Working hand in hand?
EU-UK co-operation in supporting Ukraine

By Ian Bond and Luigi Scazzieri

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This policy brief is the first of the CER/KAS project, “Plotting a Course Together: UK-EU Co-operation in Times of Uncertainty.” This paper focuses on co-operation in relation to Ukraine. A second study will focus on Baltic security, especially on Anglo-German co-operation. A third paper will look at the impact of the US elections.

★ The post-Brexit UK-EU Trade and Co-operation agreement does not include provisions on formal foreign policy co-operation. Even so, the UK, Germany and other EU countries have closely co-ordinated their response to Russia’s invasion of Ukraine. They imposed a set of broad economic sanctions on Russia and provided Ukraine with extensive military and financial support.

★ The key forums for political co-ordination between the UK and its European partners have been the G7 and NATO. This is largely because the US, a member of both organisations, has played a leading role in shaping the Western response to the conflict. Direct UK-EU co-operation has also been important, particularly on sanctions.

★ The main forum for co-ordination of military support for Ukraine has been the US-led Ukraine Defence Contact Group – the Ramstein group. Bilateral channels have also been essential. Several EU member-states have contributed to UK-led efforts such as its training mission for Ukrainian forces. For its part, the UK helped design the curriculum for the EU’s training mission.

★ Financial assistance by the EU and the UK has been essential in keeping Ukraine financially afloat, and the EU is the largest financial donor to Ukraine. The main channels for co-ordinating financial support have been bilateral and the G7, but new frameworks like the Multi-Agency Donor Coordination Platform for Ukraine have also become important. The EU and the UK also participate in the Ukraine Recovery Conference process.

★ Looking ahead, the challenge for both the UK and its European partners will be to deepen their military and financial support for Kyiv, in a context where US assistance could be completely cut off if Trump is re-elected as American president. Both the UK and its partners are now transitioning to longer-term support for Ukraine, but this is not easy. If lack of assistance allows Russia to win the war, Europeans would be in a very dangerous position.

★ Discussions over Kyiv’s possible NATO membership, or direct involvement of European personnel in the war to support Ukraine, are likely to climb up the agenda but will remain controversial. The priority for the EU and the UK will be to continue to provide Ukraine with military assistance. Both are thinking about how to increase their defence production and how to ensure Ukraine itself can produce more of the defence equipment it needs.
The UK and the EU have been staunch supporters of Ukraine in its struggle against Russia’s full-scale invasion since February 2022. They condemned the invasion, imposed a set of broad economic sanctions on Russia, and provided Ukraine with extensive military and financial support. The longer the war goes on, however, the more differences of emphasis are appearing, both within the EU and between the EU and the UK – on issues such as the kind of military support that should be given to Ukraine, and whether or not to confiscate frozen Russian assets. Without a united approach from its partners, Ukraine’s prospects will grow worse, and the threat posed by Putin’s Russia to European security will increase. This paper analyses co-operation between the UK and its European partners, focusing on the EU as an institution and on Germany bilaterally. We take stock of past, current and planned policies towards Ukraine and assess the degree to which they are aligned. To conclude, the paper makes recommendations on how the UK and its European allies could better co-coordinate their support to Ukraine in the future.

The UK and the EU have been staunch supporters of Ukraine in its struggle against Russia’s full-scale invasion since February 2022. They condemned the invasion, imposed a set of broad economic sanctions on Russia, and provided Ukraine with extensive military and financial support. The longer the war goes on, however, the more differences of emphasis are appearing, both within the EU and between the EU and the UK – on issues such as the kind of military support that should be given to Ukraine, and whether or not to confiscate frozen Russian assets.

