

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

March 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 years on, the sale has hit a stalemate and no money has been delivered to victims of the conflict.

The sale proceeds of Chelsea FC represent nearly **seven times** the value of humanitarian assistance the UK has [pledged](#) since the invasion in 2022.

The stalemate undermines remarks made by the Foreign Secretary David Cameron in January of this year in Davos on the confiscation of Russian assets, where he [stated](#), “[a]t the end of the day, Russia is going to have to pay reparations for its illegal invasion, so why not spend some of the money now, rather than wait till the war is over and have all the legal wrangling about reparations.”

The funds have the potential to dramatically improve the situation for victims and survivors and uphold their right to reparation, entrenched in international human rights and international humanitarian law.

The UK Government must act swiftly to release the sale proceeds of Chelsea FC and ensure that a substantial percentage of the funds are used to fund reparation to victims of the conflict.

RECOMMENDATIONS

The UK Government must commit to:

1. Take steps to ensure that the proceeds of the sale of the Chelsea FC are swiftly transferred to a charitable foundation in the UK or other existing mechanisms set up to deliver reparations to victims of the conflict.
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 Ukrainian civil society and victims and survivors in guiding the repurposing of the funds.
4. Establish a Working Group between the Government, 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”. However, two years later, the process remains at a stalemate with neither the Foreign, Commonwealth & Development Office (FCDO) nor those tasked with creating the foundation taking responsibility to progress the matter.

REDRESS understands through correspondence with the Parliamentary Under Secretary of State at the FCDO, Leo Docherty MP, that an application to OFSI for a licence to move or use the funds is required, and that it will not be able to grant an application without assessing the parties involved in any transaction, the financial institutions used, and the payment route of the transactions, including account details.

REDRESS also understands that without adequate funds and resources, the charitable foundation cannot be established and therefore an application to OFSI for a license with the requested details cannot be made. It also has been [reported](#) that a dispute has emerged between the Government and the foundation over whether the funds are to be directed exclusively to Ukraine or Ukrainian victims, or for broader purposes. In response to an enquiry by the House of Lords European Affairs Committee, the 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”.

This stands in stark contrast to the remarks made by the Foreign Secretary in January of this year in Davos on the confiscation of Russian assets, where he [stated](#) “[a]t the end of the day, Russia is going to have to pay reparations for its illegal invasion, so why not spend some of the money now, rather than wait till the war is over and have all the legal wrangling about reparations”. The impasse on Chelsea FC also undermines the possibility of a [“voluntary donation mechanism”](#) announced by the Government in the context of the Ukraine Recovery Conference last year to allow sanctioned Russian individuals to volunteer assets for Ukraine, working in practice.

These funds present a unique opportunity for the UK to have a profound impact on the lives of victims of the war in Ukraine. Close to 10 million people are [estimated](#) to be internally displaced or refugees abroad. Widespread human rights violations and over [125,000](#) war crimes, including conflict-related sexual violence and torture, have been reported. In addition to the physical and material suffering caused, Viktor Liashko, Minister of Health of Ukraine, [estimated](#) at the end of 2023 that 14 million Ukrainians are in need of psychological aid.

HOW THE UK CAN SUPPORT REPARATION TO VICTIMS

Funds confiscated or gathered, including the Chelsea FC sale proceeds, should be split between reparations for victims of human rights abuses and humanitarian purposes and reconstruction.

How the proportions are decided should be determined in collaboration with 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, including for the war crimes of unlawful deportation and transfer of children from occupied areas of Ukraine to the Russian Federation which are being prosecuted in the context of the case of the *ICC Prosecutor v Vladimir Putin and ICC Prosecutor v. Maria Lvova-Belova*.
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. It is imperative that the UK Government consults with the Ukrainian Government, survivor groups and civil society, as well as with international actors involved in mechanisms for the delivery of reparation, to ensure that a substantial percentage of the funds are used to fund reparation to victims of the conflict.