



To the President of the House of Representatives of the States General
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To the Minister of Foreign Affairs
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Date

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Re

AIV advisory letter: Ukraine – resolve, resilience and prospects for the future

Dear Mister President and Madam Minister,

In late 2022, the AIV drew up an advisory letter on the war in Ukraine at the request of the House of Representatives.¹ Now that the war has been going on for two years the AIV believes the time is ripe for a follow-up letter.

This advisory letter begins by taking stock of the past two years of war. The AIV then notes that the Western consensus is growing more fragile, that there are turning points in sight and that there is a danger of a protracted stalemate. This gives rise to the question of what position the Netherlands should take, especially given that a new government will be taking office in due course.

The letter then discusses six subjects in greater detail:

- 1) the European security architecture;
- 2) the European defence industry;
- 3) the prospect of EU membership for Ukraine;
- 4) Ukraine's reconstruction;
- 5) the consequences of the war for the Global South; and
- 6) resilience and public support.

These discussions are followed by a brief conclusion and six recommendations.

1. Introduction



1.1 Two years of war

The social upheaval caused by the war in Ukraine is plain from the numbers: 6.3 million civilians have fled the country and 4 million others have been internally displaced.² Many billions of euros' worth of damage has been inflicted on infrastructure, residential buildings, agricultural land and utilities like drinking water supplies, electricity and communications. In November 2023 the UN announced that the grim milestone of 10,000 Ukrainian civilian deaths had been passed in the conflict.³ The true figure is presumably much higher and continues to rise.⁴ According to sources, the number of battlefield casualties on both sides combined is approaching half a million.⁵ At present it is unclear who has the upper hand on the battlefield. The authoritative Institute for the Study of War (ISW) reports that there are multiple fronts, with the Ukrainian counter-offensive (launched in the summer of 2023) having achieved a number of major gains, but this has now given way to a stalemate during the winter months.⁶

Two years of war have brought an unexpectedly large – and necessary – degree of unity to the European continent. When it became clear, soon after 24 February 2022, that the Ukrainians were prepared to defend Kyiv, the West responded with solidarity: this is our war too. After all, freedom, territorial integrity and the international legal order warrant unconditional support. Russian President Vladimir Putin contributed to this unity by justifying the invasion with strong anti-Western rhetoric and with war aims that made clear that Russia's resentment and expansionist ambitions would not stop at Ukraine's borders. In that sense the Ukraine is fighting for the rest of Europe as well.

In the meantime a consensus has formed in NATO and EU circles that Russia's past aggression and the threat it posed were not taken seriously enough, despite warnings from Eastern European member states. In a spirit of unity, the countries of Europe organised military support, together with the US. In a spirit of unity, these countries took in Ukrainian refugees. In a spirit of unity, the EU and the US drew up successive packages of sanctions against Russia, and after decades of dependence Europe began a deliberate process of weaning itself off Russian gas. In a spirit of unity, the EU granted Ukraine the status of candidate country in the summer of 2022, and in December 2023 Ukraine was given the green light to enter into accession negotiations. At times the process has been slow, and certain parties, Hungary in particular, have questioned these steps, but thus far this has done little to undermine the unity displayed. European aid to Ukraine is now being organised through consultative structures and coordination mechanisms. Despite this 'normalisation' and 'institutionalisation' of the war it is uncertain whether this support, particularly military assistance, will be maintained over the long term.

1.2 The influence of elections

This show of European and transatlantic unity does not alter the fact that by the end of 2023 there were a number of signs suggesting that the willingness to provide support was waning. Time is taking its toll, as is the absence of swift military successes on the part of Ukraine. There is great uncertainty about how and when the war will end. As noted by the Bulgarian political scientist Ivan Krastev in a lecture for the AIV, wars generally do not end on the battlefield, but at the ballot box: that is where public support for military action is put to the test.⁷ The most important election by far in the present context is the US presidential election on 5 November 2024. The presumptive Republican nominee Donald Trump has been campaigning on stopping further support for Ukraine and

pursuing a rapid end to the war.⁸ This position enjoys support from a segment of his party and of the electorate as a whole.



Elections in Europe (e.g. the European Parliamentary elections of June 2024) may also have repercussions for countries' support for Ukraine. Krastev did not mention the Dutch parliamentary elections. In its most recent electoral programme, the party that had been the largest in 2021 wrote: 'We must keep doing our utmost to help Ukraine win, without becoming actively involved in the fighting ourselves.'⁹ By contrast, the party that emerged as the largest in the November 2023 elections, said the following: 'We will not send our money and defence equipment such as F16s to Ukraine; we will keep it for our own armed forces.'¹⁰ Even though the war in Ukraine was scarcely mentioned in the electoral debates and was not a decisive factor for most voters, the outcome of the election does send an important message.¹¹ At the same time, there was still a majority in the Dutch parliament in December for continuing support to Ukraine.¹²

Even without the prospect of upcoming elections, there are turning points on the horizon as a result of war weariness, a declining willingness to make sacrifices, setbacks on the battlefield, and other conflicts that demand attention (such as Gaza). In the AIV's view this serves as a further prompt to reflect on scenarios and objectives: what are the possible outcomes of the war? What can we achieve, and what do we want to achieve, through our support?¹³

1.3 Scenario's

In essence there are four military scenarios conceivable for the conflict in the medium term.¹⁴ The first scenario is a total victory by Ukraine: Russian troops are expelled from the eastern provinces and ultimately from Crimea; Russia pays compensation for all material damage, and both the state and individuals are held accountable at the International Court of Justice (ICJ) and the International Criminal Court (ICC).¹⁵ This scenario is the objective of the Ukrainian government, which is supported by its Western allies, at least in principle. Because of the risk of escalation, the West's extensive military support is mainly limited to weapon systems that cannot reach the territory of the Russian Federation. Thus, this support has limits in terms of the scope and nature of the weapons, and moreover there are certain practical problems: the European countries have not been able to deliver the requested artillery munitions in the short term.

The opposite scenario, a total victory by Russia, would radically limit Ukraine's territorial sovereignty and continued existence as a country, with dire consequences for the local population (given Russia's stance in the conflict). This scenario would portend an ongoing threat to the security of the front-line states and thus the European Union as a whole. A Russian victory could also unleash an influx of refugees from Ukraine that would be unprecedented in Western Europe and comparable to what the continent witnessed in the aftermath of the Second World War.

The third scenario is a stalemate. This would involve a continuation of the current situation on the battlefield, at least according to the former Ukraine commander-in-chief, General Valery Zaluzhny, in *The Economist* (November 2023): a 1,000-kilometre-long front, virtually impenetrable on both sides, cutting across the country's territory.¹⁶ However, a stalemate can take a variety of forms.¹⁷ In the first variant, fighting continues on a small scale, without any sense that either party can achieve a decisive victory in the short term. In the second variant, a frozen conflict, Ukraine keeps Russia at bay, though only defensively, with fighting

flaring up occasionally (as between Moldova and Russia over Transnistria and between Georgia and Russia over South Ossetia). A third, more mobile variant of a stalemate would be the following: Russia's position is reinforced by the deployment of even heavier weaponry, support or arms deliveries from China, Iran or North Korea, or the scaling back of Western assistance to Ukraine. Further escalation, for example due to tactical miscalculations, the use (or threatened use) of nuclear weapons or attacks (including hybrid attacks) on NATO territory, cannot be ruled out in this variant. The fourth variant is the mirror image of the previous one. Ukraine makes gains on the battlefield with a combination of offensive and defensive weapon systems and training. This would require the lasting, appropriate and timely support of the West.

