

Why the EU needs a wartime investment plan

EU member states moved quickly to provide support to Ukraine following Russia's invasion in February. However, with an extended conflict now looking likely, the EU can no longer rely on short-term ad-hoc measures, writes Pierre Haroche. Instead, European leaders should establish a coherent Wartime INvestment (WIN) plan to both support Ukraine and provide coordinated investments in the military capabilities of EU member states.

On 25 May, Dmytro Kuleba, Ukraine's Foreign Minister, declared the following: "What we saw are some revolutionary ground-breaking decisions taken by the European Union, which even they themselves did not expect to make. And we see NATO as an alliance, as an institution, sidelined and doing literally nothing."

Indeed, since the beginning of the Russian invasion of Ukraine in February, the EU has undoubtedly reacted as an important defence actor. As early as 28 February, it started to use a financial instrument established in 2021, the [European Peace Facility](#) (EPF), to support weapon delivery to Ukraine. Moreover, on 19 July, the European Commission proposed a new regulation, the [European Defence Industry Reinforcement through common Procurement Act](#) (EDIRPA), seeking to subsidise member states' military stock replenishment through joint acquisitions.

These initiatives illustrate a new division of labour between the EU and NATO, with the two organisations working to defend Europe against Russia through their respective comparative advantage. While NATO focuses on the operational dimension, the EU relies on financial and industrial policies. However, as welcome as these EU initiatives are in principle, they share one major practical weakness: they seek to respond to a wartime situation using peacetime funds.

While the EPF has a ceiling of €5.6 billion for the 2021–2027 period, €2.5 billion have already been used for Ukraine alone, through five successive tranches of €500 million. This pace is unsustainable in the perspective of a long war in Ukraine, let alone if the EU is to continue to help other partner countries in the rest of the world. Similarly, to finance the EDIRPA, the Commission could only find €500 million from the margins of the EU budget, a symbolic sum compared to what is at stake.

Initially, it may have been rational to respond to the emergency with short-term ad hoc measures. Today, we are clearly reaching the limits of this logic. Wartime requires not only rapid and substantial investments, but also coherence and advance planning.

Instead of a series of small measures, the EU should adopt a military investment plan designed for the medium term. This would give more clarity and predictability to EU policy, but also send a strong signal of resolve to the outside world, in particular to Russia.

A good illustration of such a medium-term strategy is the \$40 billion aid package to Ukraine voted by the US Congress in May. This initiative clearly demonstrated the credibility of the US commitment to Ukraine. A medium-term approach is even more necessary as the EU is currently preparing a training mission for the Ukrainian army, which will require anticipating needs and will have to be closely coordinated with the arms delivery policy.

An EU Wartime INvestment (WIN) plan should therefore be established to cover not only support to the Ukrainian armed forces for the months to come but also coordinated investments in member states' pressing military needs through joint procurement. Similar to the EPF, the WIN plan would be funded by all member states on the basis of their GDP. With an amount of €10 billion, it would constitute the EU's flagship military initiative in response to the war.

Linking support to Ukraine to member states' rearmament in the same package would be logical because these policies are two sides of the same coin. First, the weapons that member states need to strengthen their defence posture, in particular in the NATO framework, are the same ones that Ukraine needs to fight today. Second, the urgent need for member states to rearm themselves is also, in large part, precisely to replace the weapons and ammunition they send to Ukraine.

Politically, the WIN plan could be embraced not only by Eastern flank countries, which are very committed to strengthening EU support for Ukraine, but also by France, which would see it as a step forward for European defence cooperation. For frugal countries, the WIN plan could be a way of rationalising expenditures that will be necessary anyway, by avoiding duplication and favouring economies of scale through joint procurement.

The war in Ukraine has become a war of attrition, with little or no decisive breakthrough. In this context, two factors are crucial: renewing military capabilities and maintaining political resolve over the long term. The WIN plan would allow the EU to strengthen Ukraine on both counts and thus contribute directly to ultimate victory.

Note: This article gives the views of the author, not the position of EUROPP – European Politics and Policy or the London School of Economics. Featured image credit: [European Council](#)
