his critical attitude towards Zelensky in the White House in February.

Trump's negotiators, including Steve Witkoff, are acting in line with this approach. Trump's peace plan calls for Ukraine to cede to Russia not only Crimea and part of eastern Ukraine, occupied in 2014, but also significant territories in Donbas that Russia was unable to capture. In addition, Ukraine would have to limit the size and capabilities of its armed forces and abandon any aspirations for NATO membership. Kyiv has repeatedly rejected all these demands and received strong support from NATO and EU members. Europe, realizing the threat of Russian expansionism, does not want to repeat the mistakes of appeasement policies of the past. Russia promises to end its aggression only if Ukraine makes significant concessions, but Kyiv has good reason to doubt such promises.

Trump is well aware of all these facts, but continues to believe Putin's words, patiently accepting his cynical disregard for US demands. In his assessment, it is obvious ***Trump and Putin are counting on Europe not supporting Ukraine, and that the isolated population of the country will eventually submit.*** According to The Times, Putin is convinced that the West is “tired” of Ukraine, and that all he needs to do is talk about “peace” while continuing the war to force Western countries to reduce their defense spending. **Analysts warn that the US peace plan could threaten the unity of the alliance.** Retired US Army Lieutenant General Ben Hodges notes: *“This is a dream scenario for Russia. Ever since the days of the Soviet Union, its goal has been to divide the US and Europe. I think Trump ignores Europe because he considers it insignificant.”*.

According to the WSJ, “the latest US peace plan will significantly contribute to the division of NATO by offering what could be seen as amnesty for Russia's invasion. This will allow it to return to the G-8 club of rich countries and implement joint economic projects with the US in regions such as the Arctic.”

According to NBC, citing an unnamed Russian official, there are at least three points in Trump's latest peace plan that Vladimir Putin will allegedly never agree to. As the publication notes, Putin has always openly expressed his radical demands. In particular, he seeks complete control over Donbas and demands the “demilitarization” of Ukraine to make the country defenseless.[3] According to an NBC source, the Kremlin is unwilling to compromise on three key issues regarding Trump's peace plan:

The territory of Donbas – Putin insists on complete control.

Restrictions on the Armed Forces of Ukraine – Russia demands a significant reduction in the size and capabilities of the Ukrainian army.

Recognition of territory – The US and Europe must officially recognize Russia's control over Ukrainian lands.

[3] Росія ніколи не піде на компроміс: NBC розкрили, яких пунктів плану Трампа це стосується.02.12.2025. https://24tv.ua/geopolitics/mirniy-plan-trampa-shho-rosiya-ne-pogoditsya-zmi-rozpovili-detali_n2963827

At the same time, the Kremlin may allegedly "show flexibility" on secondary issues, such as the hundreds of billions of dollars in Russian assets frozen at the start of the war. But considering all of the above, this whole latest show about a peace agreement is a complete Kremlin bluff. Russia may postpone its plans for a major offensive against NATO, but the offensive against Ukraine is already underway, so it must be completed. And **the only outcome acceptable to the Kremlin is Kyiv's surrender.** Until Russia is completely exhausted financially, resource-wise, and demographically, they will not stop. And unfortunately, this is not a prospect for one year or a few months. War is the only lever Moscow has to remain globally significant.

Why put on a show of a peace agreement? The Kremlin is trying to delay new US sanctions. They have successfully figured out how to manipulate Trump's short-sightedness by imitating peace efforts, when in fact they are the only factor blocking them, shifting responsibility onto Ukraine. And Kyiv itself has begun to sink into corruption scandals and the populism of minor officials who will support any nonsense for their own political gain.

Source: Army FM

Changes at the frontline

Trend: ***Ukraine was forced to build its defense on drones to compensate for the lack of manpower and equipment.***

Russian troops are using foggy weather to advance across the entire front, particularly in the Pokrovsk, Velykomykhailivsk, and Huliaipole directions.

The battle for Pokrovsk continues. Insufficiently fortified Ukrainian defensive positions contributed to recent attempts by Russian forces to infiltrate, while a lack of artillery and other conventional systems limited the ability of Ukrainian forces to act when bad weather hampered some drone operations.

