



EVENT REPORT

Ukraine Security Forum: a tipping point for Europe's security and democracy

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Context

This report reflects statements and questions made during a Forum event hosted by Friends of Europe in Brussels on 28 May 2024.

With Russia's full-scale invasion of Ukraine entering its third year and Europe facing the most significant threat from Moscow since the end of the Cold War, a tipping point has been reached for security and democracy on the old continent. Taking stock of these existential and unprecedented risks, the Forum gathered senior decision-makers, business leaders, civil society representatives and experts from both sides of the Atlantic to chart a course forward.

A first invitation-only panel heard experts discuss Unfreezing frozen assets for the public good under the Chatham House Rule. This was followed by public events, including the official launch of a [special report](#), Ukraine: Cost of Inaction and two panels on Geopolitical Consequences and Geo-economic risks and opportunity.

Participants considered questions including:

- What are the key legal barriers to the confiscation of Russian assets currently frozen in various jurisdictions?
- How can the international community ensure that the confiscation of Russian assets does not set a dangerous precedent for future conflicts?
- What is at stake for the security of the Euro-Atlantic alliance and global democratic community in Ukraine?
- What happens if the West fails in Ukraine?
- Will Ukraine be able to fast-track reforms and build a better, more resilient economy?
- What are the challenges of integrating Ukraine into the EU?

The Forum was a flagship event of the new Friends of Europe Ukraine Initiative.

Recommendations

- Find ways to further increase Ukraine's potential as a partner and key player in the energy transition
- Develop a simple guidebook on what can legally be done and how, regarding seizing frozen assets
- Consider Canadian rules about the confiscation of state assets for lessons applicable to Russian assets seized by Europe
- Ensure that Ukrainian potential in the energy and agriculture sectors plays a central role in the Transatlantic relationship
- Better prepare Europe to act in a crisis without immediate support from the US
- More clearly decide and say whether Europe wants Ukraine to win and Russia to lose the war
- Examine opportunities for governments to support citizen organisations with military aid in Ukraine
- Place the immediate needs of Ukrainian soldiers at the heart of EU, G7 and US training programmes
- Maintain strong relations and dialogue with US Democratic and Republican parties, whatever the 2024 Presidential election results
- Encourage Member State efforts to adopt a negotiating framework for Ukraine's EU membership

Event Summary

Let It Go: Frozen assets

Europe was urged to be innovative and agile in finding ways to use billions of euros in frozen Russian assets to support Ukraine. This use of assets would be unprecedented but legally justifiable.

Since Russia's invasion of Ukraine in 2021, around 300 billion EUR in Russian bank reserves have been frozen, along with billions more belonging to oligarchs and state-owned enterprises located in the EU.

Debate on these frozen assets took place mostly at a panel held under the Chatham House Rule.

"The 300 billion immobilised should be used to cover the needs caused by Russia," a speaker said. "I'm sure if there is a political decision, legal scholars will find solutions," agreed another expert.

With Russia showing no willingness to pay reparations, and a decision to hand the money back to Russia unthinkable, the reserves are likely to remain permanently frozen if they are not seized by the international community. This, however, has led to legal concerns about setting a precedent for seizing and using assets, potentially discouraging countries from leaving reserves in Europe.

“ It is not helpful that after two years of freezing the assets, we don't have even one track or position to take

Vladyslav Rashkovan, Alternate Executive Director,
International Monetary Fund

Action should be taken immediately, without waiting for all details of legal solutions to be finalised, participants agreed. "Use is the only morally acceptable use of this money; the law will follow," one speaker said.

The starting point for action must be that Russia has broken international law. Fears of creating a precedent are misplaced, one expert explained. "We want full seizure of the assets to be the precedent. You should not invade a sovereign state."

European and US voices suggested ways of amending or navigating international law to facilitate the legal confiscation of the frozen assets, and their use in Ukraine. The EU has argued that the earnings on assets belong to Euroclear, from where most,

if not all, can be syphoned off to Ukraine. A US approach would see these earnings securitised, with billions made available as a loan to Ukraine.

This loan might be the simplest and best idea if it had support from Western countries. This “loan” would then be a political gesture, with Ukraine’s claim against Russia for reparations serving as collateral.

The cost of inaction has increased “dramatically and tragically” over the last two years. Unable to use the frozen assets for army and resistance needs, Ukraine has had to print 12 billion dollars in emergency funds, leading to 30% inflation.

Belgium is the holder of the largest chunk of assets in Euroclear. Under the Belgian approach, a 25% tax on profits from these assets creates revenue for Ukraine. Some 90% of this is for defence spending and 10% for reconstruction.

