EU agrees €5 bn package to fund arms for Ukraine

European Union countries have agreed to provide five billion euros ($5.48bn) for military aid to Ukraine as part of a revamp of an EU-run assistance fund, handing Kyiv a timely boost as its forces struggle against Russia’s invasion.

Ambassadors from the EU’s 27 member countries agreed to the overhaul of the European Peace Facility (EPF) fund at a meeting in Brussels on Wednesday after months of wrangling, with EU heavyweights France and Germany at the centre of much of the debate.

“The message is clear: we will support Ukraine with whatever it takes to prevail,” EU foreign policy chief Josep Borrell posted on social media platform X after the decision.

The fund operates as a giant cash-back scheme, giving EU members refunds for sending munitions to other countries.

France, a strong promoter of European defence industries, had insisted on a strong “buy European” policy for arms eligible for refunds. Other countries argued that such a requirement would inhibit efforts to buy worldwide to get weapons to Ukraine quickly.

Germany, by far Europe’s biggest bilateral donor of military aid to Ukraine, had demanded donations be taken into account in determining the size of countries’ financial contributions to the fund.

Diplomats said compromise was eventually reached allowing flexibility on the “buy European” rules and taking into account part of the value of bilateral aid when calculating members’ financial contributions.

“This is yet another powerful and timely demonstration of European unity and determination in achieving our common victory,” said Ukrainian Foreign Minister Dmytro Kuleba.

“We look forward to the final decision being approved at the next EU Foreign Affairs Council meeting.”