

CHAPTER 2

FIELDS THAT NEED TENDING

How the EU can achieve transatlantic unity on Ukraine

by
ONDREJ DITRYCH

The transatlantic partners' support to Ukraine has experienced periodic ebbs and flows. The second Trump administration has injected a significant dose of unpredictability into the process. Despite this, several enduring factors will continue to shape the future course of the conflict. Russia has not given up its strategic objectives of liquidating Ukraine's sovereignty and resurrecting its former empire in Eastern Europe. Its economy and society are being mobilised for a protracted confrontation. Ukraine, despite visible war fatigue, continues to increase its defence production capacities, but it remains dependent on Western – and, increasingly, European – support⁽¹⁾. Meanwhile, Trump remains keen to strike a grand bargain with Russia, while his commitment to Ukraine's sovereignty remains unclear. Moscow cares more about the outcome of this war than Washington, and this asymmetry will further increase as the US shifts its global

priorities away from Europe. Trump's personal disposition, notably his accommodating and deferential approach to Russia, exacerbates the broader structural forces at play.

In this context, the EU needs a strategy to support Ukraine over the long term. This strategy needs to start from a clear assessment of where EU and US interests regarding Ukraine converge, diverge or directly clash. The open discord may have temporarily abated. But trust has been broken. To rebuild the transatlantic relationship in this domain, the EU should minimise the risks of divergence and actively pursue convergence where possible in the military, diplomatic, and economic fields of recovery and reconstruction.

(1) Ukraine boosted the output of its defence industry from USD 1 billion in 2022 to USD 35 billion three years later. For some key weapons like UAVs, unmanned ground systems or electronic warfare it now meets nearly 100% of battlefield needs. See 'Ukraine is making more weapons than ever, but still can't fight Russia alone', *Wall Street Journal*, 18 May 2025 (<https://www.wsj.com/world/ukraine-weapons-manufacturing-industry-8a48bbf1>).

FIELDS OF DIVERGENCE

US military assistance to Ukraine has been indispensable but also, more recently, diminishing and subject to disruptions. Kyiv is seeking to mitigate the risks of supply disruption by scaling up domestic defence industrial production, with the goal of reducing anticipated dependence on US military supplies to 20% in 2025⁽²⁾. Meanwhile, the EU and its Member States have stepped up their military support, which currently stands at around €63 billion⁽³⁾. Nonetheless, Ukraine still depends on US military assistance for several critical capabilities – such as Patriots for layered air defence, longer-range ground-launched ballistic missiles, and over-the-horizon intelligence. Interruptions in US deliveries, notably the two ‘pauses’ to date, as well as the administration’s decision to withdraw authorisations for long-range strikes⁽⁴⁾, have further frustrated Ukraine’s defence efforts.

While the pauses in US military assistance can be attributed to restrainers’ influence on policy, the withdrawal of strike authorisations was closely tied to

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US diplomatic efforts to end the war. It is in this domain that transatlantic discord has been most visible. Both sides want the fighting to stop but they diverge on the methods and terms. The EU (and the European ‘coalition of the willing’) rejects any settlement that would formalise a new territorial *status quo* and is ready to consider sanctions relief only once a ceasefire has proved sustainable. The US, on the other hand, favours a rapid ‘peace deal’ based on a (mis-)reading of Russia’s power and its aspiration to bring Moscow on board in its broader great power gambit to reshape global politics away from a liberal international order. All expectations that Trump would end his appeasement of Moscow have been proven false. In July, amid a stalled EU enlargement process and continued Russian pressure on Kostiantyniv-

ka and Pokrovsk in the Donbas – even if sustained at inordinate cost – Trump threatened crippling sanctions unless the Kremlin engaged seriously in peace talks. He did not sell out Ukraine at the subsequent meeting held in Anchorage on 15 August 2025 – or punish President Zelensky for rejecting his (misnamed) ‘land swap’ proposal as a condition to end Russia’s hostilities⁽⁵⁾. However, neither did he act on his threats to pressure Russia, even as Moscow stalled in response

(2) An interview with a senior Member State defence official, June 2025.