Diplomacy and sanctions

The post-Brexit UK-EU Trade and Co-operation agreement (TCA) does not include provisions on foreign policy co-operation. Even so, UK and EU approaches towards Ukraine have been closely co-ordinated and aligned. Russia’s brazen war of aggression united the West in condemnation and spurred it into joint action. The UK, the EU and other Western partners signalled that they stood firmly behind Ukraine, and that Russia’s actions, including the indiscriminate targeting of civilians and the annexation of swathes of Ukrainian territory, were unacceptable. While there have been extensive bilateral contacts between the UK and its main EU partners, the key forums for political co-ordination have been the G7 and NATO. This is because the US is part of both organisations, and because Washington has played a leading role in the conflict, in particular in terms of...
providing military support to Ukraine. Political co-ordination between the UK and the EU institutions has played a relatively less important role. Although Liz Truss attended a meeting of the EU Foreign Affairs Council in March 2022, when she was Foreign Secretary, there have been no subsequent meetings in that format, though there have been discussions between senior EEAS and FCDO officials as well as working-level contacts.

“The UK and its European partners have closely co-ordinated their military support for Ukraine.”

The EU and the UK have co-ordinated closely on sanctions. Again, the G7 has been a key framework for this. For example, the G7 agreed on a cap on the price of exported Russian crude oil in December 2022, although the level of the cap has been widely criticised for being too high to do much harm to the Russian economy. While the UK and EU lists of sanctioned individuals and entities overlap considerably, they are not identical, and the two parties decide on new designations autonomously. Officials on both the UK and EU sides say that there has been a good level of information-sharing and co-operation in drawing up sanctions lists and in exchanging information on implementation. In addition, UK and EU sanctions envoys have carried out joint visits to countries, such as the UAE or Georgia, that may be circumventing sanctions, for example by turning a blind eye to the re-export of sanctioned products, or facilitating the evasion of financial sanctions via shell companies.

Military support

The UK and the EU have provided Ukraine with extensive military assistance. Within the EU, Germany is by far the biggest donor. Globally, it is the second largest donor after the US, having already committed €28 billion.1 According to the Kiel Institute Ukraine Support Tracker, by the end of February 2024, €10 billion of this sum had been allocated, meaning military equipment delivered or earmarked for delivery.2 According to the EU, its members had allocated a collective total of €28 billion by mid-March.3 Of this support, €5.6 billion has come from the EU’s own European Peace Facility (EPF), which has been used to reimburse member-states for some of the equipment they have donated to Ukraine, and to fund procurement of new equipment for Kyiv. Meanwhile, according to the House of Commons research service, the UK had committed a total of £7.6 billion by the beginning of May, including £3 billion announced by the Prime Minister in April for the 2024–2025 financial year.4 The Kiel Institute ranks the UK’s allocated support at €5.3 billion at the end of February.

Crucially, Britain has often been among the first Western allies to provide some key capabilities, such as long-range strike missiles (with France) and tanks, helping to ‘normalise’ such support. This contrasts with the more cautious approach taken by several other countries, including Germany. Sometimes Germany’s stance has been controversial, and some allies have criticised German Chancellor Olaf Scholz for not wanting to provide Ukraine with Germany’s long-range Taurus missile system. On the other hand, once it has decided to act, Germany has sometimes provided Ukraine with larger quantities of equipment than the UK, as is the case with tanks. Much focus has also been on training. By early 2024, the UK had trained 30,000 Ukrainian troops through its Operation Interflex and was due to train another 10,000 by the middle of the year.5 As of mid-March, the EU had also trained 40,000 Ukrainian troops through the EU Military Assistance Mission in support of Ukraine.

Co-ordination between the UK and its European partners has been close. The UK helped design the curriculum for the EU’s training mission. Meanwhile, Denmark, Finland, Sweden, Lithuania, The Netherlands and Romania have contributed on a bilateral basis to the UK’s training mission, Operation Interflex.6 Sweden, the Netherlands, Denmark and Lithuania have also contributed financial resources to the UK-led International Fund for Ukraine, used to procure lethal and non-lethal military equipment. However, the main forum through which the UK, the EU and individual European NATO allies including Germany have co-ordinated military support for Ukraine is the US-led Ukraine Defence Contact Group – the so-called Ramstein group. For example, the UK and Latvia jointly lead a coalition of countries, including Germany and several other European NATO members, that are working to strengthen Kyiv’s capabilities in drone warfare. Germany and France lead a group of 20 countries, including the UK, working on providing Ukraine with integrated air and missile defence. The UK is also part of a group of 23 nations, led by France and also including Germany and Poland, working to improve Ukraine’s artillery arsenal.

