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**Research Report**

## Rebuilding Ukraine: How the EU should support Ukraine's reconstruction and recovery

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## Rebuilding Ukraine: How the EU Should Support Ukraine's Reconstruction and Recovery

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### Summary

Russia's brutal war against Ukraine has disastrous consequences for the country. Although an end to the war is currently not in sight, it is already clear that a huge international effort will be required to support Ukraine's reconstruction. At the Ukraine Recovery Conference in July, the Ukrainian government presented a National Recovery Plan that envisions a deep modernisation of the country.

The Ukrainian government's reconstruction priorities are well in sync with the European Union's (EU) ambition to promote Ukraine's transformation towards an EU member state and to foster the country's green and digital transition. The National Recovery Plan fully embraces the "build back better" principle and closely aligns the reconstruction plans with the EU's norms and standards.

The EU, on its part, is willing to bear a major share of the international effort required for Ukraine's recovery. However, the same degree of unity and resolve that the EU showed when forging its initial response to the war will be needed to realise a strong EU leadership role in supporting Ukraine's long-term reconstruction.

To provide a sustainable basis for Ukraine's recovery, the EU and member states need to combine ad hoc humanitarian assistance with predictable, long-term support for reconstruction. In doing so, they should consider the following key recommendations:

- **Adopt a two-phase approach to reconstruction.** The modernisation and transformation of Ukraine towards an EU member state will take several years. At the same time, the vast infrastructure losses that Ukraine is currently facing need to be addressed urgently, ideally before the winter sets in. Hence, international donors should prioritise the reconstruction of infrastructure related to basic needs, including schools, hospitals, housing, electricity grids and roads. In a second phase, deeper modernisation efforts and institutional reforms that are of relevance for eventual accession to the EU should follow.
- **Set up adequate governance mechanisms for the joint management and oversight of reconstruction efforts.** The Ukrainian government and the EU should set up a coordination platform that also involves other international partners and Ukrainian civil society actors. This platform should then develop institutional governance mechanisms for the management and oversight of projects, and ensure close coordination between the Ukrainian government and international partners.
- **Negotiate a comprehensive agreement on the EU's contribution to the reconstruction of Ukraine.** A timely agreement on the governance and funding of the EU's long-term assistance to Ukraine is needed. A mixed strategy that includes borrowing capital on behalf of the EU on the markets and funnelling additional contributions by member states to the EU's budget might be a potential way forward. In addition, the EU should swiftly examine legal possibilities to channel sanctioned Russian assets towards Ukraine's recovery.
- **Continue and expand military assistance to Ukraine.** Substantive investments in Ukraine's reconstruction should not come at the expense of necessary military aid. One priority should be to strengthen Ukraine's ability to protect its skies against Russian missile attacks. Moreover, the EU should realise its plans for an EU military training mission, provided that it creates real added value to existing efforts and matches Ukrainian needs.

## Introduction

Russia's brutal war against Ukraine has disastrous consequences for the country and its people. Russian forces have purposefully destroyed civilian infrastructure and housing, and have deliberately targeted, deported and murdered civilians. More than 13,000 civilians are estimated to have been killed or wounded, including almost 1,000 children (Office of the United Nations High Commissioner for Human Rights, 2022). By September 2022, more than 6 million Ukrainian refugees have been recorded across Europe, and the number of internally displaced people within Ukraine is estimated at around 7 million. The estimated damage to residential and non-residential buildings and infrastructure has reached more than \$114.5 billion (Kyiv School of Economics, 2022). Ukraine's economy is projected to suffer a loss of 35 per cent in real gross domestic product in 2022.

Russia's aggression against Ukraine is an attack on the fundamental UN Charter principles of sovereignty, independence and territorial integrity that the international order rests upon. To restore the credibility of these principles, the international community is contemplating plans to help Ukrainians rebuild their country. High expectations are on the EU – and on Germany as one of its economic and political heavyweights – to take a leadership role in this effort.

The Russian invasion prompted a strong, concerted and immediate response by the EU that few may have anticipated in terms of unity and resolve among EU institutions and member states. The EU has to date adopted seven packages of comprehensive sanctions against the Russian political leadership and oligarchs, financial institutions and the Russian economy. It has also strongly supported the Ukrainian government through military, financial, and development and humanitarian aid.