“Political and technical hesitation” should not mean that Belgium is left to act alone here. There is also a need to refocus on seizing the assets, not just the profits.

“It is not helpful that after two years of freezing the assets, we don’t have even one track or position to take,” said **Vladyslav Rashkovan**, Alternate Executive Director, International Monetary Fund, speaking during a later public section of the Forum “Ukraine needs funds now to continue the war and rebuild the country.”



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From left to right:

1. **Kolinda Grabar-Kitarović**, Member of the Ukraine Initiative Steering Group, former president of Croatia; **Chentsov Vsevolod**, Head of the Mission of Ukraine to the European Union and the European Atomic Energy Community; **Jan De Pauw**, Special Envoy for Ukraine, Belgium Ministry of Foreign Affairs
2. Members of the Ukraine Initiative Steering Group: **Dalia Grybauskaitė**, former president of Lithuania; **Rose Gottemoeller**, Stevan C Hazy Lecturer at Stanford University, former deputy secretary general of NATO and former undersecretary for arms control and international security at the US Department of the State; **Michael C. Ryan**, former Deputy Assistant Secretary of Defence for European and NATO policy at the United States Department of Defence
3. Roundtable Debate: Unfreezing Frozen Assets for the Public Good
4. **Andrii Pyshnyy**, Governor of the National Bank of Ukraine
5. **Štefan Füle**, Member of the Ukraine Initiative Steering Group, Former EU commissioner for enlargement and European neighbourhood policy and former special envoy to the OSCE and the Western Balkans



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Ever Closer to EU

Welcoming Ukraine into the EU is not only a question of accession negotiations but also of the shared values revealed by and promoted through the struggle with Russia.

“Their cause is our cause,” said **Jamie Shea**, Senior Fellow at Friends of Europe and former Deputy Assistant Secretary-General for Emerging Security Challenges at NATO.

A Renewed Social Contract, defining mutual relationships, respective responsibilities, shared values and expectations, can be promoted through support for and closer ties with Ukraine.

The Netherlands plans to allocate at least 1.5 billion EUR of aid to Ukraine in 2025, because both countries must “stand up for democracy and rule of law values,” said **Kajsa Ollongren**, Minister of Defence of the Netherlands.

Dutch and EU support for Ukraine should promote solidarity and territorial integrity principles. Ukraine could not stand up for itself and European values, without Member States, EU and NATO backing

EU values, including transparency, accountability and gender equality, will be promoted through Ukraine's defence and reconstruction.

Ukraine EU accession talks will not, however, be fast-tracked by Russia's invasion.

“There is no discount on the reforms needed for EU accession,” cautioned **Gert Jan Koopman**, European Commission Director-General for Neighbourhood and Enlargement Negotiations.

A final accession agreement would not, for instance, include the agriculture and budgetary measures offered to Ukraine by EU countries during the war. There will instead be more alignment with EU norms, as was the case for countries acceding to the EU in 2004 and 2007.

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Kajsa Ollongren, Minister of Defence of the Netherlands

This means that, although there would be problems if Ukraine joined the EU tomorrow, the country likely eventually to accede will be richer, modernised and have put its house in order. One of the fastest growing economies in Europe last year was Ukraine.

EU Member States should adopt the negotiation framework for Ukraine's EU membership, knowing that differences between Ukraine and the earlier wave of countries joining the EU are often exaggerated.

"The accession process takes time," said Mr Koopman. He concluded that becoming an EU member is "going to be hard for Ukraine but the outlook is good."

"Don't listen to the defeatist narrative," agreed **Petra Gombalova**, Head of Ukrainian Division at the European External Action Service.

Securing a Shared Future

Russia's invasion of Ukraine has changed the security environment in Europe not just for now but for decades to come. Seeing that safety and liberty have a price, Europe must now be willing to pay that price.

This means the EU and Ukraine need to work on resilience. Ukraine needs air defence, ammunition, and training, which would require billions of EUR in additional support. EU and NATO meetings must consider how to get allies to work together towards a shared security aim.

"It is important not only that Ukraine wins but that Russia loses the war," said **Hanno Pevkur**, Minister of Defence of the Republic of Estonia. "This is about making decisions. It is not only political will"

The war could already be over if Western partners had worked together for victory in Ukraine from the start. Instead, only around 30 countries today are helping Ukraine, with 170 not helping and many UN members openly supporting Russia. For months, even the US blocked military support and the EU could not fill this gap.