At the NATO Vilnius summit in July 2023, the UK and other allies agreed to conclude bilateral security agreements with Ukraine, to put their military support on a more solid long-term footing. The UK was the first country to conclude such an agreement with Ukraine in January 2024. Many EU members have since done the same, including Germany. These agreements are designed to deepen co-operation over the medium term: they provide

1: ‘The arms and military equipment Germany is sending to Ukraine’, Federal Government, April 30th 2024.
4: Claire Mills, ‘Military assistance to Ukraine since the Russian invasion’, House of Commons Library research briefing, May 2nd 2024.
5: Claire Mills, ‘Military assistance to Ukraine since the Russian invasion’, House of Commons Library Research Briefing, March 27th 2024.
The UK and its EU partners are trying to increase military assistance more structured and to provide support to build up Ukraine’s domestic defence industry. But these agreements do not provide for security guarantees or for direct military deployments of Western troops in Ukraine. French President Emanuel Macron controversially suggested in March 2024 that such deployments should not be ruled out, but the idea was swiftly rejected by most other allies, including Germany and the UK.

“The security compacts with Ukraine are designed to deepen co-operation over the medium term.”

Financial and economic support

EU support has played an essential role in keeping Ukraine afloat financially. According to the European Commission, the EU and its member-states have provided Ukraine with €43.4 billion in financial assistance since the start of the conflict. The EU has been trying to integrate Ukraine more closely into the single market prior to accession, improving Kyiv’s access by suspending customs duties, quotas and trade defence measures. The EU has also improved Ukraine’s ability to export goods through the EU to third countries through the so-called solidarity lanes. According to the Commission, these have helped Ukraine export around 122 million tonnes of agricultural products since May 2022. For its part, the UK provided £210 million in bilateral support in 2022/23 and budgeted £223 million for 2023/24. The UK is also supporting Ukraine with €4.2 billion channelled through World Bank guarantees and grants. And, like the EU, Britain has removed tariffs on most Ukrainian goods until 2029.

The G7 and bilateral channels have been the main channels for financial support, but new frameworks have grown in importance. One of them is the Multi-Agency Donor Co-ordination Platform for Ukraine, which was set up in January 2023. Its secretariat is hosted by the European Commission, and the UK has seconded an official to it. The organisation is meant to co-ordinate international support to Ukraine and to ensure that it is transparent and accountable. According to British Foreign Secretary David Cameron, the platform is a “very effective set of arrangements” for co-ordination.

The UK and its European partners also participate in the Ukraine Recovery Conference process, which focuses on the question of how to finance Ukraine’s post-war reconstruction. The UK hosted the second meeting of the group in London in June 2023, and Germany will host this year’s meeting in Berlin. The 2023 meeting saw EU Commission President Ursula von der Leyen announce a new €50 billion package for Ukraine, while British Prime Minister Rishi Sunak announced £240 million in aid and a $3 billion loan guarantee arrangement for Kyiv.

The future of British, German and European support to Ukraine

Looking ahead, the challenge for both the UK and its European partners will be to deepen their military and financial support for Ukraine, in a context where US assistance may continue to be delayed and could be completely cut off if Trump is re-elected as American president at the end of the year. Even if Trump is not re-elected, the Republicans may remain in control of at least one of the two chambers of Congress, which would probably complicate the approval of further military assistance packages for Kyiv. If lack of support allows Russia to win the war, Europeans would be in a very dangerous position: Putin may be tempted to probe NATO’s defences in the Baltics, potentially causing a catastrophic conflict.