Despite the EU's unity in crafting an immediate response to Russia's attack on Ukraine, it is possible that this unity may get cracks over time

the longer the war continues and the more severely the economic consequences are felt in European countries. Hungarian opposition to oil sanctions and limited support for coordinated energy saving by some member states show that the economic impact of the war is already challenging European unity. Ongoing and yet unresolved discussions among EU member states on how to fund pledged macro-financial assistance (MFA) to Ukraine is already shedding light on how challenging it might be to negotiate the EU's contribution to Ukraine's long-term reconstruction and to provide this contribution in a timely manner.

This policy brief aims at (i) providing an overview of how the EU has supported Ukraine so far in terms of various kinds of assistance, (ii) analysing priorities and proposed plans of Ukraine and the EU on how to rebuild the country, (iii) providing recommendations for key stakeholders concerning the next steps in Ukraine's long-term reconstruction and recovery.

## Strong EU support to Ukraine in response to the Russian invasion

Within the months since 24 February 2022, the EU has spent considerably more money on assisting Ukraine than in the whole 2014-2020 Multiannual Financial Framework (MFF) period. In the previous budget cycle, the EU had supported Ukraine with more than €1.7 billion through the European Neighbourhood Instrument, with loans of €5.6 billion for macroeconomic stabilisation, and in the form of humanitarian aid amounting to €194 million. After the start of Russia's invasion and until September 2022, the EU had spent around €14.5 billion, including through military assistance, macro-financial assistance as well as humanitarian and development aid (see Table 1).

**Table 1: EU support to Ukraine mobilised since 24 February 2022**

Type of support	Amount
<b>Military assistance via the European Peace Facility</b>	<b>€2.5 billion</b>
<b>Macro-financial assistance</b>	<b>€7.2 billion</b>
<b>Development and humanitarian aid</b>	<b>€4.8 billion</b>
...provided by the European Commission	€1.6 billion
...provided by the European Investment Bank	€2.2 billion
...provided by the European Bank for Reconstruction and Development	€1 billion
<b>Total EU support provided (as of Sep. 2022)</b>	<b>€14.5 billion</b>
<b>Total EU support pledged incl. additional €3 billion in macro-financial assistance</b>	<b>€17.5 billion</b>

Source: Compiled on the basis of figures provided by the Council of the EU (2022) and the Kiel Institute for World Economy's Ukraine Assistance Tracker (Kiel Institute for the World Economy, 2022) (figures in the table as reported as of mid-September).

### *Military assistance to Ukraine*

Leaving behind old taboos and using the off-budget European Peace Facility (EPF) created in March 2021, four days after the Russian invasion the Council of the EU decided to procure and distribute lethal military equipment to Ukraine. This is the first time ever the EU has funded the provision of weapons to another country. The main rationale behind the military assistance to Ukraine is to strengthen the Ukrainian armed forces' capabilities to repel Russian military aggression and defend the territorial integrity and sovereignty of their country. Since 28 February, the Council has adopted five consecutive EPF assistance packages, each worth €500 million – with about 90 per cent of the funds designated for lethal equipment and 10 per cent for non-lethal equipment – to Ukraine, amounting to €2.5 billion of military assistance in total. This amounts to around 43 per cent of the EPF's total budget of €5.7 billion that was supposed to fund worldwide operations for the period of 2021-2027. Member states will soon need to look for ways of how to replenish the instrument.

### *Financial, development and humanitarian aid provided by the EU*

Besides military assistance, the provision of macro-economic, humanitarian and development assistance has been a fundamental part of the EU's support to Ukraine since the Russian invasion, amounting to approximately €12 billion provided by the EU institutions.

To support the Ukrainian government in stabilising its financial liquidity and allowing it to deal with immediate financial needs, the EU disbursed an MFA package of €1 billion that was adopted on 24 February. The financial assistance had already been prepared before the Russian invasion and was largely intended to support the Ukrainian government in alleviating the economic challenges caused by the Covid-19 pandemic.

Additional MFA packages worth €1 billion and €5 billion in loans were adopted in July and in September accordingly, with disbursements starting quickly thereafter. The funds are the two instalments of a bigger EU exceptional MFA package of up to €9 billion that the European Commission had announced in May. However, the measure has spurred controversy among EU member states on how to provide guarantees to back the proposed loans. Some member states insisted that they cannot provide any further guarantees in addition to bilateral loans already provided to Ukraine, arguing for grants to be better suited to assist Kyiv.