Regardless of the type of stalemate that may come to pass, this third scenario could also lead to a fourth scenario: negotiations. In the face of a persistent 'mutually hurting stalemate' – a shared recognition that the material and immaterial costs and risks of a total victory would be too high for either side – the parties are essentially forced to the negotiating table. The balance of power at the point when talks begin will be crucial for the outcome.

1.4 What is the objective for the Netherlands and Europe?

In the AIV's view the Dutch government needs to actively prepare for all these scenarios and consider them in light of its own objectives. Desirability and feasibility do not necessarily go hand in hand.

A victory for Ukraine (scenario 1) or the strongest possible position for Ukraine at the start of negotiations (scenario 3, variant 4) are the most desirable scenarios, and the Dutch government and its partners should pursue them accordingly, by offering lasting, proactive and timely support. After all, for Europe and the Netherlands, this is a war in which our own security and values are at stake. The Netherlands and the West face a crucial choice: either they support Ukraine in such a way that it can mount an effective defence and then take offensive action that results in victory or secures a negotiating position with a view to a just peace, a stable and peaceful European order and restoration of Ukraine's territorial borders, or they fail to do so, thereby giving the Russian Federation an advantage that would be difficult to overcome given that Moscow seems unwilling to engage in serious negotiations and would rather bide its time until the US elections and continue to pursue its war objectives.

Almost since the start of the war there has been a certain ambivalence among Western politicians with respect to Ukraine (an ambivalence, incidentally, for which President Zelenskyy has repeatedly taken his Western counterparts to task). Although official pronouncements express a preference for the first scenario (Ukrainian victory), the actual weaponry being provided is aimed more at preventing the second scenario (Russian victory). Pursuing the first scenario requires a different type of effort. Because of the risk of escalation the West has been cautious to date. In practice, this will result in the third scenario (a stalemate). It was the aforementioned General Zaluzhny who, last autumn, was the first Ukrainian to point out that this reality on the battlefield was a consequence of this cautiousness. In doing so, he laid a foundation for credible communication and a new, more realistic timeline. This is important for both Ukraine and its allies in Europe and the US.

At the same time, this longer horizon shows the need to look further ahead: could more intensive support create a strong starting position for Ukraine, enabling the step to be taken from a stalemate to a negotiated agreement, with a view to a stable and just European security order (scenario 4)? At present even the prospect

of opening talks is very far away, and the time for meaningful negotiations does not yet seem to have arrived. Nevertheless, in the AIV's opinion it is important to keep current channels of communication with Russia open. These channels, which run through organisations and countries such as the UN, India, Indonesia, South Africa and Türkiye and which are currently centred mainly on prisoner exchanges and food deliveries, could be useful with a view to future negotiations.¹⁸

1.5 A just peace and a more stable European security order

If the long-term goal of a just peace is to be achieved, it is impossible to ignore an age-old practical, political and philosophical question: what is a just peace? Without delving too deeply into the literature the AIV would argue that a just peace can reasonably be defined as (1) one that is in accordance with international law and (2) one that can be accepted as fair by all parties. The core principles of international law are respect for territorial integrity, sovereignty and self-determination, as enshrined in the UN Charter. These elements are, in the AIV's opinion, non-negotiable.

Certain observers have argued that fairness demands that greater account be taken of Russia's viewpoint. They contend that the concerns of Russia's political leadership after the collapse of the Soviet Union were not taken seriously enough.¹⁹ Was it necessary to antagonise the Kremlin to such an extent with NATO's eastern expansion in 1999? Was it sensible to talk about NATO membership for Ukraine in 2008 when this was a clear red line for Russia? These are questions that have arisen in the public debate.

Yet as the AIV sees it, this way of thinking is flawed in a number of ways: Ukraine is a sovereign state and, as such, it has the right to make its own choices with regard to its security alliances. Ukraine's decision to pursue NATO membership does not justify an invasion in any way, shape or form. Allowing Russia to indulge in its expansionist aims is a slippery slope towards a lawless European order in which no one is safe.²⁰ If we study the history of the region, we can find enough reasons why Ukraine should resent and distrust Russia, and why its current standpoint is entirely understandable.

This does not alter the fact that after this war a way must be found to deal with Russia that contributes to a more stable European security order. French president Emmanuel Macron has said, with the aftermath of the Treaty of Versailles in mind, that Russia must not be humiliated. This could lead to dangerous instability or to the disintegration of the Russian Federation, with all the risks that would entail. Even after the war the EU must have some sort of relationship with the country, and cooperation - for example in the realm of strategic stability, climate policy and arms control - will be indispensable over the long run. In addition Europe has nothing to gain from a political vacuum which could be exploited by China or regional aggressors.

In the following six sections the AIV invites the government and society to consider a number of specific recommendations aimed at proactively supporting Ukraine in order to turn the desired scenarios into reality. There are three themes that run through these analyses: resolve, resilience and prospects for the future. First of all, it is important to stay the course even in the face of adversity, and to continue supporting the country under attack. Secondly, to that end, we need to increase military and societal resilience, including in the Netherlands itself. And thirdly, it is only on this basis that Ukraine can be offered a meaningful future, with the prospect of being embedded in stable European and Atlantic security structures and of achieving a just peace.

2. The future European security structure

2.1 The Ukraine war as a geopolitical turning point

Ukraine's embrace by the Netherlands and its allies following Russia's invasion in 2022 was not only an expression of political and moral aid to a neighbouring country in its time of need; it was also a response to a geostrategic turning point. Before the Ukraine war the stability and security of the European continent was based de facto in part on the presence of buffer states that were not members of either the EU or NATO. Even after Russia's aggression towards Georgia in 2008 and the annexation of Crimea in 2014, Europe continued to cling to this notion for pragmatic reasons. In one fell swoop Russia's invasion of Ukraine in February 2022 put an end to this belief in buffer states. The border states feel that they are under threat. This realisation prompted Sweden and Finland, two neutral EU member states, to take the historic step of applying to join NATO. The war demands a new stance towards Russia.

2.2 The need for European responsibility and leadership

As the AIV has previously concluded, capacity, leadership and coordination in the European security domain require considerably more attention.²¹ This has only grown more urgent with the war in Ukraine. At present Europe's security is guaranteed primarily by NATO, and within the alliance, mainly by the United States. However, the commitment of our most important NATO partner has become increasingly uncertain. Notwithstanding the aforementioned uncertainty about the outcome of the US presidential elections in 2024, the US has been focusing more and more on other parts of the world, such as the Indo-Pacific region. It would be unwise to place all our trust in America's ongoing commitment to Europe's security.

The EU is certainly not in a position to offset a diminishing US role vis à vis the European security umbrella. There is no entity with the necessary political authority: the Common Foreign and Security Policy (CFSP) requires unanimity in decision-making, there is no agenda-setting member state, such as the US in NATO, and there is no joint command structure.