The UK and its EU partners are trying to increase military support to Ukraine to make up for the lack of American support. However, both the UK and the EU have struggled to increase production of military equipment. For example, the EU missed its target of providing Ukraine with one million artillery shells by the end of March this year, and was only able to supply less than half that number. The Europe-wide drop in defence spending after the end of the Cold War led to defence industries shrinking and producing less equipment more slowly. Turning the tide has proved challenging. Defence companies say governments have been generally slow in placing firm orders, and as a result firms have been reluctant to make big investments in increasing production. Uncertainty over the mid-term trajectory of defence spending in many countries has not helped. Still, there has been some progress: for example, the German firm Rheinmetall has started building a factory in northern Germany that will begin producing artillery...

7: European Commission, ‘EU assistance to Ukraine’.
8: European Commission, ‘EU-Ukraine Solidarity Lanes’.
10: UK Government, ‘UK extends tariff-free trade with Ukraine until 2029’; March 8th 2024.
11: House of Lords European Affairs Committee, ‘Corrected oral evidence: Secretary of State for Foreign, Commonwealth and Development Affairs (non-inquiry session); December 14th 2023.
14: Ian Bond, ‘Does it matter if Ukraine loses?’, CER policy brief, April 24th 2024.
15: Luigi Scazzieri, ‘Can European defence take off?’, CER policy brief, January 19th 2024.
shells in 2025, with output eventually reaching 200,000 a year. But one lesson from the war in Ukraine is that high-intensity warfare demands much larger quantities of ammunition and missiles (including air-defence missiles) than Western countries can currently make.

Discussions surrounding Kyiv’s NATO membership, or direct involvement of European personnel in the war to support Ukraine, are likely to climb up the agenda but will remain controversial. At the Vilnius NATO summit, allies refused to give Ukraine a clear timeline for membership. Germany and the US were particularly sceptical of giving Kyiv a clear pathway, while some other countries including the Baltic States were more favourable. Despite US efforts to squash the discussion in advance, it seems inevitable that the question of Ukraine’s NATO membership will once again be discussed at the Washington summit this summer. While there are plans for the alliance to take steps to integrate Ukraine more closely, for example by establishing a $100 billion dedicated fund, and replacing the US-led Ramstein format with a NATO-led group co-ordinating military support to Ukraine, it seems unlikely that the allies will agree to issue a full-fledged membership invitation so long as the war goes on, as most do not want to risk becoming directly involved in conflict. In France, there is some support for the involvement of troops in non-combat roles, but widespread opposition to combat deployments. Even in Poland, where the public is hawkish on pushing back against Russia’s aggression on Ukraine, almost three quarters of the population opposes troops deployments.

"UK-EU defence industrial co-ordination could be hindered by the growing gap between the two."

As a result, the priority for the EU and the UK will be to continue to provide Ukraine with military assistance to enable it to withstand an expected Russian offensive this year. That will also put Kyiv in the position to liberate more of the territory occupied by Russia, if it wants to. In any case, Ukraine’s allies will need to build up their own defence production capacity further and faster. At the same time, the UK, the EU, Germany and other European countries are also trying to strengthen Ukraine’s defence industrial base, to ensure that Kyiv can produce and repair military equipment on its own territory. For example, several UK and EU defence companies like BAE Systems and Rheinmetall are establishing operations in Ukraine, such as maintenance and repair facilities. The security compacts with Ukraine include provisions to strengthen Ukraine’s defence industry, for example through information exchange on defence research. For its part, the EU is thinking about channelling some of its own funds to finance the expansion of Ukraine’s defence base. The EU also wants to establish an innovation office in Kyiv and to include Ukraine in its emerging ecosystem of defence industrial tools.