Apart from MFA, the EU has provided development assistance and humanitarian aid in order to address imminent humanitarian needs in Ukraine caused by the war, which also has implications for official development assistance (ODA) (see Box 1). Overall, the European Commission has mobilised €1.6 billion through various funding mechanisms. In addition, substantial financial support totalling €3.2 billion has also been provided by the European Investment Bank and the European Bank for Reconstruction and Development.

The support from EU institutions is complemented by about €5.4 billion in development assistance provided by EU member states. A third of this total

EU bilateral aid – about €1.8 billion – is provided by Germany, which in 2021 was the largest bilateral development cooperation provider in Ukraine. This includes, inter alia, financial assistance of €1 billion in grants, an emergency support programme by the Federal Ministry for Economic Cooperation and Development (BMZ) worth €185 million and a commitment of €425 million for the reconstruction of Ukraine pledged at the G7 summit in Elmau.

**Box 1: Implications of the war for ODA**

As a lower-middle-income country, bilateral and European aid to Ukraine can be reported to the Organisation for Economic Co-operation and Development (OECD) as ODA. Under the rules set by OECD members, expenses eligible for ODA include much of the humanitarian, development and financial assistance provided to the country, whilst notably excluding military expenditure. In-donor refugee costs can also be reported as ODA and are likely to considerably add to the ODA spending of selected countries, notably Poland and the Czech Republic. The OECD anticipates that assistance to Ukraine is likely to drive up overall ODA volumes in 2022, but may exhaust humanitarian aid budgets, which would decrease donors' abilities to respond to other crises (Organisation for Economic Co-operation and Development [OECD], 2022).

At the same time, Russia's war against Ukraine is changing the global context for ODA budgets and spending. Record high food and energy prices and high debt levels are driving increased poverty and needs in many parts of the world, but also putting pressure on the national budgets of donor countries. Although OECD members have stepped up with additional resources and commitments, the global demand for ODA is likely to increase further (OECD, 2022). Pressure may increase on donors to find a way to strike a balance between addressing short-term crises and long-term commitments in support of the 2030 Agenda and its Sustainable Development Goals.

***Regulatory and political support measures***

Besides financial assistance, the EU has also supported Ukraine through regulatory measures. This includes the synchronisation of the electricity grids of Ukraine with the Continental European

Grid, and the suspension of import duties on all Ukrainian exports to the EU for one year. Both these measures aim to reduce the transaction costs for the Ukrainian government in its economic interactions with the EU.

Finally, one of the strongest measures of EU support to Ukraine has been the European Council's decision on 23 June to grant candidacy status to Ukraine. Obviously, long before the Russian invasion, Ukraine was an important partner country for the EU within its European Neighbourhood Policy and Eastern Partnership programme. In 2014, the EU and Ukraine signed an Association Agreement including a Deep and Comprehensive Free Trade Area, which has been provisionally applied since 2016.

The decision to grant candidacy status to the country lifts EU-Ukraine relations to a new level. It is the first time EU candidacy status has been granted to a country in active war. At the same time, uncertainties remain as to how fast Ukraine can fulfil all necessary membership criteria and whether EU member states will demonstrate unanimous support for the accession of the country.

That aside, the enlargement dimension of EU-Ukraine relations will strongly affect the EU's future support to Ukraine. It implies that Ukraine's reconstruction will be combined and synchronised with systematic efforts to strengthen Ukraine's democracy and rule of law institutions and to undertake other necessary reforms linked to EU membership requirements.

**From emergency assistance to long-term reconstruction efforts**

Although there is a lot of uncertainty about if, when and how the war may end, EU leaders have begun to discuss how to best organise and fund the Union's long-term assistance for the reconstruction of Ukraine. It is clear that the same degree of unity and resolve that the EU showed when forging its initial response to the Russian invasion will be needed to craft a joint roadmap for assisting Ukraine's long-term reconstruction.

