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Tolksdorf, Dominik

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Transatlantic Cooperation on Ukraine

How Europe could Respond to Uncertainty over US Assistance

Dr. Dominik Tolksdorf
Research Fellow USA/
Transatlantic Relations

The difficult negotiations in the US Congress over a new aid package for Ukraine show that support has become a contested political issue in the US. Given the uncertainty over US assistance, European states should further strengthen their long-term commitment to Ukraine in terms of military and financial assistance. At the same time, given its own military shortcomings, Europe should seek avenues that could help convince Republicans in Congress to maintain US security assistance.

– **In the US election campaign, some Republicans will criticize Biden's Ukraine policy and Europe's limited contributions. Europe should communicate its resolve effectively to US stakeholders.**

– **The launch of EU membership negotiations is an important political signal, but it needs to be backed up with financial commitments. If the European Council is unable to adopt the EUR 50 billion package, European governments should swiftly bring forward bilateral assistance instead.**

– **Given Europe's shortcomings in supplying Ukraine with sufficient military equipment, continued US security assistance will remain important for some time. Europe should seek avenues to maintain Republican buy-in by indicating that it would be willing to expand its financial assistance further and re-consider its position on the frozen Russian assets.**

FURTHER US ASSISTANCE TO UKRAINE UNCERTAIN

The support for Ukraine has been strong in the US since the beginning of Russia's invasion, both from the White House and Congress. However, in the context of budget negotiations and the election campaign, US assistance to Ukraine has become a contested political issue among Republicans and is likely to remain so. A majority of the members of Congress from both parties still supports Ukraine assistance, but a number of Republicans, particularly in the House of Representatives, have blocked further aid. Recently, the Republicans in Congress have made their consent to a large foreign assistance supplement dependent upon changes in US border and asylum policies. As of December 2023, it remains to be seen if, when, and under which conditions Republicans and Democrats in the Senate will find a compromise on the issue, and if Mike Johnson, the Speaker of the House, will succeed in securing sufficient support for the trade-off among the members of the Republican conference.

These discussions are closely related to the ongoing negotiations over the federal budget, which will continue to intensify again in January. These developments illustrate that US assistance to Ukraine is highly dependent on congressional politics, which jeopardizes further funding, particularly in an election year. In addition, if and to what extent the US will still support Ukraine after the 2024 elections is uncertain.

REPUBLICANS CRITICIZE BIDEN'S UKRAINE POLICY – AND WILL ALSO FOCUS ON EUROPE'S CONTRIBUTIONS

The negotiations over new Ukraine assistance are mostly affected by partisan disputes over domestic issues and the election campaign, but Europe's support for Ukraine and burden-sharing also play a role in the discussions. In the election campaign, Republican candidates, specifically from the nationalist-populist wing of the party, will harshly criticize the Biden administration's Ukraine policy, including its cooperative approach towards European allies which, in their view, has emboldened European allies' free-riding under the US umbrella. Several presidential candidates and members of Congress have questioned European allies' contributions to support Ukraine in the past, and such critical remarks are likely to continue in the election campaign.[1]

Germany, as an economic powerhouse, is often at the center of attention among Republicans and Democrats when it comes to European issues. Overall, there is a broad and longstanding incomprehension among both parties about the reluctance of consecutive German governments to invest significantly more in defense. As a result, the lack of political will to reach the NATO defense spending target has been a topic that has strained US-German relations for many years. Given these past tensions, the expectations for a fundamental change of mentality in the context of Germany's Zeitenwende politics (the new era after Russia's invasion of Ukraine) are high. While many US officials acknowledge Germany's progress in reducing its dependence on Russian fossil fuels, expectations remain high that Germany will also make significant progress in terms of defense spending and military capabilities. However, views on the role of Germany, and more generally European allies, in supporting Ukraine slightly differ between Democrats and Republicans.