Co-ordination between the UK and its partners when it comes to increasing defence production for Ukraine risks being hindered by the growing ‘defence industrial gap’ between the two. Since February 2022, the EU has launched several new defence tools to encourage member-states to co-operate in terms of procurement or to increase their production of ammunition and missiles. However, the EU’s instruments are ultimately designed to strengthen the EU defence industry and have restrictive rules on the ability of non-associated third countries such as the UK to participate. Therefore, Britain is not included in the EU’s efforts to supply Ukraine with weapons or to increase defence production in Europe. As the final section argues, the UK and the EU should look to resolve this situation.

Aside from military aid, Ukraine will need extensive support to rebuild its destroyed infrastructure and repair its economy. Much of the discussion has focused on where funds for Ukraine’s recovery may come from and on whether to confiscate Russia’s frozen central bank reserves. The UK has been more forward-leaning on this, with Foreign Secretary David Cameron arguing that there is a legal route to using the assets. Germany has been more reticent: it fears the impact on the euro’s credibility as a reserve currency if Russia’s sovereign assets are not merely frozen but confiscated and then used by Ukraine. Berlin is apparently also concerned that the precedent of seizing state assets could be used by countries still seeking reparations from Germany for World War Two. The EU has been cautious about using the assets themselves but is open to using the profits arising from them. The UK is examining whether Russian assets could be used as collateral (security guarantees) to finance a loan to Ukraine – a potential compromise proposal, if it can be made to work. In mid-April EU leaders endorsed a European Commission proposal to use the interest on the assets to finance additional assistance to Ukraine. To assure the concerns of neutral EU members, 90 per cent of the funds will be directed to military support and 10 per cent to

16: ‘German, Danish leaders launch construction of new ammunition plant as Europe ramps up production’, Associated Press, February 12th 2024.
17: Leilah Abboud, ‘Emmanuel Macron pushes far right to show its colours on Russia’, Financial Times, March 12th 2024.
18: Aleksandra Krzyzsztoszek, ‘Most Poles against army involvement in Russia-Ukraine war’, Euractiv, April 10th 2024.
19: Luigi Scazzieri, ‘The EU’s defence ambitions are for the long term’, CER insight, March 13th 2024.
20: Luigi Scazzieri, ‘Can European defence take off?’, CER policy brief, January 19th 2024.
23: European Council Conclusions, April 17th 2024.
reconstruction. However, the interest is only forecast to amount to €3 billion a year: Ukraine will need much more.

Both the UK and the EU are also thinking about how they can mobilise private investment for Ukraine. Ukraine’s ability to attract private investment for reconstruction depends on its business environment. Much hinges on Kyiv’s EU accession process, as this will entail reforms to Ukraine’s governance that will reduce the risk of corruption. The UK is not involved in this process, but the British government thinks that the reforms required for Ukraine to progress towards EU membership will help in fostering an environment more conducive to attracting the private capital needed for reconstruction. It will be crucial for Ukraine to maintain the momentum of reform. But this may be challenging given the long timeframe of the EU accession process. In March, the Commission put forward a draft negotiating mandate for Ukraine, but this still needs to be approved unanimously by the member-states. Once that happens, negotiations over Ukraine’s adoption of the thirty-five chapters of the EU’s acquis – the body of EU law and policies – will begin. There will be plenty of scope for sceptical member-states, like Hungary, to cause delays, as opening and closing each chapter requires unanimity.

“The future of British, German and EU support for Ukraine depends in large part on whether public opinion remains supportive.”

In parallel with the accession negotiations the existing member-states will have to address difficult issues around the implications of enlargement for the EU budget and the functioning of EU institutions. There is a debate about the impact of Ukrainian accession on the EU budget. Research by the Hertie School suggests that it might be very limited, because of caps on national allocations built into the EU budget. But politicians and officials in many member states worry that Ukrainian membership would inevitably mean that their countries would have to pay more or receive less than they do now. Even without taking account of the effects of the war, Ukraine is very poor compared to the EU average. On a purchasing power parity basis, Ukraine’s 2022 GDP per capita was only 23 per cent of the EU average. It is worth saying, however, that on the same basis, in 2002, five years before they joined the EU, the GDP per capita of Bulgaria and Romania was 26 and 27 per cent respectively of the average of the EU-15.