At the European Council meeting on 24-25 March, EU leaders called for the creation of a Ukraine Solidarity Trust Fund for the post-war reconstruction of the country. On 18 May, the European Commission tabled its own proposal on how the EU could support Ukraine's long-term reconstruction. The Commission suggested the establishment of a Ukraine Reconstruction Platform to coordinate the reconstruction efforts as well as a "RebuildUkraine" Facility as the main legal instrument to fund the EU's support. Adding another label for the EU's support to Ukraine, the European Investment Bank's Vice-President suggested at the Ukraine Recovery Conference in Lugano in July an "EU-Ukraine Gateway Trust Fund" to support urgent and long-term investments in Ukraine's reconstruction.

While it remains open whether these different proposals are complementary, the Commission's Communication on RebuildUkraine provides the most specific blueprint for the discussion about how to assist Ukraine's long-term reconstruction. It foresees the Ukraine Reconstruction Platform being co-led by European Commission and Ukrainian government officials, but also bringing together representatives of EU member states, other bilateral and multilateral partners, and international financial institutions. The platform would serve as the main international coordination and strategic governance body for ensuring that the international support is congruent with the Ukrainian government's plans for reconstruction.

The proposed idea is that the RebuildUkraine Facility would be embedded in the EU's budget and would provide financial assistance to Ukraine through a mix of grants and loans. Concerning the latter, the Commission proposes several options. Grants to Ukraine could be funded through additional contributions from member states and third countries and existing Union programmes, or through a targeted revision of the MFF. Regarding loans, the proposal mentions the option to raise the funds for the loans on behalf of the EU or with member states' national guarantees.

To what extent and how fast this expressed political commitment is to translate into a concrete

agreement on how to assist Ukraine's reconstruction in the long term remains an open question. A key controversy is likely to revolve around how to fund the reconstruction effort. Member states' interest in re-negotiating the MFF so as to allocate additional resources to Ukraine's recovery might be very limited, given that the current MFF could only be established after long and tough negotiations. Likewise, the proposal to raise funds for loans by borrowing capital on the markets on behalf of the EU – as done to fund the EU's response to the Covid-19 pandemic under Next Generation EU (NGEU) – is likely to meet resistance by some member states. The German government, for example, had only agreed to the proposal of joint debts during the MFF and NGEU negotiations under the condition that it would be a one-off, temporary measure.

Another key issue to be negotiated with the Ukrainian government will be the priorities for the reconstruction of Ukraine. In the 18 May Communication, the Commission proposed four major pillars for reconstruction, including (i) rebuilding infrastructure, health services, housing and schools, and digital and energy resilience, (ii) modernising the Ukrainian state and institutions and strengthening good governance and respect for the law, (iii) deepening economic and social integration with the EU, and (iv) supporting Ukraine's economy by promoting sustainable competitiveness and trade, private-sector development, and contributing to the green and digital transition of the country. These priorities clearly indicate that the EU requires the reconstruction to be in line with the European green and digital agenda, and to respect fundamental principles of the rule of law and good governance.

## **Ukraine's National Recovery Plan**

Ukrainian leadership insisted on planning Ukraine's reconstruction early on despite uncertainty on the battlefield and the mounting costs of destruction. Shortly after pushing Russian troops out of northern Ukraine this past April, President Volodymyr Zelenskyy created a National Recovery Council (NRC) tasked with the goal of

preparing a long-term vision for rebuilding Ukraine after the war's end. The NRC offered a platform for numerous stakeholders – governmental ministers, leaders of parliamentary committees, top executives of governmental agencies, independent experts – to deliberate within specialised working groups. After nearly two months, it produced a mammoth National Recovery Plan, which was presented at the international conference in Lugano on 4-5 July. Introducing the Plan, Ukraine's prime minister, Denys Shmyhal, stressed that Ukraine aims at not only rebuilding physical infrastructure destroyed by Russian attacks, but also seeks to modernise the country's institutions and industries. Hence, the Plan went beyond Ukraine's immediate needs and proposed a mix of 852 short- and long-term projects to be realised over the next 10 years.

These projects were divided into 15 national programmes covering a variety of sectors and activities (see Figure 1). From the perspective of allocated resources, there are three areas that Kyiv considers pivotal: rebuilding regional infrastructure and housing (\$150-250 billion), modernising logistical networks (\$120-160 billion) and energy transition (\$130 billion). Reportedly, major infrastructure losses include schools, hospitals, housing and roads. Ukraine's government considers addressing them as a matter of urgent priority, foremost in the de-occupied regions of Kyiv, Chernihiv, Sumy and Kharkiv to ensure that people's basic needs (shelter, sanitation, heating, electricity) are met before the winter season sets in. Rebuilding logistical and transport networks is crucial for keeping the economy running and generating badly needed revenue through trade. Finally, Ukraine aims at becoming energy independent from Russian fossil fuels and plans to align itself with the EU's Green Deal. Prior to the war, only 10 per cent of Ukraine's power output was generated through renewable energy, while half of the electricity supply came from nuclear energy.