2.3 Urgente opgaven ten behoeve van de Europese veiligheidsstructuur

A European pillar within NATO

The current geopolitical situation means that Europe needs to invest in autonomy and the capacity to defend European territory in the event of a major conflict. To this end it is necessary to establish a European pillar within NATO, with European capabilities, planning, implementation and guidance.

To the greatest possible extent, this must be done in close coordination with the US, so the European pillar possesses strategic enablers and other military capabilities that Europe currently lacks. For now, Europe is dependent on the US in a variety of ways, including strategic intelligence, transport capabilities, precision weapons and satellite capabilities. These shortages in Europe need to be dealt with as soon as possible.

In addition, a European pillar requires a new division of responsibilities within NATO whereby the European countries will play a greater role in the command and planning structures, so they are capable of independently carrying out an operation on the European continent. It is important to develop this as soon as possible.



More capacity means greater striking power

European NATO countries need to contribute more capabilities. The alliance should not be dependent for over 50% of its needs on a single member (the US). However, this goal is out of reach in the short term. That said, more and more European countries now meet the NATO norm of spending a minimum of 2% of GDP on defence, as agreed at the NATO Summit in Wales in 2014.²² That strengthens the alliance as a whole and gives a European pillar a more credible voice.

With the Ukraine war and the uncertainty surrounding US commitment, a number of key *additional* tasks have arisen, however. The 2% norm is not sufficient to cover collective defence, effective deterrence, the restoration and expansion of Europe's and the Netherlands' own defence capabilities, while also providing long-term, steadfast support to Ukraine. Partly in view of this it was emphasised at the NATO Summit in Vilnius that 2% should be considered a minimum.²³ This means that continued support for Ukraine will require an additional, structural commitment.

More continuity and planning certainty

The aforementioned expansion of capacity and modifications to existing NATO structures require trust and a long-term perspective on the part of the defence apparatus, allies and the defence industry, in order to carry out the necessary changes and make investments.²⁴ This can only happen if defence planning is laid down over the long term, with the necessary certainty, for example by enshrining it in national law. This is important when it comes to honouring international obligations and thus being a reliable ally.

A European Security Council

Outside of the EU, Europe largely lacks a clear coordinating structure for defence and security, thereby depriving it of striking power. The UK's departure from the EU has further limited coordination and striking power. A security council could fill this gap: a place where all the leading European players in the realm of defence and security can come together in a crisis. Back in 2020, the AIV made the case for a security council consisting of Germany, France and the UK (E3) as an informal consultative body composed of heads of government which, in the event of a specific crisis, could act as a 'political playmaker', together with relevant actors such as the NATO Secretary-General and the President of the European Council and/or Commission.²⁵ This argument, and its underlying analysis, is no less valid now.

2.4 Embedding Ukraine in the transatlantic security structure

Ukraine is fighting for Europe's security as well as its own, and on that basis it is asking for a place within the transatlantic security structure. Currently, it is only through NATO or bilateral treaties – and not the EU – that Ukraine can be offered military protection from Russia. At the NATO Summit in Bucharest in 2008, the prospect of NATO membership was extended to Ukraine.²⁶

It remains an open question when the country will comply with all the accession requirements and how it could join the alliance. Circumstances have changed radically as a result of the war. Opinions differ as to the advisability of Ukrainian NATO membership in the foreseeable future. NATO members Germany and the United States are hesitant.²⁷ Under Article 10 of the NATO Treaty new members must contribute to the security of the NATO area.²⁸ Ukraine is at war with Russia, a nuclear power, and is thus unable to meet this condition. By contrast, NATO members France and the UK are more positive about Ukraine's swift accession to the alliance.²⁹ Deferring Ukraine's accession could validate Russian efforts to keep the war active.



At the NATO Summit in Vilnius (July 2023) the members mainly agreed to continue the conversation.³⁰ Accession to NATO offers the best prospects for Ukraine in terms of security guarantees. The AIV therefore feels strongly that Ukraine should retain a clear and strong prospect of membership. The NATO Summit in July 2024, when the alliance will celebrate the 75th anniversary of its founding, and obviously the 2025 Summit, which will be held in the Netherlands, are ideal opportunities to discuss and strengthen the options for embedding Ukraine in the transatlantic security structure.

The UK also recently concluded a bilateral security agreement with Ukraine in which it committed itself to: 1) providing comprehensive assistance to Ukraine for the protection and restoration of its territorial integrity within its internationally recognised borders; 2) preventing and deterring any new aggression by the Russian Federation; and 3) supporting Ukraine's future integration into Euro-Atlantic institutions.³¹ This is less extensive than the security umbrella that NATO membership would offer; and it provides no scope for 'boots on the ground'. France and Germany recently concluded a similar bilateral security agreement.³²

2.5 The task facing the Netherlands

With its leading role in providing military support to Ukraine the Netherlands has shouldered its responsibility for the security of Europe and the embedding of Ukraine in the NATO security architecture. The Netherlands should build on this by making the case internationally – on the basis of the above considerations – for a European pillar within NATO, a structural and planned expansion of European defence capabilities, the establishment of a European security council and an ongoing commitment to a clear prospect of NATO membership for Ukraine. Parallel to the NATO accession process and in collaboration with countries with larger defence capabilities, the Dutch government would be well advised to consider whether Ukraine can be offered bilateral security guarantees through financial support and arms deliveries.

In terms of domestic policy as well, the defence issue warrants the full attention of the new government. As it has previously advised, the AIV is in favour of enshrining the 2% norm in law, in line with NATO agreements. In order to provide stable support to Ukraine, additional resources are needed over the long term, over and above this 2% minimum. Given that the projected defence expenditures for 2024 and 2025 are just under 2%, the Netherlands therefore clearly needs to increase its spending.³³ Planning certainty and a long-term perspective can be achieved by way of a 10-year defence plan for successive governments, which could be set down in a Defence Act, for example.³⁴ In this connection it is vital to ensure that defence expenditures are used more efficiently and to prevent fragmentation. This requires a reform of the European defence industry.

3. The European defence industry

Two years after the invasion, support for Ukraine in the form of arms deliveries is still vital for its survival. However, it would seem that the limit of what the EU and the Netherlands can provide to Ukraine from its own stocks, in the form of ammunition and other defence material, has been reached. After all, the Netherlands must also secure adequate supplies for the Dutch armed forces and those of its allies. In light of the evolving security situation, Europe needs more military resources, and as a result the production and development of defence material must urgently be scaled up. However, the European defence industry faces a number of structural challenges.

3.1 Investing in the European defence market

Fragmentation

For the development and manufacture of new arms systems, long-term and sometimes large-scale investments are required. Unfortunately, European production is highly fragmented. In the EU, member states make purchases on the basis of domestic security needs and national specifications. Under Article 346 of the Treaty on the Functioning of the EU, member states may, on the basis of their security interests, follow their own procurement procedures, maintain their own standards and specifications, and grant contracts directly to national suppliers. As a result, there are a multitude of different weapon systems in the EU and economies of scale cannot be realised in the EU single market for defence material. National governments only invest in new weapon systems every few years. Consequently, the national industry is not assured of a sufficiently full, multiannual order portfolio in order to make major investments. This leads to fewer cost benefits in the industry, a greater dependence on the export market, and inefficient spending of tax revenue in the development, purchasing and maintenance of the defence material. More fundamentally, this state of affairs is a barrier to a deeper EU and NATO defence partnership because national systems are not compatible and interchangeable.