The ISW emphasized that only a multi-layered defense that does not rely on a single type of weaponry can reduce Ukraine's vulnerability. Russia's use of weather conditions to break through Ukrainian defenses shows Western partners that traditional weapon systems are not obsolete in modern warfare.

At the same time, enemy troops in Pokrovsk are being depleted. As a result, the enemy has to replenish its personnel losses. The Russian command in the Pokrovsk direction has already deployed the operational reserve of the "Center" military district — units of the elite 76th Airborne Assault Division of the Russian Federation. To counter the enemy's further advance and conduct mop-up operations in Pokrovsk, the Ukrainian military is also increasing its own forces, in particular the number of UAV crews. One of the key tasks of our defenders remains the complete blockade of the enemy's logistical routes to the city, including the use of tactical and army aviation.

In the northern outskirts of Myrnohrad, the mopping up of Russian infantry is being completed. Additional resources are also being deployed to detect and eliminate the enemy, whose movements have been recorded in the southern part of the city. Small enemy groups attempted to infiltrate Hryshyne, northwest of Pokrovsk. However, the Ukrainian military detected and eliminated the enemy in time.[4].

In the Summy direction Russian troops continued their assault operations in the northern part of Sumy region throughout November, but made no progress. They attacked near Sumy – north of the city near Andriivka and Kindrativka, as well as northeast – near Yunakivka. Ukrainian forces launched a counterattack near Varachyno.

In the Kharkiv direction, Russian troops made minor advances in the northeast of the Kharkiv region. Russian sources also report an offensive in the city center, near Zeleny, Synelnykove, and Prylypka, but this information has not been confirmed. Fighting continues near Synelnykove, Vovchanskiy Khutir, and Tykhy.

In the Kupiansk direction, the occupiers continued their offensive actions, but without any confirmed changes to the front line. The Russian Ministry of Defense claims that the Armed Forces of Ukraine counterattacked near Blahodativka and Osinovoye. Russian troops have made minor advances in the northeast of the Kharkiv region. Russian sources also reported an offensive in the city center, near Zeleny, Synelnykove, and Prylipka, but this information has not been confirmed. Fighting continues near Synelnykove, Vovchanski Khutory, and Tykhy.

In the Lyman direction, Russian troops intensified their activities near Lyman but did not achieve any success. Fighting continues north of the city – near Karpivka, Ridkodub, and Stavky, as well as to the east – in the direction of Zarichne and Torske.

In the Siverskyi direction, in the Siversk area, the Russians continued their offensive, but without success. Constant attacks have been recorded near Dronivka, Serebryanka, and Vasyukivka.

In the Kostyantynivka direction, fighting also continues near Kostyantynivka and Druzhkivka. Russian troops are storming positions east and southeast of Kostyantynivka, near Ivanopil, Bila Hora, and Pleshchiivka, as well as south towards Illinivka.

In the Dobropillia direction, it has been confirmed that Russian troops have advanced on the eastern outskirts of Shakhovoye. Fighting is also ongoing near Novoye Shakhovoye, Pankivka, and Zapovidne. Ukrainian forces have launched a counterattack in the Shakhovoye area.

In the Pokrovsk direction, the sides are engaged in fierce fighting, with both the Armed Forces of Ukraine and the occupiers advancing. The Russians are attacking near Pokrovsk itself, as well as further south near Novopavlivka, Lysivka, Zeleny, and Dachensky. Ukrainian troops are conducting counterattacks northwest of the city, near Rodynske and Hryshyne.

In the Novopavlivka direction, Russian troops attacked northeast near Novomykolaivka and south near Filiya, Yalta, and Dachne, but were unsuccessful. Russian sources claim to

[4] Сили оборони утримують визначені рубежі у північній частині Покровська - 7 корпус ДШВ. https://armyinform.com.ua/2025/11/21/syly-oborony-utrymuyut-vyznacheni-rubezhi-u-pivnichnij-chastyni-pokrovska-7-j-korpus/

have captured Oleksiyivka and advanced west of Vovche and north of Novooleksandrivka, but Ukrainian sources do not confirm this. The enemy is conducting attacks around Velyka Mykhailivka from the north, east, south, and southwest, using aerial bombs.