Ukraine's reconstruction priorities appear to be in sync with the European Commission's proposals. Ukrainian planners, at least on paper, fully

embrace the "build back better" principle, and the main guidelines for "better" are the EU's norms and standards. Ukraine's newly received EU candidate status implies that the traditional reform agenda related to institutional capacity-building, rule of law and anti-corruption are now part of the reconstruction agenda, as the contents of the National Recovery Plan already reflect it. The like-mindedness between Kyiv and Brussels in setting out reconstruction priorities will certainly be tested when it comes to practical implementation. Ukraine's recent history suggests that even strategically important infrastructure projects are not immune to corruption risks and fund embezzlement (Miller, 2018).

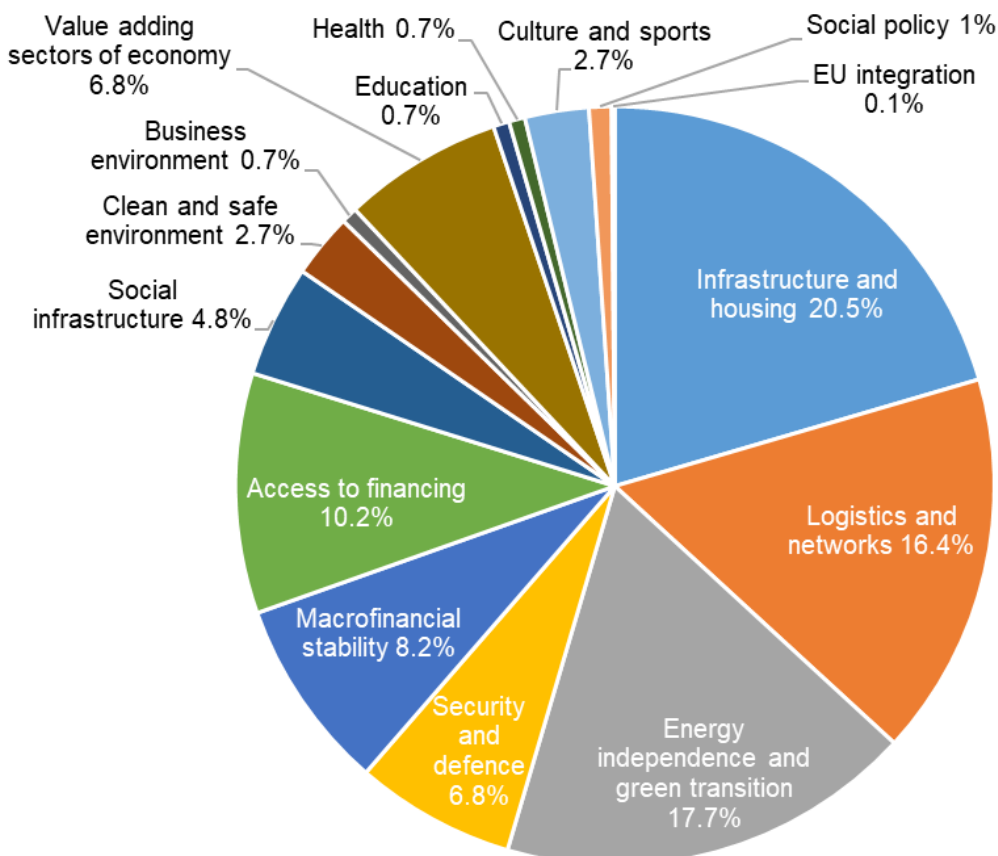
Although the drafters of Ukraine's National Recovery Plan deserve merit for developing a comprehensive document under the challenging circumstances of ongoing war and shifting cost estimates, the document left several questions unaddressed, the first being governance and decision-making. The drafting process appeared to be a largely top-down exercise driven by officials from the ever-powerful Presidential Office. Independent Ukrainian observers criticised the Plan for the lack of transparency or consultations with civil society actors and local communities. Elected local leaders and numerous volunteer groups currently carry the highest burden of humanitarian relief on the ground and therefore deserve a legitimate say on rebuilding their war-affected communities. The same is true for Ukraine's international donors, which were not included in the composition of the NRC.