Economies of scale can be realised via a new planning and procurement culture in the EU, based on closer cooperation on joint, coordinated development and the purchasing of defence material on the basis of harmonised user demands. Joint planning can be promoted by increasing defence expenditures in line with international agreements and by laying down these expenditures over the long term (see section 2.3). Joint purchasing can be encouraged by relaxing current EU procurement guidelines and eliminating bureaucratic obstacles. Including a crisis mechanism in the procurement directive could enable the EU member states to scale up their response more quickly and efficiently in a crisis situation. User requirements, standardisation and certification can be harmonised through EU legislation. This way, member states can align themselves with the NATO standardisation system.

Coordination between the EU member states and NATO allies is crucial. The Defence Production Action Plan that heads of government approved at the NATO Summit in Vilnius of July 2023 must be put into action without delay.³⁵ This action plan is designed to expedite joint procurement, ramp up production and encourage interoperability within NATO. This can be kickstarted with the help of pre-financing from the more extensive Common Funding facilities as decided at the NATO Summit in Madrid in 2022.³⁶

Access to critical raw materials and labour force

Europe is highly dependent on importing critical raw materials. This is especially true of the technologically advanced defence industry. To this end the defence sector must compete with major civilian firms in a tight procurement market. In a similar way the R&D-intensive defence industry is competing for highly-skilled employees in a tight labour market. These are significant barriers to scaling up production and development.

The technological and industrial basis of European defence must be strengthened, particularly in the case of key capabilities for which Europe does not wish to become dependent on external sources of funding. Dependencies on less reliable partners for products like semiconductors or for critical raw materials must be phased out. In November 2023 a provisional agreement was reached on a European critical raw materials act. This legislation needs to be developed without delay.

Lack of urgency

The above problems are well known. Until recently there was a lack of urgency within the EU to address them. As a result, not only was the manufacturing capacity of the European defence industry reduced, but access to financing became more difficult because of understandable public concerns about environmental, social and governance norms (ESG). Self-regulation from the financial sector and public pressure have led to a difficult access to finance for the defence industry. It would seem that the time is ripe for new European initiatives. For example, there is growing support for the idea that the European Investment Bank (EIB) could invest in the defence industry for the first time in its existence.³⁷

A true breakthrough requires a shared sense of urgency and a united front consisting of politicians, industry and the financial sector. This is needed in order to foster broad public support for the reform of and investment in the national and European defence industry, on the basis of a recognition that the security situation is also under pressure in the Netherlands. In this connection it remains relevant that regulations on human rights and supply chain responsibility apply.³⁸

3.2 Manufacturing capacity for and in Ukraine

Considering the urgency of the military situation there is an undeniable need to step up manufacturing capacity in Ukraine. The EU and NATO should actively support this, though for security reasons it would be advisable to produce certain defence material in the territory of European NATO countries. In order to ramp up local production in Ukraine, and with a view to building the essential networks, European partners need to invest in industrial projects in which Ukraine can take part. This can be done through joint ventures based in Europe.³⁹ The EU Defence Joint Procurement Task Force can play a coordinating role in this regard.

Ukraine is mainly vulnerable when it comes to air defence capacity shortages. Investing in manufacturing capacity for air defence systems and ammunition is therefore a priority. For that reason the most important production lines to set up jointly are as follows: artillery, ammunition, unmanned aerial vehicles (UAVs), ground-based, long-range precision attack systems, air defence systems, multi-role combat aircraft, sensor systems, radar capabilities, medical capabilities and, in a general sense, maintenance and recovery capabilities for the equipment provided.⁴⁰



3.3 The task facing the Netherlands

Expanding and reorganising the European defence industry also requires the Netherlands to pursue an active, result-driven industrial policy in which the government, defence industry and investors jointly operate within the frameworks of relevant regulations to promote multinational material projects and seek to join the material programmes of larger European partners. The government will have to commit to this. The Netherlands can also encourage the EIB to assume the role of investor in the defence industry, a step currently being considered.

At the same time the government must ensure that new European funding streams for the defence industry are employed efficiently and do not go only to large member states with powerful defence industries (including state-owned enterprises). In addition the government should take stock of where the Dutch knowledge economy can best contribute to future joint procurement endeavours. With this in mind, the new Dutch government should revise the Defence Industry Strategy (2018, amended in 2022).

4. Prospect of EU membership for Ukraine

Four months after the invasion started, the European Council of heads of government of June 2022 extended the prospect of EU membership to Ukraine. In late 2023 the heads of government decided to open accession negotiations with Ukraine. The decision in principle that Ukraine is entitled to become a fully-fledged member of the EU is thus irreversible and enjoys strong political support. As previously noted, this decision was not only an expression of political and moral solidarity, but also a recognition of the consequences of the new geostrategic situation. At the same time, it is a very complex challenge. The path to EU membership for Ukraine, including the time frame in which it will happen, is still a subject of intensive analysis and discussion in Brussels, Kyiv and the national capitals. Both Ukraine and the EU have a lot of work to do before accession can happen.⁴¹

4.1 The importance of making a careful assessment under geopolitical pressure

Like any other candidate country, Ukraine must fulfil all accession criteria before joining the EU. Because of the cohesion of the Union itself it is crucial, despite geopolitical pressure and urgency, to maintain the merit-based approach. At the same time the EU and the member states should actively support Ukraine in its efforts to comply with the accession criteria.

Over the short term in particular, it is necessary to take account of a greater tension between geopolitical pressure and the need for a critical, substantive assessment of the accession criteria. Over the long term, watering down the strict accession criteria could undermine the EU's effectiveness. This is especially true for fundamental values, like democracy, the rule of law, human rights and the protection of minorities, which could be put at risk. Too great a divergence in economic and social conditions will weaken our shared capacity for action and mutual trust. This could also have repercussions for the EU's international authority and for public trust.

4.2 Two-sided challenges for accession

Democracy, the rule of law and human rights

For many candidate countries, it is already a challenge in normal circumstances to meet the EU accession criteria. This is especially true for a country at war, facing an enormous reconstruction task in the future, as well as major challenges in areas like anti-corruption and protection of minorities. Previously, the Netherlands has successfully helped to build democratic and rule-of-law institutions in candidate countries. This was done through programmes in which governments partnered over a period of years in order to share expertise (via twinning and MATRA programmes) and through other forms of technical assistance and information-sharing, such as workshops, expert missions and study trips. The Netherlands should step up this kind of specific and active support for Ukraine, together with like-minded EU partners, partly on the basis of the experience it has gained in this area (see also section 5).⁴² This will not only make Ukrainian society, but also the European Union, and by extension the Netherlands, more resilient.

At the same time, the Netherlands and like-minded countries can come together to reflect on strengthening the internal *acquis* as it pertains to the rule of law, in order to prevent democratic backsliding. After all, recent experiences with

Hungary and Poland have shown that it is within the realm of possibility that new member states may take unacceptable steps backward as regards democracy, the rule of law and human rights after joining the EU (once the most effective form of leverage can no longer be applied). Although it would be wrong to presume that this will happen in Ukraine or in any other current candidate country, it would be imprudent not to prepare for such scenarios.