"Support for Ukraine is not just about solidarity," said **Oleksandra Matviichuk** Head of the Centre for Civil Liberties, Nobel Peace Prize Laureate and 2023 European Young Leader (EYL40). "It is also an investment in security."

“ It is important not only that Ukraine wins but that Russia loses the war. This is about making decisions. It is not only political will

Hanno Pevkur, Minister of Defence of the Republic of Estonia

There is always a human price to pay for inaction in securing borders or providing military aid, which the people of Ukraine are now paying for freedom, rights, property and loved ones.

The forcible mobilisation of Ukrainians means hostages have been told by Russia, “first we will occupy Ukraine then, with you, we will conquer the whole world.”

Russia has always presented its ultimate victory as a *fait accompli*. The West has to be proactive and save the rules-based order but time is running out, as Ukraine loses not just territory but also people.

“The whole world thought we didn’t stand a chance. The fact that we are alive is a victory of civilisation over barbarity,” said **Oleksandr Scherba**, Ambassador-at-large at the Ministry of Foreign Affairs of Ukraine. He put the message from Ukrainians on the ground bluntly: “I don’t want to be a slave of Russians and I want to kill them all.”

Jonas Ohman, Head of the Blue/Yellow NGO, agreed. “We are helping to kill as many Russians as possible. This is what war is about.” Blue/Yellow is the biggest citizen organisation providing military support in Ukraine and is very good and efficient at this. Governments need to chip in, including with military equipment.

“ *Support for Ukraine is not just about solidarity* ”

Oleksandra Matviichuk, Head of the Centre for Civil Liberties, Nobel Peace Prize Laureate and 2023 European Young Leader (EYL40)

The Energy to Rebuild

Rebuilding Ukraine after the war will bring countless challenges for Ukrainians and their international allies. Among those most keenly felt is the need for a green energy transition, in a country that has already seen 80% of its energy generation infrastructure destroyed by Russian missiles.

“We are aligned on the green transition. The war did not change this, quite the opposite” said **Kadri Simson**, European Commissioner for Energy.

Immediately after Russian tanks crossed the Ukrainian border, Europe synchronised EU and Moldovan energy grids. This connected 400 million consumers across 24 countries, increasing electricity imports and exports from the EU to Ukraine. Originally seen as an emergency connection, these power grid links are now permanent.

“The message is clear. Ukraine belongs to the EU,” Ms. Simpson said. This includes integrating the Ukrainian energy market into the EU single market and rebuilding energy infrastructure in line with the EU Green Deal. Last year the EU and Ukraine signed a Memorandum of Understanding (MoU) on a Strategic Partnership on Renewable Gases: an energy source which can be more resilient to shelling, in some cases using existing infrastructure.

Reconstruction is particularly difficult in areas such as the energy sector but cannot be delayed. In addition to rebuilding power grids and providing humanitarian assistance, there is a need for instance to get Ukraine through winter weather, including through

the use of mini power generators, said **Jean Van Wetter**, Managing Director of the Belgian Development Agency (Enabel). In addition, “it will be very important to attract people back to Ukraine. We need to have the basic infrastructure ready for that.”

“It is very important that the economy keeps running” in Ukraine, agreed **Wolfgang Schlaeger**, Head of EBRD Office in Brussels, noting that the EBRD is investing in different projects to encourage investment in Ukraine.

“ We are aligned on the green transition. The war did not change this, quite the opposite

Kadri Simson, European Commissioner for Energy

“We are seeing the tragic cost of inaction every day,” said **Paul Ames**, Former AP NATO Correspondent and author of the special report Ukraine: Cost of Inaction. Billions of dollars have already been invested in Ukraine, but this is not enough. “Ukraine is a country with enormous potential.”



- From left to right:*
1. **Kadri Simson**, European Commissioner for Energy
 2. Second Panel on Geoeconomics of the Public Session
 3. **Jamie Shea**, senior fellow for Peace, Security and Defence at Friends of Europe and former Deputy Assistant Secretary-General for Emerging Security Challenges at NATO
 4. **Gert Jan Koopman**, Directorate-General for Neighbourhood and Enlargement Negotiations
 5. Speakers of the Public Session: **Hanno Pevkur**, Minister of Defence of Estonia; **Kajsa Ollongren**, Minister of Defence of the Netherlands; **Jonas Ohman**, Head of Blue/Yellow Ukraine NGO





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Friends of Europe is a leading think-tank that connects people, stimulates debate and triggers change to create a more inclusive, sustainable and forward-looking Europe.