In the Orikhiv direction, Russian troops advanced northeast of Huliaipole, capturing the village of Nove. They also appeared in the eastern part of Solone.

In the Kherson direction, Russian troops continue to attack Ukrainian positions on the right bank of the Dnipro River, but without changing the front line.

Military aid

In November 2025, military aid to Ukraine included significant inflows from international partners, including €32.5 billion in new commitments by November, and more than UAH 122 billion from the Ukrainian National Bank's special account for defense needs, of which about UAH 36.7 billion went to the Ministry of Defense, and large sums went to the Defense Procurement Agency to provide the Armed Forces with various types of weapons and resources. In the first ten months of 2025, Ukraine received €32.5 billion in military aid, mainly from European countries. France, Germany, and the United Kingdom doubled and even tripled their aid.

The Netherlands has already announced an additional €700 million for the first quarter of 2026 and, together with Norway and Germany, is allocating $500 million for PURL needs.

Poland has confirmed the transfer of MiG-29 fighter jets. In return, Warsaw wants access to certain Ukrainian drone and missile technologies. A final decision has not yet been made. The transfer of the aircraft is due to the end of their service life; their tasks are to be taken over by modern F-16 and FA-50 aircraft.

According to the results of November, military aid to Ukraine in 2025 may fall to its lowest level. This was reported by the German research center Kiel Institute. It records all commitments of partners since 2022. In order to at least match the weakest year of the war, 2022 (€37.6 billion), the allies need to allocate more than €5 billion in the last two months of the year. However, from July to October, only about €2 billion was received each month.

Spain and Italy are among the leaders in reducing military aid. Italy has reduced it by 15%. Spain did not provide any new military support in 2025. Italy is not participating in the NATO program to purchase American weapons for Ukraine due to the “start of peace talks.”

Russia: External and internal challenges

Trend: ***Russia is relying on its “shadow fleet” to counter US sanctions. Who will prevail?***

Over the past three years, Russia has turned into ***shadow maritime power***. A fleet of old tankers flying various flags allows Russia to circumvent Western oil sanctions. These vessels are used not only to secretly transport Russia's main exports, but also for sabotage and hybrid operations against Europe. The shadow fleet not only threatens the effectiveness of Western sanctions against Russia, but also puts global shipping, trade, and the environment at risk for years to come. Even if the war and sanctions become a thing of the past, experts warn that this fleet will not disappear.

The term **"shadow fleet"** itself appeared in December 2022 after the West imposed a price cap of $60 per barrel on Russian oil. Before the war, most of Russia's maritime exports were transported by Western tankers, mainly Greek, with trading organized in Switzerland and insurance in London. Now, according to S&P Global, about 80% of tankers carrying Russian oil are without recognized insurance from the international IG P&I group, which covers most of the world's maritime cargo.

The shadow fleet transports most of Russia's oil in circumvention of sanctions and consists of both deeply hidden "ghost tankers" and legal carriers and "zombie tankers." Iran and Venezuela are also involved in covert oil shipments, but Russia produces more, so its needs have led to a significant increase in the shadow fleet. It is actively discussed in specialized publications and the media, and politicians and tabloids also often mention it.

Although the term is often associated with Russia, the situation is actually more complex. Half of the ships carry only Russian oil, a fifth carry Iranian oil, and the rest serve several countries. Many owners work for Russian oil companies, Iranian governments, or Venezuelan generals, but there are also independent businessmen from Western countries among them.

The shadow fleet allows sanctions to be circumvented, oil to be sold above the established "price ceiling," the origin of the cargo to be concealed, and sales markets to be expanded. Its services are cheaper because owners save on insurance, crews, and maintenance. Ships often violate maritime rules: they turn off transponders, transmit false data about their location, transfer oil to other tankers in international waters, change flags and names, and some ships even use data about ships that have already been decommissioned. This creates a number of problems. The shadow fleet allows the Kremlin to profit from the war by reducing oil discounts. Some tankers have been suspected of sabotage against NATO countries. Most ships are old and poorly maintained, increasing the risk of accidents and oil spills. Crews are often recruited on a residual basis, and owners may leave people on board due to ship arrests or malfunctions. Over time, tankers age, threatening the stability of maritime transport and hindering the development of the legal fleet.