Bolstering the foundations of the EU

Ukraine's accession will have a major influence on the EU and on the Netherlands. For example, it will have an impact on the economy and on the free movement of persons, on the EU's multiannual budget – including cohesion funds and agricultural subsidies – and on institutional relations and decision-making capacity. This impact will be felt all the more because, since the start of the war, the prospect of expedited accession has been offered to Moldova, Georgia and countries of the Western Balkans, which could take the Union to 35 or 36 members.

There is a wide range of views about how the EU should continue to develop, and at what pace. The question of how enlargement and reform should relate to each other will be a significant factor in the years ahead. Although there are several member states (particularly in Eastern Europe) that would like to uncouple the processes of enlargement and reform (and focus solely on the former), the European Council of December 2023 decided that one would not occur without the other.⁴³ With regard to reform, certain parties are pressing for closer European cooperation (such as more majority decision-making), but there are also those who argue that a Union of between 32 and 36 member states should perhaps be more modest in its pursuit of integration. In order to preserve momentum in negotiations it also makes sense to actively present the options for phased accession. The AIV intends to address these issues next year in a separate, broader advisory report on EU enlargement.

Securely embedded

EU membership also has implications for security, both for Ukraine and the EU. Article 42 (7) of the Treaty on European Union (TEU) requires member states to offer aid and assistance with all means in their power in the event of armed aggression against another member state. This article was invoked, for example, after the terrorist attacks in Paris in 2015. As discussed above, the EU is currently incapable of honouring the expectations raised by this article vis à vis a member state that is at war with Russia, a nuclear power. In that light EU membership for Ukraine cannot be viewed separately from NATO membership or military security guarantees of similar robustness. The involvement of the US, at least in the short and medium term, remains essential.

4.3 The task facing the Netherlands

The Netherlands should support Ukraine's accession to the EU by actively helping to (i) further develop democratic and rule-of-law institutions that safeguard human rights in Ukraine; (ii) maintain momentum in accession negotiations with Ukraine, with consideration for the possibility of a phased accession; (iii) reform the EU with a view to enlargement; and (iv) prepare Dutch society for the effects that accession can have on, for example, the EU budget, agricultural policy and the free movement of workers.

5. The reconstruction of Ukraine: towards a broad recovery



Ukrainian society has been radically disrupted by the war. The economic damage runs into billions of euros.⁴⁴ Millions of Ukrainians have fled the country or been displaced. Before the war, Ukraine was an emerging middle income country with a high-potential, dynamic economy. Yet the reconstruction of Ukraine will be about more than simply repairing what has been destroyed; it will be complicated by the fact that it will have to take place while the war is ongoing.

5.1 Fundamental principles underlying reconstruction

A broad approach

Reconstruction efforts will centre on restoring housing, infrastructure and basic services. Reconstruction will also involve building on developments already under way in Ukraine before the war: a relatively open economy and efforts to tackle corruption and strengthen the institutions of democracy and the rule of law. A thriving democracy and a sustainable, vital economy will offer the best guarantees that a post-war Ukraine can defend itself against Russian aggression over the long term and become an indispensable part of a European legal order that offers security, freedom and prosperity.⁴⁵ By actively supporting these aspects of its reconstruction as well, the international community can help Ukraine meet the requirements for accession to the European Union (see section 4).

A carefully considered approach

Lessons from the past – in relation to reconstruction, development cooperation and Build Back Better – can be helpful in avoiding known pitfalls and unintended consequences. These include the inflationary effects of reconstruction in areas such as the housing market, elite capture (meaning that many funds or benefits accrue only to the most powerful) and a rise in corruption due to the influx of capital.⁴⁶

An inclusive approach with Ukraine in the driver's seat

Extensive and enduring international engagement in Ukraine's recovery is sorely needed. Overlapping efforts by the many different actors involved (donors, international organisations, companies and NGOs) need to be avoided.⁴⁷ There will be a key role for multilateral institutions such as the United Nations, the European Investment Bank (EIB), the European Bank for Reconstruction and Development (EBRD) and the World Bank. Ukraine must retain control and ownership of the recovery process at all times. This means there must be a major role for Ukrainian stakeholders, both in the public and private sectors, including local authorities, in line with the decentralisation policy that was initiated in Ukraine in 2014.

5.2 Resources for recovery

As long as the war is still going on, it will be impossible to make a precise estimate of the costs involved in Ukraine's reconstruction. The European Union has been providing generous assistance since the war started. At its special meeting of 1 February 2024, the European Council decided to establish a Ukraine Facility for the period of 2024-2027 with a budget of €50 billion.⁴⁸ The Netherlands is also providing generous bilateral assistance, such as a recent pledge of €102 million in aid for Ukraine for the first four months of 2024.⁴⁹ The longer the war goes on and the higher the costs of reconstruction rise, the more the willingness to provide public money could falter. For that reason alone the AIV considers it crucial for recovery funding to be based on multiple pillars.

Public money

It is essential that multilateral financial institutions, the EU and bilateral allies, including the Netherlands, set aside multiyear funding to support Ukraine's reconstruction. That funding should largely consist of loans on favourable terms. Clear communication about what is at stake and how a strong Ukraine is in the European interest will be conducive to maintaining support for the use of public money. It will also be helpful if other societal actors – companies, municipal authorities and NGOs – that have relevant expertise are given the opportunity to participate in reconstruction efforts.

Private sector

Besides public contributions, there should also be a role for private companies in the reconstruction of Ukraine. The country will be an attractive market, not least in the medium term. To this end, parties could make use of the instruments provided by the Netherlands Enterprise Agency (RVO) for public-private partnerships and its assistance to businesses in pursuing initiatives outside the Netherlands.⁵⁰ However, such assistance will never completely eliminate the risks private investors face in being active in a country that is at war.

Although it would be good for Dutch companies to get involved, particularly in view of the positive effect it would have on public support for aid to Ukraine, this should not result in compulsory sourcing. After all, formally linking aid to the involvement of Dutch companies could result in high prices and suboptimal quality and cooperation. It is important above all to create and encourage good conditions for local small and medium-sized enterprises.

Frozen Russian assets

In the EU there is now wide support for using revenues from frozen Russian assets to help finance the reconstruction of Ukraine. At the Foreign Affairs Council of January 2024, EU member states reached a political agreement on a plan to levy European taxes on revenues from frozen Russian assets; the money raised can then be used for Ukraine's reconstruction.⁵¹

There are also regular calls for Russian assets themselves to be confiscated to finance recovery payments and Ukraine's reconstruction. Such a far-reaching step would encounter various political and legal objections. In political terms the European Central Bank fears the impact on the euro's reputation as an international reserve currency; moreover, such a step would also set an important precedent. Furthermore, it could lead to retaliatory measures against Dutch assets abroad.