(3) Speech by HR/VP Kaja Kallas at the European Parliament, 9 September 2025 (https://www.eeas.europa.eu/eeas/ukraine-speech-high-representativevice-president-kaja-kallas-ep-plenary_en). Team Europe has provided 83% of battle tanks and 76% of the air defence systems to Ukraine since 2022, and the EU has trained around 80 000 Ukrainian soldiers. See Kiel Institute, ‘Ukraine Support Tracker’, 2025 (<https://www.ifw-kiel.de/topics/war-against-ukraine/ukraine-support-tracker/>); Peters, T. and Przetacznik, J., ‘State of Play: EU support to Ukraine’, European Parliament Research Service, June 2025 ([https://www.europarl.europa.eu/RegData/etudes/BRIE/2025/775834/EPRS_BRI\(2025\)775834_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/BRIE/2025/775834/EPRS_BRI(2025)775834_EN.pdf)).

(4) Ward, A., Gordon, M.R. and Seligman, L., ‘Pentagon has quietly blocked Ukraine’s long-range missile strikes on Russia’, *Wall Street Journal*, 23 August 2025 (<https://www.wsj.com/politics/national-security/pentagon-has-quietly-blocked-ukraines-long-range-missile-strikes-on-russia-432a12e1>).

(5) The widely used term ‘land swap’ is a misnomer as it concerns only Ukraine’s internationally recognised territories. While details of the proposals discussed are not publicly available, it would most likely entail Ukraine giving up the rest of Donbas and recognising the loss of Crimea while recovering small territories in the Kharkov and Sumy regions. The currently unoccupied Donbas (ca. 25 % of the region’s area) is home to 200 000 people. Ukraine’s withdrawal would moreover severely undermine its defences as it would be vacating heavily fortified Slaviansk and Kramatorsk and offer Russia easier access to vast lowland areas in the (likely) case of renewed aggression.

to the peace process taking an unwelcome turn with transatlantic discussions on security guarantees for Ukraine.

Transatlantic competition may also intensify in the future in the field of economic assistance and reconstruction. This is a critical domain: nearly 50% of Ukraine's economy remains dependent on foreign aid, while the cost of reconstruction and recovery after three years of war has been estimated at €506 billion⁽⁶⁾. 'Team Europe' has emerged as a major provider of assistance, contributing €169 billion in support to Ukraine to date⁽⁷⁾. US economic assistance has been smaller in overall volume but, unlike Team Europe's, it has largely taken the form of grants rather than loans. However, the Trump administration now prefers a new instrument, the Reconstruction Investment Fund. While this signals a degree of convergence in terms of overall interest in Ukraine's recovery, it also creates potential for future transatlantic conflict, all the more so as third actors, particularly China, seek to enter the development arena.

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FROM DIVERGENCE TO DISCORD?

Unless carefully managed, these divergences could easily evolve into discord. Under favourable circumstances, both the already authorised resources in the Presidential Drawdown Authority (PDA) and the Ukraine Security Assistance Initiative (USAID) could even be used to procure Tomahawk missiles for Ukraine, enabling it to much more actively deter Russia's aerial campaign⁽⁸⁾. A more likely scenario, however, is that US military assistance will freeze entirely at a time when Ukraine's defences are under growing strain. In that case, Europeans would be unable to fill critical gaps in the short term. The US administration did consent to deliveries funded and channelled to Ukraine by NATO allies. Zelensky could build on this agreement to counter the potential adverse impact of the Anchorage meeting⁽⁹⁾. However, doubts persist about US industrial capacities and hence the

(6) World Bank Group, 'Updated Ukraine recovery and reconstruction needs assessment released', 25 February 2025 (<https://www.worldbank.org/en/news/press-release/2025/02/25/updated-ukraine-recovery-and-reconstruction-needs-assessment-released>).