The second thorny question is sources of funding. Ukrainian officials suggested that the country's recovery bill will cost as much as \$750 billion. Kyiv insists that the lion's share of this bill should be covered by Russian reparations and requested that its Western partners expropriate the sanctioned Russian assets in their countries. The Russian Elites, Proxies, and Oligarchs Task Force, established by G7 countries and Australia, reportedly blocked \$300 billion worth of the Russian Central Bank's currency reserves and

\$30 billion worth of private assets. Only one-tenth of this amount was found in the EU, with members such as France, Germany, Belgium and Luxembourg accounting for the lion's share of frozen Russian assets. The EU created a special task-force to identify sanctioned assets and introduced a legislative proposal to make it easier for member states to seize them. In the meantime, Canada became the first Western country to pass the legislative framework that allows for confiscating sanctioned Russian assets and redirecting the funds to Ukraine, although a precise mechanism of such a transfer remains unclear. What is more, the Ukrainian government itself has not been leading by example. Even though the suitable legal instruments have been in place since May, the authorities have been dragging their feet on seizing well-documented assets of Russian oligarchs within Ukraine, to the fury of many anti-corruption activists.

The third issue is the link between reconstruction and stability. Ukrainian leaders insist that the reconstruction should start sooner rather than later, but they also emphasise that Ukraine's successful recovery is likely to be dependent on investment in Ukraine's security and defence. As President Zelenskyy put it recently, rebuilding Ukraine "means a completely new level of security throughout our country, which has to continue to live next to Russia" (President of Ukraine, 2022). American economist Benn Steil argues that the US Marshall Plan for the post-war reconstruction of Western Europe – often invoked as a model to follow in the case of Ukraine – would not have worked well without credible US security guarantees (Steil, 2022). The best security guarantee for Ukraine at this stage seems to be strong Ukrainian armed forces that are capable of driving Russians out of the occupied territories and repelling similar attacks in the future. Successful reconstruction cannot take place in the absence of security.

**Figure 1: Breakdown of Ukraine's National Recovery Plan by sector, % of total expected costs**



Source: Authors, based on Ukraine's National Recovery Plan



## Recommendations

To provide a sustainable basis for Ukraine's reconstruction and recovery, the EU and member states need to combine ad hoc humanitarian assistance with predictable, long-term support for reconstruction. In doing so, they should consider the following key recommendations.

**(1) Adopt a two-phase approach to reconstruction.** Although the war is ongoing, the reconstruction of housing and infrastructure in Ukraine needs to start as soon as possible, given the devastating damage Russian shelling has inflicted on civilian infrastructure. International donors, in a first phase, should therefore prioritise the reconstruction of infrastructure related to basic needs, including schools, hospitals, housing, electricity grids and roads. In a second phase, full-fledged modernisation efforts and substantive institutional reforms towards eventual accession to the EU should follow. Funding for reconstruction efforts in this second phase should come with a significant degree of conditionality, making the availability of funding contingent on the implementation of reforms, particularly in the areas of public financial management and the rule of law. Most likely, the implementation of long-term modernisation projects and institutional reforms will only be possible when the fighting has ended. At the same time, it is likely that the security environment will remain volatile for a certain period and may bear a risk of renewed Russian aggression. This means that long-term reconstruction and modernisation projects in this phase will need to be rolled out gradually.

**(2) Set up adequate governance mechanisms for the joint management and oversight of reconstruction efforts.** Ukraine's aspiration to join the EU can be a key catalyst for the full-fledged modernisation of the country. Although the ownership for the reconstruction of the country must be with the Ukrainians, the EU needs to co-own the process and take a strong role in this effort, both to leverage the EU's support to the Ukrainian government's reform agenda and to contribute towards accountability and oversight.

Hence, the Ukrainian government should embrace the EU's proposal to establish a Ukraine Reconstruction Platform that is jointly led by Ukrainian and EU officials. The platform should then also develop institutional governance mechanisms for the planning, administering and auditing of funds; for providing accountability and transparency vis-à-vis public audiences; and for ensuring close coordination between the Ukrainian government and its international partners.