Though the war has reduced Ukraine’s agricultural output, Ukraine will remain one of the world’s most important agricultural producers. It would be eligible for large payments under EU policies such as the Common Agricultural Policy. The challenge in integrating Ukraine is shown by the farmers’ protests over food imports from Ukraine, in particular in Poland. It will not be easy to find compromises acceptable to the member-states and to Ukraine. Payments from the EU budget would probably be phased-in over long transition periods (as happened in the case of the 2004 intake of new member-states) and full access to the single market would probably be granted gradually (as was the case when Portugal and Spain joined the EU). However, it will be difficult for the EU to deprive Ukraine of the tariff- and quota-free single market access it has had for most of its goods since the start of the war.

A second set of challenges relates to the EU’s internal functioning. Many member-states are adamant that the Union must reform to be able to function with a much-enlarged set of members, moving away from unanimity and towards majority voting in some policy areas, including tax and foreign policy. While changes to the voting rules would not necessarily require treaty changes, all member-states would still need to agree. Recognising that Ukraine’s EU accession process is likely to be slow, the EU is trying to flesh out the notion of phased accession, with Ukraine gradually being integrated into the single market.

The future of British, German and EU support for Ukraine depends in large part on whether public opinion remains supportive. In the UK, opinion polling suggests that there is strong cross-party support for Ukraine. Britain’s position is therefore unlikely to change if the general election later this year leads to the formation of a Labour government. The situation in the EU is more mixed. The governments of Hungary and Slovakia have been particularly sceptical about further support to Ukraine. They have criticised the West’s assistance for Ukraine, and Hungary in particular has sought to delay or water down EU support for Kyiv. For example, Budapest has delayed disbursement of funds from the EPF and held up the approval of the €50 billion Ukraine Facility, designed to support Ukraine between 2024 and 2027. Meanwhile, polls indicate that there is substantial public scepticism about additional assistance for Ukraine in several western and southern European countries, including France, Italy and Germany. If Trump is re-elected US President in November and further reduces support for Ukraine, this would probably strengthen those voices in the EU that do not favour assisting Ukraine. Discussions relating to Western military involvement in Ukraine may also prompt further opposition to military support for Ukraine in countries such as Germany or Italy.

24: Paola Tamma and Laura Dubois, ‘EU agrees to arm Ukraine using profits from Russian state assets’, Financial Times, May 8th 2024.
26: Matthew Smith, ‘Ukraine war two years on – the view from Western Europe and the US’, YouGov, February 22nd 2024.
How can EU and UK support to Ukraine be better co-ordinated

Despite the difficulties and political risks involved in trying to reshape public opinion, the UK, Germany and the EU will need to continue working closely together to support Ukraine, maintaining or increasing their military and financial assistance, ensuring sanctions are as effective as possible and working towards Ukraine’s reconstruction. The right structures can ensure that support is as co-ordinated and effective as possible.

Politically and diplomatically, the main challenge will be maintaining a consensus on supporting Kyiv in a scenario where Trump becomes US President and reduces or ends US assistance. Trump’s victory would make political co-ordination within the G7 and NATO more difficult and would increase the importance of bilateral channels between the UK and other European partners, as well as that of direct UK-EU dialogue. A structured UK-EU security dialogue would ensure that the two parties have effective channels to communicate and co-ordinate, strengthening the current ad-hoc arrangements. Such a dialogue would entail regular contacts, both for senior officials and at the working-level, and would allow for more predictable contacts. A dedicated UK-EU security dialogue could be complemented by secondments from the British civil service into the European External Action Service, which would be particularly useful in the sanctions field. These steps would help political co-ordination, particularly as the EU may be internally divided and that might make it more challenging to engage with the UK in an ad-hoc manner.