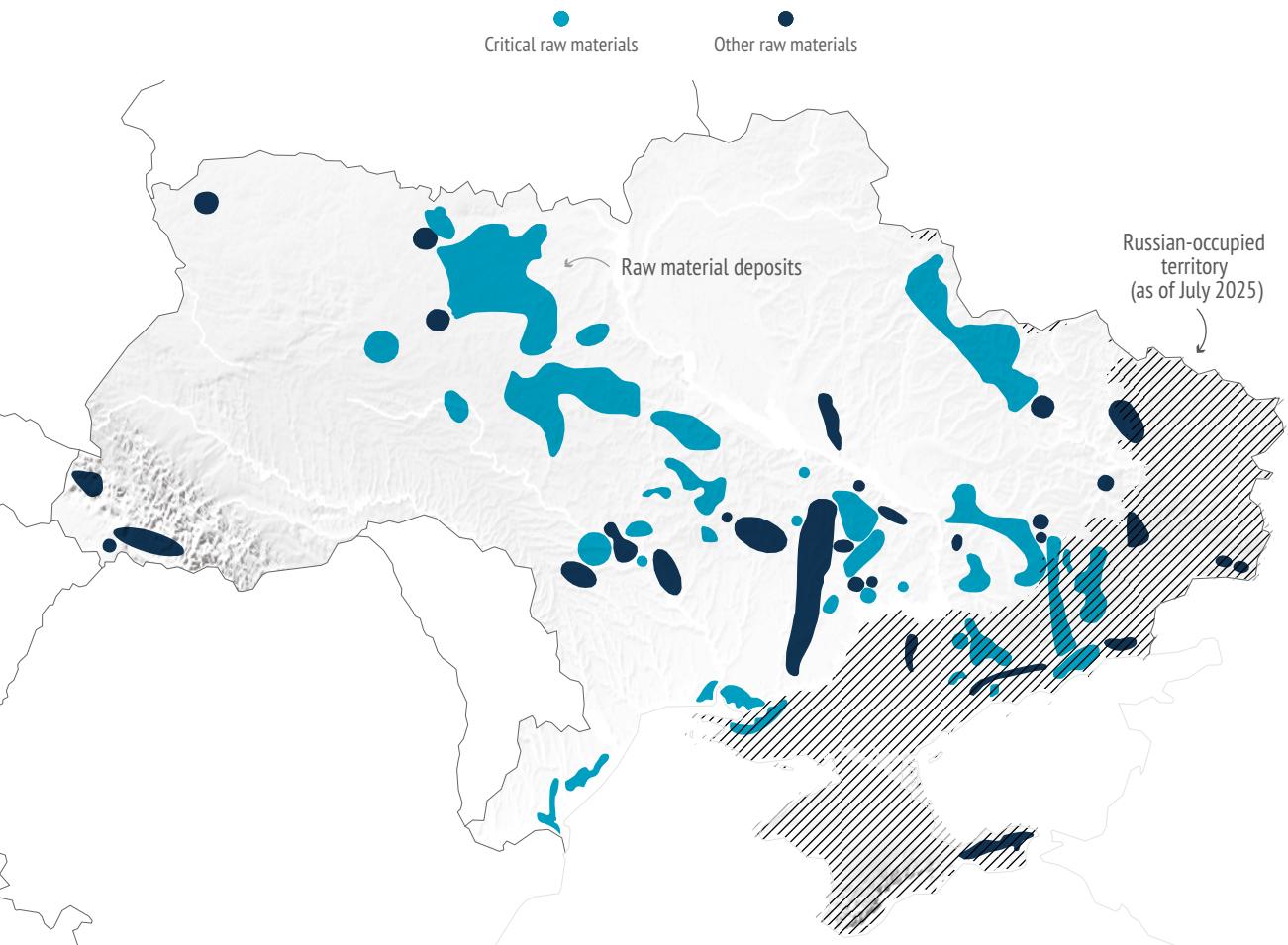
(7) Speech by HR/VP Kaja Kallas at the European Parliament, op.cit.; European Commission, 'EU assistance to Ukraine' (https://commission.europa.eu/topics/eu-solidarity-ukraine/eu-assistance-ukraine_en). The figure includes macrofinancial assistance, funds from the Ukraine Facility (of which €5.27 billion is allocated in grants from the Ukraine Reserve while the rest is loans) conditioned on implementation of the Ukraine Plan, other backed loans and guarantees facilitated through the EIB and the EBRD, humanitarian and military assistance by the Member States, support channelled through the European Peace Facility, and funding for refugees covered by EU resources.. At the latest Ukraine Recovery Conference (URC) in Rome in July 2025, the EU announced a new €2.3 billion package as a part of the Ukraine Investment Framework, as well as an European Flagship Fund, an equity facility backed by the EIB and several Member States.

(8) It is estimated that close to USD 10 billion remain unspent in USAID and up to USD 5 billion unused in the Presidential Drawdown Authority (PDA). The former has been used to procure weapons for Ukraine and the latter to draw from US Department of Defense stockpiles and finance their replacement. Tomahawks could deliver significant effects but their delivery remains sensitive as the US stocks are relatively low, and the system is frequently employed in current US military operations while also having an important role in potential future conflict scenarios with China.

