



adverse economic and/or political consequences for him, such as delaying, possibly indefinitely, any further distribution of the almost €5 billion committed but not yet distributed to Hungary from the EU's Covid-related Recovery and Resilience Facility or causing the EU to reactivate the process pertaining to violations of the rule of law spelled out in Article 7 of the Treaty on European Union that could result in Hungary losing its vote in the Council. Whatever the reason, Orbán didn't block creation of the Ukraine Facility as he had in December.

In their written conclusions for Thursday's meeting, the leaders underscored the need to foster Ukraine's ownership of its recovery and reconstruction effort by means of a Plan to be prepared by the Ukrainian government that will set out its reform and investment agenda on its path toward EU accession. Importantly, they made it clear that a necessary precondition for support under the Facility will be that Ukraine continues to uphold and respect effective democratic mechanisms, including a multi-party parliamentary system, the rule of law, and respect for human rights, including the rights of persons belonging to minorities. And they stipulated that both the Commission and Ukraine take all appropriate measures to protect the financial interests of the EU, in particular in regard to the prevention, detection, and correction of fraud, corruption, conflicts of interest, and irregularities. The leaders said the Council will play a key role in the governance of the Ukraine Facility and that a Council Implementing Decision will be adopted by qualified majority for the adoption and amendments of Ukraine Plan and for the approval or suspension of payments based on the relevant assessment and proposals of the Commission. They also stated that, on the basis of the Commission's annual report on the implementation of Ukraine Facility, the European Council will hold a debate each year on the implementation of the Facility with a view to providing guidance. If needed, in two years the European Council will invite the Commission to make a proposal for review in the context of a new MFF.

In their conclusions, the leaders also reaffirmed the EU's "unwavering commitment to continue to provide strong political, financial, economic, humanitarian, military and diplomatic support to Ukraine and its people for as long as it takes" and reiterated "the determination of the EU and Member States to continue providing timely, predictable and sustainable military support to Ukraine, notably through the European Peace Facility (EPF) and the EU Military Assistance Mission, as well as through direct bilateral assistance by Member States, in line with Ukraine's needs." The EPF is a seven-year €12 billion off-budget instrument that was created in March 2021 to support EU actions related to its Common Foreign and Security Policy – specifically, actions designed to prevent conflicts, build peace, and strengthen international security. In February 2022, days after President Putin began Russia's "special military operation," the EU provided Ukraine €4.5 billion in military assistance through the EPF. In October 2022, it created the European Union Military Assistance Mission in support of Ukraine (EUMAM Ukraine) within the EPF and last May it provided Ukraine with €1 billion for ammunition. The EPF was replenished with €2 billion last March and another €3.5 billion last July. But with its funds nearly depleted, last July Josep Borrell, the High

Representative for Foreign Affairs and Security Policy, called for the creation of a new four-year €20 billion fund within the EPF that would provide Ukraine up to €5 billion a year for four years for weapons, ammunition, and military assistance.

In November, the EU defense ministers considered the Borrell proposal. Not surprisingly, given the opposition of the Hungarian minister as well as the concerns, if not outright opposition, of some of the other defense ministers about the amount involved, the ministers tabled the proposal. As one participant put it, “Germany has had a lot of questions...and rightfully so. We’re talking about a lot of money.” An unnamed EU official said, “I’m not going to declare it dead at this point yet. But of course, improvements can always be made.” Nevertheless, the defense ministers did at least underscore the need for the EU to fulfill its commitment last May to deliver one million rounds of ammunition to Ukraine. And a few days later, they agreed to provide Ukraine an additional €200 million in EPF assistance for military training.

Having been tabled by the defense ministers in November, the Borrell proposal wasn’t on the agenda of the European Council’s December meeting for a vote. Nevertheless, in their Conclusions from that meeting, the leaders said, “The EU and its Member States will continue to address Ukraine’s pressing military and defence needs. In particular, the European Council insists on the importance of timely, predictable and sustainable military support for Ukraine, notably through the European Peace Facility and the EU Military Assistance Mission, as well as through direct bilateral assistance by Member States...The European Council invites the Council to intensify work on the reform of the European Peace Facility and the further increase of its financing, building on the proposal of the High Representative... Following the report by the High Representative, the European Council discussed the future security commitments to Ukraine. It invites the High Representative and Member States to take work forward in the Council. The European Council will remain seized of the matter.”

In its conclusions from Thursday’s meeting, the EU leaders reaffirmed the EU’s “unwavering commitment to continue to provide strong political, financial, economic, humanitarian, military and diplomatic support to Ukraine and its people for as long as it takes. The European Council reiterates the determination of the EU and Member States to continue providing timely, predictable and sustainable military support to Ukraine, notably through the European Peace Facility and the EU Military Assistance Mission, as well as through direct bilateral assistance by Member States, in line with Ukraine’s needs. It will keep the issue under review. The European Council reviewed work in the Council on military support for Ukraine under the European Peace Facility and the proposed increase of its overall financial ceiling. It invites the Council to reach agreement by early March 2024 to amend Council Decision (CFSP) 2021/509 [which authorized the EPF] on the basis of the proposal of the High Representative for a Ukraine Assistance Fund and the proposed key modalities, taking into account suggestions by the Member States.”

The European Council will meet again on March 21-22, 2024. The most important question before the leaders at that meeting will be whether the Council has in fact amended its 2021 decision and created the Ukraine Assistance Fund and, assuming it has done both, how much military assistance over what period of time will the EU provide Ukraine through that fund.

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