“A Trump presidency would make political co-ordination within the G7 and NATO harder and would increase the importance of bilateral channels.”

The UK should also ensure that any technical assistance it offers Ukraine in areas such as institution-building and governance is aligned with what Kyiv needs as part of its EU accession process. It will be tempting for the UK to show that it can do things better than the EU, or merely to underline that it is different. But Ukraine needs to meet EU standards as quickly and effectively as possible, and that should guide what the UK offers. There should still be many people in the UK, whether current or former civil servants, with EU experience to share with Ukraine. The UK should act in consultation with the EU to fill gaps in the assistance available from member-states.

In terms of military assistance, the challenge that the UK, Germany and the EU face is how to increase supplies to Ukraine. Under a Biden Presidency, bilateral channels and the Ramstein group will continue to be the main forums of co-ordination between the UK, Germany and its European partners. Under a Trump Presidency, the US may well withdraw from its co-ordinating role in the Ramstein group, making it necessary for Britain and its EU partners to set up alternative arrangements.

In either case, Britain, Germany and their partners should ensure that their efforts are mutually reinforcing. In terms of training, the UK and the EU should ensure that their military training missions continue to be as aligned as possible. In terms of military capabilities, it makes little sense for the EU’s defence industrial programmes to exclude the UK, an essential partner and big player in the defence industrial field. While individual member-states or defence companies may benefit from the UK’s exclusion, it is a net loss for European security more broadly – and a loss that Europe cannot afford in current circumstances. By the same token, it makes little sense for the UK to ignore the EU’s growing role in the defence industrial field. The UK and its allies should explore how to involve the UK more closely in EU defence. In the first instance that would mean allowing the UK to participate in EU instruments more easily, but it could also entail full UK association with such tools – which would require Britain to make a financial contribution. The UK and the EU should seriously consider such an option.28

The UK, Germany and its European allies should work together more closely on Ukraine’s reconstruction and EU integration process. Whether Biden or Trump win, the Ukraine Recovery Conference Process, the Multi-Agency Donor Co-ordination Platform for Ukraine and bilateral links will continue to be the most important channels for co-ordination. The UK and its EU partners should continue to co-ordinate on how Russia’s frozen assets and their profits can be used to help support Ukraine. It would be worth the UK discussing its proposal to raise loans using Russian assets as collateral more intensively with the EU, and on a bilateral basis with countries like Germany that are most nervous about touching Russian sovereign assets. The G7 summit in Italy in June would be a good moment to announce agreement.

One possibility would be for Ukraine itself to issue ‘restitution bonds’ that could be swapped for the frozen assets: Russia would only be repaid, if at all, as part of an eventual settlement of the conflict including payment of reparations.29 More broadly, the UK and the EU should continue to co-ordinate closely on ways in which private capital for Ukraine’s reconstruction can be crowded-in through public guarantees, governance and anti-corruption reforms in the context of EU accession, and through the involvement of multilateral actors like the IMF and the World Bank.

29: Timothy Ash and Ian Bond, ‘Why Russia must pay for the damage it has done to Ukraine – and how to ensure it does’, CER insight, June 19th 2023.
Conclusions

Russia’s invasion of Ukraine was a watershed moment in European security. So far, Britain, Germany and other European countries have worked together closely to support Ukraine and counter Russia’s aggression. But Russia is now on the offensive again, and Europeans cannot afford to let Putin win. The challenge for the UK and the EU is to sustain and deepen their support for Ukraine and their co-operation, in terms of sanctions, military support, financial support and reconstruction assistance. That will not be easy, particularly if Trump wins the US election and reduces assistance to Ukraine. A Trump presidency would also undoubtedly hobble the effectiveness of many of the multilateral co-operation channels used by the UK and its partners, such as the G7 or the Ramstein format. Britain and its EU partners would be wise to prepare for that eventuality now, strengthening their bilateral and multilateral channels of communication.

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