(9) 'Zelensky says security guarantees for Ukraine will include a "strong army", US weapons deal, and domestic drone production', Meduza, 19 August 2025 (<https://meduza.io/en/news/2025/08/19/zelensky-says-security-guarantees-for-ukraine-will-include-a-strong-army-u-s-weapons-deal-and-domestic-drone-production>).

The next point of friction?

Securing Ukraine's critical raw materials



Data: Institute for the Study of War, 'Assessed Control of Terrain in Ukraine and Ukrainian Raw Materials', 2025; European Commission, GISCO, 2025

timing of the deliveries⁽¹⁰⁾. Moreover, new policy reversals by Trump always remain a possibility – supported by 'restrainers' eager to prioritise stockpiling weapons at home, particularly as China continues to impose constraints on US military producers' supply of critical minerals.

In the diplomatic field, Europeans efforts to influence the US administration

began to yield results through preventive damage control ahead of the Alaska summit, and later by initiating transatlantic discussions on security guarantees for Ukraine and sanctions coordination. However, any sense of relief would be premature as the struggle to influence Trump's mind remains ongoing. If Moscow cannot induce him to pressure Kyiv into extensive concessions, it will seek to

(10) Some Patriot batteries could be delivered now and backfilled later. But even a fully functional layered defence will not cover all potential civilian and infrastructural targets – and Russia will maintain the option to shift the focus of its campaign, the intent of which is to terrorise and demoralise civilians, elsewhere.

disengage him, and continue the war until a new opening emerges for diplomacy which it sees as a continuation of war by other means. This is not only about Ukraine: Moscow has succeeded in making the ‘root causes’ of the war a part of the bilateral conversation with Washington – not as an abstract academic issue but as a potential basis for negotiating a radically altered European security architecture.

It remains unclear what resources will be channelled to the Reconstruction Investment Fund, within what timeframe, and how the economic value of Ukraine’s critical raw materials will be assessed⁽¹¹⁾. However, if the fund does serve as a vehicle of reconstruction – an intention signalled by the Ukrainian government’s decision to launch a review of licences to mine strategic minerals in the country⁽¹²⁾ – it may create conflict between the US and the EU over mineral extraction rights where their interests collide. In June 2025 the European Commission designated Balakhivka, a site with potential to produce spherical graphite (SPG), along with a lithium deposit in Dobra, also in Kirovohrad Oblast, as a strategic raw materials project⁽¹³⁾. However, Development Finance Corporation (DFC), the US partner in the Reconstruction Investment Fund, has also expressed interest – and the April 2025 ‘minerals agreement’ between the US and Ukraine grants preferential access to the US, including offtake rights for extraction projects. Ukraine is preparing to launch a production-sharing agreement (PSA) tender for Dobra, in

which TechMet – a company with ties to the White House through billionaire Ronald Lauder – has expressed interest, while another US capital-backed firm, CRML, claims existing rights and has threatened legal action. Furthermore, the minerals agreement may complicate Ukraine’s future accession path. Although it provides for good faith renegotiation to align Ukraine’s legislation with the EU *acquis* and ensure Ukraine’s accession, it is hard to imagine any US government willingly relinquishing the preferential treatment enshrined in the agreement without resistance.

TURNING THE WHEEL: TOWARDS MORE UNITY?

To avoid discord and instead seek convergence with Washington where possible, the EU should start with the following measures.

Future-proof military support: The Member States in the coalition of the willing should seek to keep the channels of US arms deliveries open – regardless of how they are funded. Meanwhile, they must prepare for the baseline scenario in which these deliveries eventually expire. This requires enhancing their own production and doubling down on the Danish model to support weapons production

(11) Although significant in size, the viability of these deposits – their conversion into tappable reserves – is largely unproven. Some deposits are not clearly mapped due to the absence of modern exploration and verification techniques and consequent reliance on outdated Soviet-era geological estimates; others lie in war-affected or Russian-occupied areas. Together, such deposits may amount to 20% of Ukraine’s total mineral reserves. The lead time from proper exploration to extraction is normally more than a decade, even provided there is sufficient capital investment – an uncertain proposition given the prevailing political risks.

(12) ‘Ukraine PM orders sweeping audit of mining licences’, Reuters, 14 August 2025 (<https://www.reuters.com/markets/commodities/ukraine-pm-orders-sweeping-audit-mining-licences-2025-08-14/>).

