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# Stepping up EU Support for Ukraine: A Win-Win Situation

## Calle Håkansson 20 January 2023

The European Union (EU) and its member states have broken several taboos since the outbreak of Russia's war in Ukraine. Since the start of the war, EU member states have provided military support with a value of at least €8 billion, €3.1 billion of which was provided through the EU's European Peace Facility.¹ This support will increase following the decision by Germany to provide Marder armoured fighting vehicles and a Patriot air defence missile battery to Ukraine, by the Netherlands to provide a Patriot battery, and by France to supply AMX-10 RC light tanks. Other member states, including Sweden, are also preparing further defence packages in support of Ukraine. The upcoming Ukraine Defense Contact Group meeting will also be a key meeting in regard to new military support to Ukraine.

The EU, in close cooperation with partners such as the United States and other G7 countries, has also launched the strictest sanctions packages ever in response to Russia's illegal aggression. In addition, Ukraine and Moldova (and Georgia once certain reforms have been made) have been granted candidate status to join the EU. Nonetheless, more needs to be done. This SCEEUS Guest Commentary argues the need to step up both military and financial support for Ukraine not only to ensure Ukraine's continued survival, but also as the most important task to maintain security in Europe. The issue is also important for the EU and its member states in the broader transatlantic context. Work to ramp-up defence-industrial capacity in Europe should be done both to support Ukraine and as a way to strengthen Europe's defence capabilities in the long term.

### Military Support: The New "2%" in Transatlantic Relations?

According to the Ukraine Support Tracker, the US had as of November 2022 provided around €48 billion in military, financial and humanitarian aid to Ukraine.² The amount of support provided by EU member states and institutions is now nearly €52 billion, including the €18 billion Macro-Financial Assistance package promised for 2023. Military support, however, is still more limited from the European side. While the recent announcements by France and Germany are very welcome, the US still provides the backbone of the military support for

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<sup>1</sup> EEAS (2022). Foreign Affairs Council (Defence): Press remarks by High Representative Josep Borrell after the meeting.

<sup>2</sup> The Kiel Institute for the World Economy (2022). <u>Ukraine Support Tracker</u>.

Ukraine. Shortages of ammunition and heavy weapon systems, among other things, are due to past European underinvestment in defence and are affecting Europe's ability to support Ukraine. This is alarming with regard both to Ukraine and Europe's own defences. Moreover, voices in Washington are becoming increasingly critical of European support.<sup>3</sup> There is therefore a clear need for Europe to step up in this regard to avoid military support to Ukraine becoming the new 2% dispute across the Atlantic. While European states have taken on a huge and important responsibility for supporting Ukrainian refugees, and are affected by rising energy prices and high inflation, they still need to increase their military support for Ukraine. In a nutshell, increased military support is needed to ensure Ukraine's continued defence against Russian aggression but is also important in connection with fairer transatlantic burden-sharing in defence, as well as the moral and political obligations Europe owes to Ukraine.

The EU member states should take a leap forward by providing more advanced weapon systems. These should include a strong European effort to provide the Leopard tank to Ukraine, as proposed by researchers at the European Council on Foreign Relations.<sup>4</sup> The Leopard tank is used by several European states and a joint European effort could make a substantial contribution to the Ukrainian defence forces while also "Europeanising" the issue for Germany. Other systems, such as advanced artillery and surface-to-air missile systems, should continue to be delivered to Ukraine.

In the longer term, the supply of modern western fighter jets should not be ruled out, and RUSI experts have called the Swedish Gripen C/D "by far the most suitable candidate [for Ukraine] in terms of operational requirements". While this support must be weighed against national defence capacities, it is important to underline how it would also strengthen European security. In addition, as NATO Secretary General Jens Stoltenberg has argued, "the price we pay as the EU, as NATO, is the price we can measure in currency, in money. The price they [Ukraine] pay is measured in lives lost every day. So, we should stop complaining and step up and provide support, full stop".

The European Peace Facility (EPF) has shown itself to be an important new instrument in the EU's toolbox for supporting Ukraine. The EPF has created an incentive for member states to send or provide weapons to Ukraine, but also Europeanises such national efforts and support. The decision to increase the spending ceiling by €2 billion in 2023, and by up to €5.5 billion for the period to 2027, is therefore welcome. Nonetheless, as more advanced weapons systems are provided, this money could quickly run out. The EU should also discuss how the reimbursement scheme will work for the more advanced weapons systems.

Two positive developments are the launch of the new European Union Military Assistance Mission in Support of Ukraine (EUMAM Ukraine) and the ongoing United Kingdom-led Operation Interflex. Both these initiatives aim to train and support the Ukrainian Armed Forces and will be able to train at least 25 000 Ukrainian soldiers in the coming years. Over 20 EU member states have thus far offered to provide various personnel to EUMAM Ukraine, and Operation Interflex is supported, among others, by Canada, Denmark, Sweden, Finland and Latvia. Both these missions are important contributions to facilitating much needed training for Ukrainian forces, and European states should ensure that they provide the necessary personnel and resources to these missions.