In legal terms, the expropriation of private property raises objections under national and international law in relation to investment law and human rights (e.g. Article 1 of Protocol No. 1 to the European Convention on Human Rights, as well as due process issues). State property is protected by international law rules on sovereign immunity.⁵² That being said, these are the assets of an aggressor state. Even though the confiscation of assets is problematic under international and national law in this context too, it does not appear to be legally impossible. Particularly in the case of the assets of the Central Bank of Russia, international law offers scope for confiscation, for example for the purpose of an international compensation mechanism, subject to the condition that its implementation must always be embedded in national legislation (such as the legislation already introduced by Canada).⁵³ The AIV recommends that these aspects be investigated further.

Ukraine's earning capacity

As a large country with a young workforce, an internationally competitive agricultural sector and an advanced technology sector, Ukraine is capable of making a substantial contribution to its own reconstruction. The Netherlands can facilitate this by providing targeted support to enable Ukraine's private sector to continue trading and investing.

As a country at war and under attack, under the Solidarity Lanes initiative Ukraine currently benefits from a suspension of EU import duties, and its transport sector enjoys enhanced access to the EU market.⁵⁴ However, these temporary trade measures have also led to Ukrainian competition in the EU single market, which has been perceived as unfair by farmers and truck drivers from Poland and other member states. These temporary measures should eventually be replaced by regular investment and trade relations based on a level playing field, which increase Ukraine's earning capacity so that the country can finance most of its reconstruction itself.

Finally, the AIV wishes to note the importance of involving the many Ukrainians who were already living abroad before the war, as well as the large group of war refugees. Their involvement in reconstruction efforts will contribute significantly to an enduring result, and will also offer them the future prospect of returning to their country of origin.

5.3 The Netherlands' task

The reconstruction of Ukraine will require a great deal of work. The bill will be substantial. Like other members of the international community, the Netherlands will have to make a significant contribution, both bilaterally and at EU level. This will give rise to dilemmas, since public money is finite. It will therefore be important to tap into other sources of funding as well, such as revenues from frozen Russian assets. As a country where many of those assets are located, the Netherlands can play a leading role in the actual mobilisation of those revenues. The use of the Russian assets themselves needs to be the subject of further study.

A strong Ukraine will strengthen the EU, NATO and consequently the Netherlands too. The Netherlands' interest in strengthening Ukraine should therefore be repeatedly emphasised. Reconstruction is not only a question of bricks and mortar; it is also about the institutions that safeguard the shared values of freedom, openness, transparency, democracy, the rule of law and respect for human rights. As mentioned earlier, it is precisely these values that must be safeguarded in the context of Ukraine's EU accession process. The Netherlands can also contribute, via its public and private sectors, in areas where the Netherlands has considerable specific expertise, such as agriculture, water management and the supply of drinking water.

6. The war in Ukraine and the Global South

While on the one hand the war in Ukraine has brought about unprecedented unity in the West, on the other hand, in sharp contrast, it has exposed a growing schism between Europe and the Global South. The Global South cannot be regarded as a single homogeneous bloc. Countries such as Kenya and India take different positions on the conflict from, say, South Africa and Brazil. Nevertheless, it would be advisable to focus more on the negative socioeconomic consequences of the conflict for poorer countries, and to seek solutions to the undesirable political schism between the EU and countries in the Global South. This widening gap has negative implications for global stability.⁵⁵

6.1 The consequences of the war for the Global South

Socioeconomic consequences

Many countries in the Global South are being disproportionately affected by the socioeconomic consequences of the war. First, before the war Russia and Ukraine were relatively large exporters, in particular of energy, grain and chemical fertilisers. These export flows dried up immediately after the outbreak of war, on account of both the conflict itself and the resulting sanctions imposed on Russia. Energy and food prices soared on the global markets, having already been extremely high as a consequence of the COVID-19 pandemic. The poorest parts of the population in import-dependent developing countries were hit hardest because they spend a relatively high proportion of their disposable income on food and energy.⁵⁶

Second, the central banks of richer countries felt compelled to raise interest rates in response to higher inflation. This has direct negative consequences for countries in the Global South with high debt quotas and correspondingly high interest payments. Tighter monetary policy in the US and Europe also led to outflows of capital from the Global South and the devaluation of local currencies. As a result, food and energy imports became even more expensive.⁵⁷

Third, with Official Development Assistance (ODA) budgets remaining at the same level, many countries saw non-military support for Ukraine as coming partly at the expense of other assistance, and raised this issue. The macroeconomic consequences of the war and the after-effects of the COVID-19 pandemic in rich countries, such as reduced purchasing power caused by inflation and pressure on budgets caused by higher interest rates, placed a further squeeze on the ODA budgets of rich countries, including the Netherlands.

At the start of the war, these impacts were substantial but were a low priority in the EU and the Netherlands. Those impacts may have decreased after peaking in 2022, but they continue to be felt. For example, energy and food prices are still significantly higher than they were before the pandemic. Falling prices on the international market are now translating into lower prices in developing countries, albeit with a certain delay.⁵⁸ The sense of urgency about the impact of food and energy prices may have decreased somewhat as a result, but this issue still requires attention.

Political consequences

The political consequences of the war have also been significant. After the Russian invasion it quickly became clear in the UN that a number of countries in the Global South would not go along with the Western strategy.⁵⁹ There is a growing political gap between the West and the Global South – and a lack of understanding of the position taken by southern countries in relation to condemning or imposing sanctions on Russia.⁶⁰

Western government leaders have been accused of operating mainly on the basis of self interest and of applying double standards. For example, financial assistance for Ukraine has flowed freely, whereas emergency assistance for Yemen and the Horn of Africa has fallen short, despite urgent UN appeals. Some also say that Europe is applying double standards in relation to the admission and reception of refugees. In geopolitical terms, many consider that Western pressure to openly take a stand against Russia is difficult to reconcile with the Western position in relation to other conflicts, such as earlier wars in Iraq and Libya, and in particular the Israeli response to the terrorist attacks of 7 October 2023.

6.2 Investing in a new relationship with the Global South, partly on account of Ukraine

Europe sorely needs countries in the Global South as partners in international political forums like the UN, G20, World Bank, IMF and WTO. To bridge the widening gap, Europe will need to invest in a new relationship, which starts with recognising the divergence of interests and positions, for example in relation to Ukraine. Dialogue on a more equal footing and at the highest political level through a broad network of embassies will be essential, as will concrete steps to give the Global South a greater role in international economic decision-making.

Bridging the gap between the South and the West is also important to Ukraine. In announcing a new peace initiative in Bern in January 2024, President Zelenskyy referred explicitly to the need to involve the Global South in any negotiations.⁶¹ Politically, the war in the Middle East also plays a major role. The war in Gaza has caused a shift of focus and is increasingly taking on more of a long-term character. There are growing accusations of double standards coming from many countries in the Global South: as long as the Western countries do not call for an end to the violence, potential cooperation in relation to Ukraine will increasingly be put on the back burner. Obviously, this is not in the interests of the Netherlands.

Various initiatives aimed at ending the war have emerged from the Global South. These have not always been welcomed by Ukraine or by Western countries. Nevertheless, it is also important to Ukraine and its allies that communication channels with Russia remain open in order to retain the future prospect of a lasting and just peace. At present, the communication is focused not so much on peace negotiations, but on matters such as keeping up energy and food deliveries to countries in Africa and Asia. Countries in the Global South have their own interests in this respect and should be able to contribute actively to a lasting solution to the conflict. The West could support initiatives like these on the basis of shared interests. It would be worthwhile to focus on achieving a new grain deal and possibly an energy deal in order to mitigate the negative consequences for the most vulnerable countries.