On this issue, members of Congress can be roughly categorized into three groups: First, the group of Republicans from the populist-nationalist wing, who generally criticize US assistance to Ukraine as a waste of US taxpayers' money. They also view the war against Ukraine as a European security issue that should be dealt with by Europeans and criticize the Biden administration for enabling free-riding by European allies. The second group, which is comprised mostly of Republicans who are generally in favor of continued support to Ukraine, criticize the "as long as necessary" approach by the Biden administration. They demand a clearer strategy on how to achieve a Ukrainian victory and stricter accountability and oversight over the US weapon systems sent to Ukraine. They are also more critical of Germany's role because Berlin's close alignment with the Biden administration, in their view, has backed Biden's incremental and overly cautious approach in supplying military assistance to Ukraine.[2] The third group, which is comprised of the majority

1 See, for example, the remarks by Donald Trump in a town hall discussion in May 2023: "Trump won't say whether he wants Russia or Ukraine to win war," YouTube (last accessed December 15, 2023) Several Republican members of Congress have made similar statements.

2 With regard to military support, it is striking that the German government has regularly sought close alignment with the US and was reluctant to take decisions without similar actions by the US government. For example, in early 2023, the Chancellery was reluctant to pledge the delivery of main battle tanks (Leopard 2) to Ukraine without the Biden administration's prior announcement to supply Abrams tanks. See e.g. https://abcnews.go.com/Politics/week-transcript-2-12-23-jake-sullivan-rep/story?id=97468998/ (last accessed December 15, 2023) This US-centric approach by the German government stands in contrast to the UK, which was the first country to pledge Western-type main battle tanks to Ukraine.

of Democrats, are in favor of continued Ukraine assistance and emphasize that the Biden administration has been successful in maintaining a coalition of allies that support Ukraine.[3] They therefore also see Germany's Ukraine policy more favorably than many Republicans. Nevertheless, both pro-Ukraine Republicans and Democrats demand more initiative by Berlin and other European allies without prior US leadership and were particularly irritated over Berlin's reluctance to move ahead with the delivery of main battle tanks to Ukraine in early 2023.[4]

In the upcoming primaries in the congressional districts, it is unlikely that many Democratic candidates will openly criticize the Biden administration's handling of Ukraine assistance (in contrast to Biden's handling of the Israel-Hamas war). In contrast, the topic will likely be a controversial issue between the more traditional and the nationalist-populist candidates in the Republican primaries. As a result of the gerrymandered system in most US states, the Republican candidates that will prevail in the primaries will also most likely be elected to the US House of Representatives. The outcome of the primaries will therefore give an indication of how Ukraine aid will be discussed in the next Congress, particularly in the House of Representatives.

EUROPE HAS AN INTEREST IN KEEPING THE US INVOLVED IN UKRAINE

The uncertainty over the future US Ukraine policy as a result of partisan battles over the federal budget, congressional politics, and the upcoming elections (that are all connected to each other) has major implications for the EU member states as well. Most European governments share the view that supporting Ukraine is in their national and European security interest, at the very least because they fear that Ukraine's defeat would increase the risk of a Russian attack on a NATO member. Given the indications that the war could potentially continue for a number of years, European governments tacitly agree that Ukraine's ability to defend itself will continue to depend to a large degree on US security assistance, in parallel with European assistance. Simply put, because of Europe's lack of military capabilities and slow progress in addressing these shortcomings since 2022, a role for the US in supporting Ukraine will remain important. As a result of this dilemma, Europe has a strong interest in the US continuing its support for Ukraine, particularly with regard to military assistance, and should therefore seek ways to advance this outcome.