S&P Global estimates that the shadow fleet numbers about 1,000 large tankers, while other analysts put the figure at 1,300 vessels. The fleet is growing rapidly: currently, almost a fifth of all tankers at sea are involved in transporting Russian oil. The vessels mainly transport cargo to India and China, with smaller shipments going to Turkey, Singapore, and the UAE. The tanker fleet is made up of old vessels purchased by front men with money from Russian companies.

Ships often change flags or sail without them, and registration services for such tankers are often fraudulent or insufficiently controlled. The West is trying to track the fleet and impose sanctions, but ships can only be detained in ports or territorial waters, while international waters remain a difficult area to control. Sanctions against refineries and purchasing companies are more effective, but so far few have been subject to such restrictions.

The shadow fleet is also used in hybrid operations: tankers were suspected of damaging NATO cables and launching drones in Denmark, which led to the closure of Copenhagen Airport. NATO countries were forced to organize missions to protect communications. Even if sanctions are lifted, the fleet will not disappear because it is profitable for owners and customers. Old tankers can be purchased relatively cheaply, and a voyage with Russian oil brings in millions of dollars in profit. Thus, the profits remain in the dark business, and the potential losses are shifted to the global community. Signs of a “shadow fleet 2.0” are already emerging, for example in container transport, which indicates a possible expansion of such practices to other types of maritime transport.

Thanks to its shadow fleet, Russia has been able to partially mitigate the impact of sanctions imposed by the US and its allies aimed at limiting its oil export revenues needed to finance the war against Ukraine, according to a report by the US Government Accountability Office (GAO).[5] According to auditors' estimates, Russia's economic growth in 2022 was approximately six percentage points lower than it could have been without the war in Ukraine and sanctions. However, in 2023–2024, the economy recovered and GDP figures remained close to forecasts.

Export restrictions have made it harder for Russia to get its hands on American military tech, but they haven't stopped it completely, which allowed military efforts to continue. The report also notes that the US froze billions of dollars in Russian assets and imposed controls on the export of key technologies, but Russia found ways to circumvent these measures through intermediaries and alternative logistics routes. The GAO also points to the lack of clearly defined goals with specific performance indicators in the work of US agencies, which makes it difficult to assess the effectiveness of sanctions programs. Without such criteria, the US government cannot accurately determine how successful sanctions and export controls against Russia have been.

In addition, approximately $164 million in additional funding allocated to support Ukraine was spent on implementing these measures, including expanding the State Department's staff and improving investigative tools. At the same time, two State Department bureaus, the Bureau of Economic and Business Affairs and the Bureau of International Security and Nonproliferation, did not assess the risks of this funding being exhausted by September 30, 2025, which could jeopardize the continued operation of sanctions programs. The GAO recommends that US agencies set clear goals with measurable outcomes and assess the potential risks to the continuation of sanctions if additional funding is discontinued.

The US began sanctioning Russia's “shadow” fleet, imposing the first restrictions on oil tankers on October 12, 2023. Since then, sanctions against this fleet have become a permanent feature of the policies of the US, the EU, the UK, and other Western allies. Currently, these countries' blacklist includes more than 500 tankers that are subject to sanctions in at least one jurisdiction, and it is expected to expand after the adoption of the new, 19th package of EU sanctions.

Mind analyzed the current state of the sanctions policy against the “shadow” fleet, its effectiveness, the impact of the updated mechanism for limiting the price of transport

[5] Росія обійшла цінові обмеження на нафту, послабивши ефект санкцій США – звіт аудиторів.10.09.2025.https://bukvy.org/rosiya-obijshla-tsinovi-obmezhennya-na-naftu-poslabyvshy-efekt-sanktsij-ssha-zvit-audytoriv/

capacity, and the reasons why Moscow maintains stable maritime oil export flows.[6] The coalition's key initiatives include an embargo on maritime imports of Russian oil and petroleum products and a price cap mechanism that prohibits residents of Western countries from providing transportation, insurance, financial, and certain other services when selling Russian oil above a set limit. To circumvent these restrictions, Russia has largely abandoned the services of Western companies, relying instead on a tanker fleet that the media and experts refer to as "shadow," "dark," or "parallel."