6.3 The Netherlands' task

The war in Ukraine has exposed the political gap between Europe and the Global South and should be a wake-up call in this respect. The multilateral world order will only be resilient if we acknowledge that countries in the Global South are key players and represent an important voice. This also applies to achieving and supporting a lasting and just peace in Ukraine and – as long as the conflict continues – countering the effects on energy and food prices and other socioeconomic effects felt by the most vulnerable countries. Active diplomacy will be required, with a greater emphasis on relationship building, de-escalation and avoiding polarisation. The Netherlands should make active efforts in this regard.

7. Public support and societal resilience

Public support

The war is also having an impact on Dutch society. It requires the Dutch to make sacrifices in the form of higher food and energy prices, the need to shelter refugees and the use of tax revenues to fund financial, humanitarian and military support for Ukraine. There are very good reasons for making such sacrifices, such as the moral and political duty to assist a country that has been the victim of aggression and the Netherlands' own interest in security, democracy, the rule of law and freedom on the European continent.

Public support in the Netherlands for assisting Ukraine has always been substantial. A large majority of the Dutch population supports military and financial support to Ukraine and sanctions against Russia, even where such measures impinge on their own personal interests. In the autumn of 2023, 69% of the Dutch population supported arms deliveries to Ukraine, 76% supported the reception of refugees from Ukraine and 61% supported Ukraine's accession to the EU.⁶² Many Dutch people are or have been directly and personally involved in sheltering refugees. At the same time, support appears to be fracturing somewhat. Support for the proposition that 'the Russian attack on Ukraine is an attack on the whole of Europe' fell in the Netherlands between autumn 2022 and autumn 2023 from 66% to 45%.⁶³ In summary, public support in the Netherlands for providing assistance to Ukraine cannot be taken for granted and therefore requires intensive political and parliamentary debate and active communication by the government.

Given the uncertainty hanging over future support, it is all the more important for the Dutch government to make the political considerations on this issue open and transparent. The government should be clear about where we stand in the conflict, what is at stake and what the aims are of the Netherlands' support for Ukraine. The longer the war continues, the greater the communication effort that will be required. This is because certain dilemmas will then become more tangible.⁶⁴ Society's focus may also shift to other conflicts and issues. A lack of progress on Ukraine's offensives and the perception of an ongoing military stalemate that nevertheless continues to bring with it high material and immaterial costs could undermine willingness to support Ukraine, since it could be perceived by some as prolonging a hopeless war.

Dutch voters have shown in the past that they are not unmoved by concerns about corruption and a lack of good governance in Ukraine.⁶⁵ Parliamentary and public approval are essential, as Ivan Krastev convincingly argued in the lecture he gave for the AIV, and it is inevitable that dilemmas will arise in formulating and implementing policy. The AIV believes that Dutch efforts in NATO, the EU and in relation to Ukraine matter. The Dutch government has rightly made a political and moral commitment to the defence of Ukraine. When it comes to providing ongoing intensive support, the government must continue to communicate extensively with the public. This is all the more important now that it seems likely that the war will continue for some time, and have long-lasting after-effects that will shape the future of our continent.

Resilience

The Russian government also knows the importance of the battle for (Western) public opinion to the outcome of the conflict. Disinformation campaigns are a familiar weapon in Moscow's arsenal. It is crucial for Dutch society as a whole to prepare itself for a Russian-style hybrid conflict. Such a conflict could take a variety of forms: spreading disinformation, disabling critical infrastructure, exploiting strategic dependencies (for example in relation to energy and raw materials) and other acts of disruption. The desire to embed Ukraine in the EU and NATO could prompt resentment and extra attempts by Russia to undermine these efforts. As host country of the International Criminal Court (which could try the Russian president) and the International Court of Justice (which could rule on violations of international law by Russia), the Netherlands has a particularly high profile.⁶⁶

Resilience to attempts to undermine Western support requires a whole-of-society approach. The general public, the business community, civil society and the government need to be more keenly aware of the altered security situation and take joint preparatory action in response. Everyone involved has their own responsibility. Recently Admiral Rob Bauer, Chair of the Military Committee of NATO, and several European Chiefs of Defence, including the Dutch, called for such a joint effort.⁶⁷ In the spring of 2024 the AIV will publish an advisory report on hybrid threats, offering recommendations on how the Netherlands can defend itself against them. With a view to the European Parliamentary elections and other factors, the AIV will argue in that report for investment in national education in (digital) resilience and recognising disinformation. Citizens' right to protection means that they should be enabled to protect themselves sufficiently against digital threats. The government has a task to fulfil here. Offering national education on digital resilience could help achieve this. The government should also arm voters against disinformation about the conflict and against other undermining actions by offering clear, honest and reliable communication.



8. Conclusions and recommendations

This advisory letter builds on the first advisory letter published by the AIV in October 2022 in relation to the war in Ukraine.⁶⁸ Three themes run through the sections above: resolve, resilience and prospects for the future. In relation to these themes, the AIV makes the following recommendations.

8.1 Resolve

The Netherlands' support for Ukraine remains as necessary and urgent as ever, certainly now that the Western consensus is growing more fragile, there are turning points in sight and there is a danger of a protracted stalemate. The Dutch government has rightly made a political and moral commitment to Ukraine's struggle. After all, for Europe and the Netherlands this is a war in which our own security and values are at risk. The support provided to Ukraine thus far gives rise to expectations and in a certain sense leads to a 'lock-in effect'. Resolve requires a strong sense of enduring commitment and political responsibility; if support is scaled back, that will also be detrimental to the EU's credibility as an international ally. If the prospect of EU or NATO membership were to be undermined now, Ukraine would suffer an enormous loss of hope.

The late Mathieu Segers, Professor of Contemporary European History, argued in an interview in the autumn of 2023 that Europe itself must show moral leadership and political will now that the US is increasingly incapable of doing so.⁶⁹ In short, as the Netherlands works within NATO and the EU to support Ukraine, as well as providing direct assistance, there truly is something at stake.

I. Be resolute and support Ukraine with sufficient resources

► Scenarios:

The Netherlands should actively prepare for several different scenarios. A victory for Ukraine (scenario 1) or the strongest possible position for Ukraine at the start of negotiations (scenario 3 variant 4) are the most desirable scenarios, and they should be treated as the aim and objective of Dutch policy, by way of lasting, proactive, timely support by the government and its partners.

► Defence expenditure:

- i. The AIV repeats its call for the NATO 2% norm to be complied with and enshrined in law, in line with international agreements within NATO.
- ii. Set aside additional resources over the long term, over and above this 2% minimum, so that resolute assistance to Ukraine can be maintained. The AIV concludes that current defence expenditure is not sufficient to cover collective defence, effective deterrence, restoration and expansion of Europe's and the Netherlands' own defence capabilities while *also* providing long-term, steadfast support to Ukraine.
- iii. Planning certainty and a long-term perspective should be achieved by way of a 10-year defence plan applicable to successive governments, preferably to be laid down in a Defence Act in order to make it more resilient to political fluctuations.