A key governance aspect should be the inclusion of Ukrainian local governments and civil society actors to ensure both that local expertise is fed into the planning and implementation process and that reconstruction projects actually match local needs. European cities and municipalities have already played a strong role in providing humanitarian aid to their Ukrainian partner cities and regions. This decentralised form of cooperation should be further leveraged, for example, by providing dedicated funding to the European Alliance of Cities and Regions for the Reconstruction of Ukraine, which was launched in July 2022.

**(3) Negotiate a comprehensive agreement on the EU's contribution to the reconstruction of Ukraine.** To enable the reconstruction of infrastructure related to basic needs as soon as possible, a timely agreement on the level of funding and governance of the EU's contribution to Ukraine's recovery is needed. The European Commission, the Parliament and the Council should quickly enter negotiations about the proposed RebuildUkraine Facility and about how to fund it. The latter will most likely be a key issue of controversy among member states. A mixed strategy that includes borrowing capital on behalf of the EU on the markets and funnelling additional contributions by member states to the newly created facility might be a potential way forward. Moreover, the EU should explore how it can provide risk guarantees to private investors in order to attract private investments, adding to ODA flows. In addition, the EU should find a proper legal procedure to channel sanctioned Russian assets towards Ukraine's recovery. This will take some time, but the EU should aim to use

these funds at least in the second phase of reconstruction for modernisation.

Germany should play a leading role in moving forward the negotiations at the EU level. The German government has received substantive criticism for what has been perceived as an overly hesitant response to the Russian invasion with regard to the country's military support to Ukraine. Yet, it is a long-standing cooperation partner of the country, which is reflected in its position as being among Ukraine's largest bilateral donors in terms of ODA over the past years, together with the United States. Moreover, it has provided a significant share of EU member states' bilateral humanitarian and development aid to Ukraine since 24 February. This degree of involvement could provide the basis for co-leading a coordinated European development cooperation response to Ukrainian reconstruction needs. Its decision to co-host, together with the European Commission, the follow-up conference to Lugano in Berlin in October 2022 is an important political signal in this regard.

**(4) Continue and expand military assistance to Ukraine.** The EU's reconstruction efforts in Ukraine should not be viewed in isolation from the provision of military aid to the country. Conversely, the two policy tracks need to be linked to reflect a traditional security–development nexus. In line with this approach, the determination to invest in Ukraine's long-term development and reconstruction needs to be complemented by credible efforts to provide Ukraine with the ability to protect and sustain those reconstruction achievements. In the short term, this implies prioritising security assistance that would help Ukraine to protect its skies. At the time of writing, Ukraine had no effective air-defence system, which has allowed Russia to strike deep into Ukrainian territories with missiles, destroying the Ukrainian economy and terrorising the civilian population. Six months into the war, Ukraine has received neither fighter jets nor modern anti-missile systems from its Western partners. Germany's commitment to provide Ukraine with the IRIS-T missile system is a good

step towards breaking ground and should be followed by other allies. It is in the interest of Western partners to make sure that any short-term reconstruction achievements in Ukraine are not blown away immediately by Russian missile attacks. This increased military assistance may also necessitate a replenishment of the European Peace Facility in the medium to long term.

Beyond immediate weapon transfers and similar complementing initiatives by selected member states, the EU should play a role in the capacity-building of the Ukrainian military through an EU military training mission and by developing deeper defence ties with Ukraine. Last year, the EU contemplated setting up such a mission amid the Russian troop surge at Ukraine's border. The idea was to reform Ukraine's professional military education, but the mission never took off, since even such a benign aim was seen by some member states as being too provocative towards Moscow. The EU's foreign policy chief, Josep Borrell, however, has recently called to revive the idea. The EU, for example, can consider coordinating and streamlining disparate training activities offered by the Czech Republic, Poland, Germany and other member states to help Ukrainian soldiers. However, such an effort needs to be guided by the goal of creating real added value to existing efforts and should first and foremost match Ukrainian needs and priorities.

In sum, EU institutions and member states can, and should, play a leading role in supporting the comprehensive reconstruction and recovery of Ukraine. The sooner they embark on this endeavour, the faster that the vision of a free, sovereign and democratic Ukraine within the European Union will become a reality.

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