Shortly after the sanctions were imposed, it became clear that their weak point was enforcement and compliance. Despite the coalition's efforts, the overall situation remained largely unchanged. The sanctions chase for tankers accelerated, covering more than 500 vessels of the Russian "shadow" fleet, while the total global fleet of oil tankers is about 7,000 units with a deadweight of more than 10,000 tons. At the same time, such measures against the commercial fleet are not new: the US has previously imposed sanctions on hundreds of Iranian and Venezuelan tankers, but the effectiveness of these restrictions has been low due to the existence of circumvention practices, which have now been inherited by the policy towards the Russian fleet.

Critics note that sanctions against tankers are not achieving their goal, as Moscow continues to maintain the necessary transport capacity and is actively restoring the operation of sanctioned vessels. As Ian Ralby, founder of the American consulting company IR Consilium, notes ***Sanctions "do not take tankers out of business, they take them out of legal business."***. In September 2025, the US Government Accountability Office (GAO) confirmed that the "shadow" fleet limited the effectiveness of the price cap mechanism and recommended that US agencies establish clear, measurable indicators of the effectiveness of sanctions.

Even the authors of the price cap mechanism acknowledge the problem. Ben Harris, a former US Treasury official, noted that enforcing sanctions has become a "real challenge," even though maintaining the "shadow" fleet remains costly for Moscow. Supporters of the sanctions point to blocked ships and significant additional costs, but overall, the policy increasingly resembles inertial movement without specific goals, where the expansion of blacklists creates inflated expectations of a tool that has compromised itself.

Analytical data from the KSE Institute show that as of 2025, the US, EU, and UK have imposed sanctions on 535 tankers, 124 of which are subject to sanctions from all three jurisdictions simultaneously. Sanctions activity increased in 2025: 379 vessels were added to the blacklist, with Washington making a significant contribution by adopting a package against Russia's energy sector in January. However, **after Donald Trump returned to the presidency, the American sanctions engine effectively ground to a halt.**

Despite this, commercial operations of sanctioned tankers remained stable: in March 2025, 19% of those on the blacklist were engaged in transportation, and by the end of July, this figure stood at 18%. The US has demonstrated the greatest effectiveness of sanctions: nearly 90% of blocked tankers have ceased commercial transportation thanks to the extraterritorial application of OFAC sanctions. Despite this, the "shadow" fleet continues to play a major role in Russian oil exports, accounting for 60-80% of transportation in 2025. Moscow is maintaining the size of its fleet by replacing blocked vessels with others, including those not

[6] Чому російський «тіньовий» флот продовжує витримувати зростаючий санкційний тиск?.06.10.2025.https://mind.ua/publications/20295430-chomu-rosijskij-tinovij-flot-prodovzhue-vitrimuvati-zrostayuchij-sankcijnij-tisk

subject to sanctions. KSE recorded 115 new tankers that began operating for export during the first seven months of the year, 54 of which are not subject to sanctions at all.

The updated price cap mechanism, approved by the EU and supported by the UK, set a limit of $47.6 per barrel from September 2025. This will lead to the gradual departure of Greek tanker companies, which previously provided about 30% of shipments. However, the existing capacity of the “shadow” fleet allows Russia to compensate for these losses. According to S&P Global, as of August 2025, **Moscow controlled 561 tankers** with a total deadweight of 49.9 million tons, and can also partially use the fleets of Iran and Venezuela and private operators. **This resource is sufficient to ignore the price restriction mode.**

Thus, Despite the expansion of blacklists and increased sanctions pressure, the “shadow” fleet continues to ensure Russian oil exports, demonstrating the limited effectiveness of Western allies' measures. These tankers not only pose environmental and economic risks, but are also used by the Kremlin in hybrid warfare, including for espionage and demonstrations of force in European waters. At the same time, the EU is considering new restrictive measures against operators of the “shadow fleet” to reduce Russia's revenues, which it spends on the war in Ukraine.