(13) European Commission, ‘Decision of 4.6.2025 recognising certain critical raw material projects located in third countries and in overseas countries or territories as strategic projects’, C(2025) 3491 Final, 4 June 2025 (https://single-market-economy.ec.europa.eu/publications/commission-decision-recognising-certain-critical-raw-material-projects-located-third-countries_en).

in Ukraine by direct external financing – where the government in Kyiv is often too strapped for cash to place orders even when the local production capacity exists. Furthermore, more emphasis should be placed on developing joint localised manufacturing and maintenance, facilitated by Ukraine's ongoing defence industry reforms⁽¹⁴⁾ and its prospective integration into the European Defence Industrial and Technological Base (EDITB) via the European Defence Industry Programme (EDIP), which foresees a €300 million Ukraine Support Instrument envelope. The SAFE initiative also offers opportunities, provided the Commission's assessment prioritises applications that stress cooperation with Ukrainian partners.

Keep up the diplomatic battle: Europeans must furthermore persevere in what is likely to be a prolonged diplomatic battle for Trump's mind. Sustained effort will be required to prevent Washington's disengagement from the conflict and a return to open appeasement of Putin's Russia. In this key transatlantic debate, strength, resolve and clarity are more likely to advance the EU's interests than flattery and submission. The EU's goal should be to shift US positions towards a policy of 'peace through strength' when dealing with the world's most overtly imperialist and murderous, yet structurally fragile, regime – Vladimir Putin's Russia. Closer engagement with Congress and Trump's trusted advisors across different circles can further strengthen Europe's hand in this contest, where the real adversary is not the US but rather the Kremlin.

A future joint agreement on providing (differentiated) security guarantees to

Ukraine would mark an important step towards greater transatlantic convergence. However, the EU must be prepared for sustained Russian opposition to the deployment of a reassurance force or any monitoring mission involving the participation of transatlantic allies; or, should such opposition fail, subversive operations against them. Participants in any future security guarantee agreement will therefore need to design robust contingency plans to prevent or mitigate the related political and security risks.

Involve the US in a 'Marshall Plan' for Ukraine's reconstruction: The EU should ensure that any transatlantic competition over Ukraine's recovery and reconstruction is carefully managed, with efforts converging wherever possible to benefit Ukraine. Central to this must be the recognition of Ukraine's agency in the process and the safeguarding of its sovereignty from potential compromises in this context. The EU should put forward a proposal for a joint 'Marshall Plan 2.0' and invite the US to participate. The plan should include the following provisions:

- > Economic partnerships should play a leading role but should be underwritten by commitments to safeguard Ukraine's investment climate.
- > To increase available resources, private equity should be jointly mobilised, and a coordinated mechanism established for confiscating Russia's frozen assets. The EU may use the assets to issue a reparation loan to Ukraine. If this option proves too divisive, a dedicated financial institution – a bank, or a fund – can be created to manage these

(14) See Andersson, J.J. and Ditrych, O., 'Made in Ukraine', EUISS Brief No. 5, April 2024 (https://www.iss.europa.eu/sites/default/files/EUISSFiles/Brief_2024-5_Ukraine.pdf).

resources, generating returns that can be used in compensation for damages, improved defence and economic recovery, without necessarily depleting the principal.

- > A digital monitoring platform should be developed for the Marshall Plan 2.0 projects, ensuring transparent governance, effective coordination as well as an equitable spatial distribution of reconstruction efforts.
- > Additional incentives, going further than those already built into the Ukraine Facility, are needed to encourage more entrepreneurial stakeholders, rather than more risk-averse ones, to invest in reconstruction in the frontline regions such as in Kharkov, Kherson or Odessa – where health, water and energy infrastructure are in urgent need of rebuilding.
- > Developing Ukraine's capacity to absorb reconstruction investments should be another area of joint focus from which all actors stand to benefit. Reconstruction needs are estimated in the hundreds of billions, but even the much more limited resources currently programmed cannot always be effectively spent. Marshall Plan 2.0 should focus on assisting Ukraine to improve public sector capacity to manage large infrastructural projects, address outstanding corruption and transparency issues, and consolidate a skilled and capable workforce, including through programmes designed to incentivise the return of refugees.

The US may initially be sceptical of the plan, preferring a more direct pursuit of immediate business opportunities. Gaining the support of key international development stakeholders will be crucial, both to leverage more resources for shared benefit and to enhance the plan's attractiveness. A cooperative approach would furthermore help shape the reconstruction landscape in a way

that discourages geopolitical competitors such as China from creating instrumental dependencies: a shared transatlantic concern that can only be addressed effectively through close coordination and joint action.