If Europe further expands its commitment and assistance, Biden could argue that his cooperative approach with allies has been successful in terms of effective burden-sharing

In these efforts, it remains important to convince pro-Ukraine stakeholders in both parties that Europe is committed to the long-term support of Ukraine, willing to take on more initiative and a larger share of the support to Ukraine. US policymakers from both camps would welcome such an approach as fair burden-sharing between the transatlantic partners. This might also strengthen Biden's re-election campaign, in which he could argue that his focus on strengthening alliances through a cooperative approach has been successful in terms of effective burden-sharing between the allies (or "responsibility-sharing," as the Biden administration terms it). It should be noted, though, that Europeans will hardly be able to convince the group of Republicans in Congress that is already principally opposed to further assistance and to stifle their narrative of European free-riding in a hyper-politicized campaign year.

3 Since 2022, a broad coalition of allies under US lead has provided weapon systems, ammunition, and intelligence to Ukraine. The military coordination is ensured through regular meetings of the defense ministers in the framework of the "Ukraine Defense Contact Group", which is chaired by the US defense minister.

4 From discussions with congressional aides and foreign policy experts.

A PRO-ACTIVE AGENDA THAT INDICATES EUROPE'S COMMITMENT TO UKRAINE

Apparently, the most effective way to counter criticism of Europe's lack of resolve – from whichever side it may come – is a pro-active policy by the EU and its member states to support Ukraine. While the largest part of the military assistance to Ukraine has been provided by the US so far, European allies have gradually increased their contributions, and Germany has become the second-largest contributor of military assistance to Ukraine.[5] Both the US and European partners have also provided significant amounts of financial, economic, and humanitarian assistance to Ukraine. It is unlikely that the US will be able to sustain its comprehensive assistance of the first two years because the focus of US foreign policy, also under a second Biden presidency, would likely shift to other global issues and regions, including the Indo-Pacific or the Middle East. It is very likely that the US government, also under a second Democratic administration, will expect its European allies to significantly exceed its support to Ukraine. European states therefore must increase their military assistance to ensure that Ukraine does not run out of equipment to defend itself.

Measures often proposed to ramp up European military assistance include but are not limited to: pledges of further military aid packages by the EU member states and the EU;[6] significant increases in national defense budgets, particularly in those states that have not met the NATO target of two percent of GDP, which is seen by NATO officials as the floor and not the ceiling;[7] further efforts to enhance European production of ammunition and artillery shells; long-term contracts between national governments and European defense industries in order to secure sufficient production of military equipment; the development of maintenance and repair facilities for military equipment close to or within Ukraine; the expansion of military training programs for Ukrainian armed forces in European states; and changes to national legislation to give national armed forces priority over non-EU countries in the acquisition of defense equipment from European manufacturers (similar to the US Defense Production Act).[8]

Delays in these efforts will not only have an impact on Ukraine's ability to defend itself but will also have an impact on the US debate, where members of Congress will follow Europe's progress closely. As such, the recent reports that Europe will not be able to produce a million artillery shells within one year, as announced in March, can be seen as a lack of European resolve to support Ukraine. Also, the German government's plans to fund future military assistance for Ukraine from the EUR 100 billion special fund that was primarily intended for modernizing equipment and strengthening the German armed forces could be seen as a lack of political will to increase both defense investments and Ukraine assistance in parallel. The recent budget discussions in Germany could be a harbinger of future discussions in many EU states when military and social expenses will have to be weighed against each other more frequently. Effective political communications to convince the European public that continued support for Ukraine is essential for European security will therefore likely become even more relevant than in the first two years of the war.

EUROPE SHOULD ENSURE COHERENT COMMUNICATIONS IN THE US ABOUT ITS CONTRIBUTIONS

Effective communications will also remain important to convince political stakeholders in the US that Europe takes a fair "burden sharing" seriously. European embassies in Washington regularly point out their assistance to Ukraine and have been supported in these efforts by the Biden administration, which regularly emphasizes European contributions.[9] Pro-Ukraine Republicans in Congress also make efforts to counter the narrative of European free-riding among their colleagues.[10] And a recent report by the Republican chairmen of the foreign affairs, armed services, and

5 See e.g. Ukraine Support Tracker | Kiel Institute (ifw-kiel.de) (last accessed December 15, 2023)

6 The member states have recently postponed a decision on the EU's multi-year military aid package of EUR 5 billion per year for Ukraine in the framework of the European Peace Facility (2024-2027), which was proposed by Josep Borrell. The German government has recently announced that it would increase the military assistance for Ukraine for next year from EUR 4 billion to EUR 8 billion.

