

DELIVERING REPARATION TO UKRAINE FROM THE £2.5 BILLION SALE OF CHELSEA FC

October 2024

In March 2022, Roman Abramovich pledged to sell Chelsea Football Club and donate the £2.5 billion to support victims of the war in Ukraine. However, two and a half years later, the process to release the funds is still at a stalemate and no money has been delivered to victims of the conflict.

Given that in October 2024, the UK Government [announced](#) that the UK will provide a £2.26 billion loan to Ukraine as part of the UK's contribution to the G7 Extraordinary Revenue Acceleration (ERA) Loans to Ukraine scheme, it has a window of opportunity to act swiftly in coordination with European partners to release the sale proceeds of Chelsea FC.

Defence, humanitarian assistance, reconstruction and recovery for Ukraine must be considered hand in hand with reparation. Victims of human rights and international humanitarian law violations, including conflict-related sexual violence (CRSV), torture, forced transfer and disappearance, have a right to reparation and cannot wait until a peace agreement is reached or Russia's agreement to compensate.

Harms they have suffered including trauma, chronic injuries, and economic hardship, compounded by the destruction of homes and difficulty in accessing health and social care services, are not currently adequately and effectively addressed. Yet, pathways are already available to implement the [delivery of reparation](#) to victims. For example, the Register of Damage for Ukraine [announced](#) that over **half a billion Euros** will be required to satisfy only the first 10,000 claims by individual applicants. That figure will only rise with more claims accepted.

The £2.5 billion sale proceeds from Chelsea Football Club could be used to finance pathways to reparation, alongside other funds generated from Russian assets, making a profound impact on the lives of victims, restoring their dignity and allowing them to rebuild their lives.

RECOMMENDATIONS

The UK Government must commit to:

1. Take steps, in coordination with partners, to ensure that the proceeds of the sale of the Chelsea FC are swiftly released.
2. Ensure that a substantial percentage of the funds are used to fund reparation to victims of the conflict, particularly, of victims of gross violations of international human rights law and of serious violations of international humanitarian law, including survivors of conflict-related sexual violence.
3. Engage existing reparation mechanisms, Ukrainian civil society and victims and survivors in guiding the distribution of the funds.
4. Establish a Working Group including civil society and survivors to ensure the funds are distributed in an effective and timely manner.

BACKGROUND

In March 2022, Roman Abramovich declared his willingness to sell Chelsea FC and use the proceeds worth £2.5 billion “for the benefit of all victims of the war in Ukraine”. Shortly after, he became subject to UK sanctions for his close connections with Putin’s regime. With his funds frozen, the sale of the Chelsea FC was made possible by a licence granted by the Office of Financial Sanctions Implementation (OFSI) on 24 May 2022 to create a foundation with “exclusively humanitarian purposes supporting all victims of the conflict in Ukraine, and its consequences.”

The Department for Culture, Media and Sport further stated, in a [unilateral declaration](#) made after the completion of the sale on 30 May 2022, that the funds would be used for “exclusively humanitarian purposes in Ukraine”, and that “[t]he United Kingdom will work closely with the Portuguese Government and the European Commission when considering an application for such a licence and the destination of the proceeds.” To date, the funds, still in Abramovich’s name, remain frozen in a UK bank account.

REDRESS understands that establishing the foundation requires a decision to be made on the destination of the funds, which is the crux of the impasse. In response to an enquiry by the House of Lords European Affairs Committee, the former Foreign Secretary [emphasised](#) that the Government would like the funds to be spent specifically on humanitarian causes in Ukraine, “not on other causes linked to Ukraine or anything else”, but that “there is an issue with that, which we need to see through”.

While REDRESS understands that the UK Government, Abramovich and the foundation can make a decision unilaterally on the matter, there is no public information on bilateral negotiations with the Portuguese Government and the European Commission regarding the application for a licence and the destination of the proceeds. While the UK government had intended the Chelsea FC case to exemplify a [“voluntary donation mechanism”](#) to allow sanctioned Russian individuals to volunteer assets for Ukraine, it is an exceptional example since the assets were volunteered prior to sanctioning.