<sup>3</sup> See e.g., Shapiro, J. (2022). <u>The coming transatlantic rift over Ukraine</u>.; Bayer, L (2022). <u>Europe's looming Ukraine fear: What happens if the US pulls back?</u>

<sup>4</sup> Gressel, G., Loss, R., and Puglierin, J. (2022). <u>The Leopard plan: How European tanks can help Ukraine take back its territory</u>.

<sup>5</sup> Bronk, J., Reynolds, N., and Watling, J. (2022). The Russian Air War and Ukrainian Requirements for Air Defence.

<sup>6</sup> NATO (2022).

<sup>7</sup> Council of the EU (2022). European Peace Facility: Council agrees €2 billion increase of the financial ceiling in 2023.

#### **Building Up and Supporting Defence-Industrial Capacities: A Win-Win Situation**

To support Ukraine militarily still further, the European Union needs to increase defence industrial capacity in Europe. However, increasing European defence budgets and the need to "replenish, replace and reinforce" its military stocks are putting strains on the defence industry and overall production capacity in Europe. This is something that needs to be addressed and improved in both the short and the long term.

First and foremost, the member states should work together and with the EU institutions to increase overall production capacity in Europe. This should also be done to increase the military support available for Ukraine, especially in the light of the amount of ammunition being used in the war. The European Commission has underlined that it will "launch a dialogue with the European defence industries on how to bring about production increases to fill existing gaps in European armament stocks". This is a positive development but the industry needs long-term decisions and funding to ramp-up production capacity.

The Swedish Presidency of the Council of the European Union will have a key role in pushing this work forward in the first semester of 2023. New initiatives by the European Commission are promising in this regard, including the new short-term procurement instrument – the European Defence Industry Reinforcement through a Common Procurement Act (EDIRPA) – as it has broken the "procurement taboo" at the EU level. This should lead to the establishment of a new long-term initiative to facilitate joint procurement in Europe. Another possibility would be to draw on the experience of the Next Generation EU to joint fund and support collaborative European defence projects. This could also be done to support Ukraine by supplying more weapon systems.

Moreover, European states with the same equipment and materiel should collaborate more closely on ordering replacements in bulk. As is argued above, more advanced weapon systems are needed both for Ukraine and as replacements in the EU member states. As Gustav Gressel underlines, "the short-term needs of war and the long-term needs for rearmament are best dealt with together".8

#### Financial Support: Stepping up in Delivering Financial Support

The new €18 billion in support for Ukraine for 2023 is an important contribution to ensuring that the Ukrainian authorities can continue to operate. However, much of the money promised in 2022 has been delayed by negotiations among member states, which has caused frustration in Kyiv. Consequently, it is of the utmost importance that a stable package for 2023 is agreed in good time. There have also been ideas around using blocked and frozen Russian assets or managing these funds to "use the proceeds for Ukraine". This could be one way forward to increase support for Ukraine and ensure that culpable Russian actors face consequences for the war.

<sup>8</sup> Gressel, G. (2022). <u>More tortoise, less hare: How Europeans can ramp up military supplies for Ukraine in the long war.</u>

<sup>9</sup> European Commission (2022a). Commission proposes stable and predictable support package for Ukraine for 2023 of up to €18 billion.

<sup>10</sup> See e.g., Euronews (2022). <u>Ukraine war: The EU promised €9 billion in financial aid to Kyiv. Where is it?</u>; Financial Times (2022). <u>Ukraine demands more stable financial support from EU</u>.

<sup>11</sup> European Commission (2022b). <u>Statement by President von der Leyen on Russian accountability and the use of Russian frozen assets.</u>

#### **Policy Recommendations**

- The EU member states need to ramp-up their military support for Ukraine. This should be done with more capable and appropriate weapon systems and include a strong European effort to deliver Leopard tanks. It should also include advanced artillery systems, as well as systems such as the Patriot system, the SAMP/T and the IRIS-T. From a longer-term perspective, the supply of modern Western fighter jets should not be ruled out.
- Increased defence industry capacity in Europe is required both to support Ukraine militarily in the short term and to enhance European defence capabilities from a long-term perspective. The new initiatives by the European Commission should be strongly supported by member states and provided with substantial budgets.
- > The EU's 2023 mid-term review of the EU multiannual financial framework (the EU long-term budget, 2021–2027) should be used to strengthen its work on defence matters.
- > The EU must ensure that its financial and humanitarian support to Ukraine is delivered in a timely manner.



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