7 NATO - Opinion: Press conference by NATO Secretary General Jens Stoltenberg with the Chancellor of Germany, Olaf Scholz, 19-Jun.-2023 (last accessed December 15, 2023)

8 Other, non-military issues, include measures to close loopholes in sanctions regime against Russia to limit its ability to continue the war against Ukraine, and a clear and accountable EU membership accession process with Ukraine.

9 For example, the State Department's announcements of new US security assistance from November 2023 compares that allies and partners of the US have provided USD 36 billion in security assistance to Ukraine, while the US has provided USD 44.2 billion. See Biden Administration Announces New Security Assistance for Ukraine > US Department of Defense > Release (last accessed December 15, 2023)

10 For example, congressional aides regularly prepare factsheets about allies' contributions to support Ukraine to inform members of Congress.

intelligence committees in the House of Representatives argues that US and European assistance have complemented each other and led to burden-sharing between the allies.[11] Continuous and effective communications on European contributions will be particularly important in the election campaign. European government officials should therefore continue efforts to reach Republican audiences.[12]

The German government should seek a close coordination with the new Polish government on Ukraine assistance

In these efforts, European capitals should try to align their messaging closely. Competition between the member states, on the other hand, could undermine these efforts. The German government should therefore use the opportunity to seek a close coordination with the new Polish government on Ukraine assistance and more coherent messaging about Europe's commitment to Ukraine. EU coherence is also important to prepare for a situation in which a potential government of former president Donald Trump might try to drive a wedge between the member states. The more cohesive European communications are before the US elections, the better the chance they will not be divided during a potential Trump presidency.

POTENTIAL WAYS FOR EUROPE TO ACCOMMODATE REPUBLICAN INTERESTS

While many members of Congress continue to support Ukraine assistance, it is uncertain how much support will be left in the next Congress, particularly among Republicans. But there are a few topics that Europe could engage in to seek Republican buy-in to stay committed to Ukraine even before the elections, and potentially after. In addition to Europe's commitment to swiftly expand its military assistance (see above), these could include a commitment to further expand financial aid to Ukraine and a re-consideration of its position on confiscating frozen Russian assets in Europe.

The assistance that the US, European states and the EU have provided to Ukraine since 2022 has included significant financial, economic and humanitarian aid. Without budgetary support, Ukraine would likely not have been able to maintain a functioning government on various administrative levels and ensure social payments. For the year 2024, the Ukrainian government calculates a budget deficit of more than EUR 40 billion, for which it will depend on assistance from international partners like the EU (around EUR 18 billion), the US (around EUR 8 billion), and the IMF.[13] Since 2022, 61 percent of total US assistance to Ukraine went to military aid, 34 percent to financial and economic aid, and 5 percent to humanitarian aid.[14]

In the current negotiations in Congress over new assistance to Ukraine, pro-Ukraine Republican lawmakers aim to convince their critical colleagues to agree to a new aid package that includes clearer conditions for a strategy on how Ukraine could win the war, accountability and oversight for US assistance, and a reduction of budgetary support and humanitarian aid to Ukraine.[15] According to some proposals, the US would primarily focus on the military assistance, from which the US defense industry would benefit. For Europe,

11 See 11.15.23 Ukraine Report (house.gov) (last accessed December 15, 2023)

12 For example, during her visit to the US in September, German Foreign Minister Annalena Baerbock gave an interview on Fox News in which she emphasized the German and European contributions to support Ukraine.