The government [confirmed](#) in October 2024 that it is working hard to ensure that the proceeds will reach humanitarian purposes in Ukraine as soon as possible and that the funds remain frozen until the new foundation is set up. It reiterated that the unilateral declaration makes clear that a licence to release the funds will only be issued for fully humanitarian purposes in Ukraine, however that the government is continuing to hold discussions with Abramovich’s lawyers, experts and international partners.

In the meantime, in October 2024, the UK Government [announced](#) that the UK will provide a £2.26 billion loan to Ukraine as part of the UK’s contribution to the G7 Extraordinary Revenue Acceleration (ERA) Loans to Ukraine scheme, in which \$50 billion from G7 countries will be delivered to Ukraine for its military, budget and reconstruction needs. The loan will be repaid using the extraordinary profits on immobilised Russian sovereign assets. The UK’s £2.26 billion is earmarked as budgetary support for Ukraine’s military spending, enabling Ukraine to invest in key equipment to support their efforts against Russia, such as air defence, artillery and wider equipment support.

Given this momentum, the UK government should swiftly in coordination with European partners and banks to release the sale proceeds of Chelsea FC. These funds present a unique opportunity for the UK to lead the way in making a profound impact on the lives of victims of the war in Ukraine. As of February 2024, close to 10 million people are [estimated](#) to be internally displaced or refugees abroad. Widespread [human rights violations](#) and over [146,000](#) war crimes, including torture, cruel treatment of civilians, unlawful detention, and conflict-related sexual violence, have been reported.

HOW THE UK CAN SUPPORT REPARATION TO VICTIMS

A gap remains to adopt a human-centered approach to the reconstruction and recovery of Ukraine. Defence, humanitarian assistance, reconstruction and recovery for Ukraine must be considered hand in hand with reparation.

Financing reparation for victims of human rights and humanitarian law violations would bridge the gap between short-term lifesaving humanitarian assistance goals and paving the way for sustainable reconstruction and recovery of Ukraine. It is critical to address the most urgent harms suffered by victims, preventing these harms from worsening and becoming irreparable. It is also essential to prevent further cycles of violence and exclusion. In supporting survivors to reclaim their dignity and agency, reparation will contribute to social cohesion, economic growth and long-term peacebuilding efforts, and will encourage survivor engagement in formal justice and accountability processes.

How the funds are distributed should be determined in collaboration with those working within the existing [reparation landscape](#) for Ukraine, survivors and civil society. Through the foundation, or as a separate route, the funds could be channelled into mechanisms such as:

1. **The Register of Damage for Ukraine**, which was set up by an agreement between the Council of Europe, 43 states (including the UK), and the EU to serve as a record of evidence and claims for damage, loss or injury caused to all natural and legal persons concerned, as well as to the State of Ukraine, by Russia's internationally wrongful acts in or against Ukraine. It is envisaged as the first step towards an international fund and claims and compensation mechanisms.
2. **The Trust Fund for Victims at the International Criminal Court (ICC)**, which can immediately provide reparative measures such as rehabilitation and support to victims of genocide, crimes against humanity and war crimes in Ukraine, and provide reparations ordered by the Court with respect to cases before the ICC.
3. **The Global Survivors Fund**, which is currently supporting Ukrainian authorities to provide a legal structure to deliver urgent interim reparations to ensure that the victims of conflict-related sexual violence receive concrete and life-changing support.
4. **A new UK mechanism for "victims of internationally wrongful conduct"**, which could pool funds and enable those who have suffered abuses abroad to access them as reparations, potentially as an expansion of existing domestic schemes such as the Criminal Injuries Compensation Scheme.

£2.5 billion has the power to transform the lives of many victims of the conflict, allowing them to move forward with their lives. The UK Government should not delay any further in resolving the Chelsea FC impasse.