13 Will Western aid plug Ukraine's gaping budget deficit in 2024? | Reuters (last accessed December 15, 2023)

14 Ukraine Support Tracker | Kiel Institute (ifw-kiel.de) (last accessed December 15, 2023) Much of the financial and economic aid was used for direct financial support of Ukraine's central budget, which was provided via World Bank mechanisms. See IF12305 (congress.gov) (last accessed December 15, 2023)

15 See e.g. the proposal by Republican Congressman Mike Garcia, rep._garcia_ukraine_white_paper.pdf (house.gov) (last accessed December 15, 2023)

given its apparent limits to supply sufficient military aid, such a division of labor could be a feasible trade-off and a way to accommodate the support of critical Republicans. The EU has already been the largest donor of financial and economic assistance in 2023, and an expansion of its contribution would be difficult to communicate in Europe as well. But it might, nevertheless, be a price to pay for Europe to secure US commitment. As a key contributor of the budget support to Ukraine, the EU would also gain more leverage over the Ukrainian administration and the implementation of reforms that the EU will ask for in the pre-accession process.

However, as recent events have illustrated, Europe's ability to further expand its financial support to Ukraine will be difficult to realize at the EU level. At the recent European Council meeting, the Hungarian government vetoed the adoption of a EUR 50 billion multi-year aid package for Ukraine.[16] In addition, the recent elections in Slovakia have shown that solidarity with Ukraine may crumble in EU states the longer the war continues. Pro-Ukraine European governments should show that they are able to adapt to the situation. If they are unable to find a solution in the EU framework in early 2024, they should swiftly bring forward a special fund or bilateral assistance instead. Some heads of government have already indicated that this would be a feasible option. In addition, they could indicate that they would also be willing to go beyond that and expand the budgetary support in the medium-term (for example through a funding mechanism outside of the EU) so that the US could primarily focus on military assistance. Such a European commitment may also have a positive impact on the ongoing Ukraine assistance negotiations in Congress.

A second issue that could potentially be an avenue to ensure Republican buy-in for Ukraine assistance is the potential confiscation of Russian central bank assets that have been frozen in the US and Europe since 2022 (most of them in European deposits). The topic is frequently discussed, particularly among Republicans, and recently also in the context of securing funding for Ukraine aid. In June, a group of Republicans and Democrats introduced the "Rebuilding Economic Prosperity and Opportunity (REPO) for Ukrainians Act,"[17] which, if adopted by Congress, would authorize the US president to seize Russian assets and deposit them into a support fund for Ukraine. However, opponents of confiscation argue that this would be a violation of the principle of sovereign immunity and have serious repercussions for the international financial system.[18]

While the confiscation of assets before the end of the war has been controversially discussed within the Biden administration, many Western governments are opposed to such a measure as well. As a compromise between these positions, the EU Commission has proposed to use the earnings of the frozen assets to deposit in an account to support Ukraine. But in the US, the discussion goes beyond that and the idea to confiscate the assets before the end of the war has become increasingly popular among members of Congress, including Mike Johnson, the new speaker.[19] If the topic gains further support in Congress as a way to secure assistance for Ukraine, it will also put Europe under pressure to re-consider its position on the issue, and European governments could see it as an avenue to secure Republican buy-in for further Ukraine assistance.

16 The "Ukraine facility" that is in discussion consists of EUR 17 billion in grants and EUR 33 billion in loans.

17 ROS23873 (senate.gov) (last accessed December 15, 2023)

18 For a discussion on the topic, see e.g. The REPO Act: Confiscating Russian State Assets and Ukrainian Reparations | Lawfare (lawfaremedia.org) (last accessed December 15, 2023)

19 Speaker Mike Johnson to NYC: Dump 'sanctuary' policies, get migrant money (nypost.com) (last accessed December 15, 2023)

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Rauchstraße 17/18
10787 Berlin
Tel. +49 30 254231-0
info@dgap.org
www.dgap.org
@dgapev

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