► **Reconstruction:**

- i. Work towards a broad and inclusive recovery for Ukraine. Lessons from the past – in relation to development cooperation and Building Back Better – should be helpful in avoiding known pitfalls and unintended consequences.
- ii. Reconstruction is not only a question of bricks and mortar; it is also about the institutions that safeguard the shared values of freedom, openness, transparency, democracy, the rule of law and respect for human rights.
- iii. Provide assistance in areas where the Netherlands has considerable specific expertise, such as agriculture, water management and the supply of drinking water.
- iv. Mitigate the effects of easier market access to the single market for Ukrainian goods and service providers, and work to restore a level playing field in the longer term. Fair competition is essential to public support for providing assistance to Ukraine.
- v. Tap into alternative sources of financing by effectively following up on the political agreement by the Foreign Affairs Council of January 2024 to levy European taxes on revenues from frozen Russian assets. Investigate the potential political, monetary and international law consequences of using the assets themselves.

The AIV concludes that showing resolve is necessary but not easy. There are substantial costs, risks and many uncertainties. With this in mind, the government needs to make clear choices and engage in clear communication, particularly now that it seems likely the war will continue for some time and have long-lasting after-effects that will shape the future of our continent.

II. Work proactively to ensure public support for providing resolute assistance to Ukraine

► **Democratic legitimacy**

Communicate clearly about where we stand in the conflict, what is at stake and what the aims are of Dutch support to Ukraine. Make political considerations open and transparent.

► **Boundaries and vulnerabilities**

Be clear about the conditions for Dutch assistance. Address concerns about corruption, transparency, human rights, good governance and legality. Confidence in the chosen strategy and objectives and in the actions of the main players, both here and in Ukraine, is a prerequisite for ensuring public support for Dutch assistance. This task will become all the more urgent the longer the war continues and the more often public confidence and support are put to the test.

8.2 Resilience

Europe and the Netherlands are also facing an increased security threat. At the same time the security umbrella offered by NATO is becoming more uncertain on account of doubts as to the durability of US commitment. Europe as a whole, the EU and the Netherlands must work to enhance their own resilience. Resilience is in any case directly related to the European security order and to strong European defence capabilities, but it also has an important societal component. It is essential for the Netherlands to be sufficiently prepared, mentally and physically, for war or conflict situations on European territory in which long-lasting military support is requested, and in which there are heightened risks of hybrid conflict, including threats or damage to our own infrastructure.

III. Actively help make Europe more resilient

▶ **The European security architecture:**

- i. a European pillar within NATO;
- ii. a structural and planned expansion of European defence capabilities;
- iii. a European Security Council;

in order to ensure that Europe – given increasing uncertainty about US commitment – is able to independently and autonomously defend NATO's European territory. This will require urgent and concrete steps to increase the role of European countries in the funding and command structure of NATO.

▶ **The European defence and security industry:**

- i. With the aim of increasing production capacity, work towards defragmentation of the European defence and security sector so that the economies of scale offered by the single market can also be realised in this industry.
- ii. Give priority to production lines that are currently important to Ukraine, such as air defence systems and associated ammunition, while complying with existing legislation.
- iii. Argue for more restraint and more conformity in the application of national security exceptions, in order to rein in the culture of national procurement, production and specifications. Involve allies in this too, so that the pursuit of autonomy does not lead to unwarranted protectionism.
- iv. Strive at national level for an effective, result-driven defence and security industry policy entailing a fair allocation of new funding streams.

IV. Help make the Netherlands more resilient

▶ **Whole-of-society approach:**

prepare Dutch society as a whole (members of the public, government, business and civil society) for hybrid conflict that could involve disinformation, the disabling of critical infrastructure, the exploitation of strategic dependencies (for example in relation to energy and raw materials) and other forms of disruption.

▶ **Disinformation:**

invest in national education on (digital) resilience and recognising disinformation. Arm the public against disinformation about the conflict and against other efforts to undermine our support by offering clear, honest and reliable government communication.

8.3 Prospects for the future

With the proclamation of a *Zeitenwende* (in the words of the German chancellor shortly after the Russian invasion), the previous era did not simply come to an immediate end. On the contrary, the Cold War and in particular the events of the post Cold War era endure. Once again, the issue of a stable and just European security order is under discussion.

V. Create future prospects for Ukraine within the European and transatlantic system



▶ **EU membership:**

Contribute proactively to the prospect of EU membership for Ukraine. Ensure that the accession of new member states does not weaken the EU as a whole. Both sides will have lots of work to do.

- i. In accordance with the accession criteria, Ukraine will have to be prepared for accession by means of additional technical assistance, including MATRA programmes and EU twinning projects, with the emphasis on democratic and rule-of-law institutions in Ukraine.
- ii. Maintain the momentum in the accession negotiations with Ukraine, without losing sight of the merit-based approach. Consider the possibilities of transition periods and phased accession.
- iii. Enlargement will have major ramifications for the EU and the Netherlands, including implications for the EU budget, agricultural policy, decision-making and the free movement of workers. With a view to enlargement, the EU itself will also need to enact reforms. Difficult debates and choices will be necessary. Ensure that the Netherlands is prepared for this.

▶ **NATO membership:**

uphold the clear future prospect of NATO membership for Ukraine. Discuss this matter at forthcoming NATO Summits.

▶ **Bilateral security guarantees:**

In parallel with the NATO accession process and in collaboration with countries with larger defence capabilities consider whether bilateral security guarantees can be offered to Ukraine through financial support and arms deliveries.

In the long run it will be necessary to find a new sort of relationship with Russia by creating a stable European security order. The desire to isolate the aggressor Russia is at odds with the need to tackle long-term challenges that require some form of cooperation, for example arms control, combating the proliferation of weapons of mass destruction and formulating climate policy. A long-term perspective is therefore indispensable. At the same time, different countries and different regions of the world have differing perceptions of the war in Ukraine.

VI. Invest in a shared global consensus on the war in Ukraine and in a common vision on a stable global security order and a just peace for the long term.

▶ **Global South:**

Launch renewed initiatives to significantly mitigate the war's economic consequences over the long term, such as the impact on energy and food prices, and acknowledge that countries in the Global South are key players and should be given more of a voice in decision-making on this issue.

▶ **Global security:**

Acknowledge the growing gap between countries in the Global South and the West in relation to the war in Ukraine, including accusations of double standards as regards the war in the Middle East and conflicts in Africa. Acknowledge that this gap is not in the Netherlands' interest and work together specifically on de-escalation and reducing polarisation. Protecting and upholding the international legal order is in everyone's interests.

The AIV considers that the three themes of resolve, resilience and prospects for the future should be at the heart of the government's political communications. Clarity about long-term prospects and greater resilience will make it possible to continue providing resolute and active support to Ukraine. Resolve will in turn enhance confidence that a shared outlook on the future can also serve as a guideline for strong foreign policy and defence.



Yours sincerely,

Professor Bert Koenders
Chair of the Advisory Council on International Affairs

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Endnotes



- 1 AIV (2022) *The War in Ukraine: a Geopolitical 'Time Shock'*, AIV advisory letter 37, 20 October 2022.
- 2 Ibid.
- 3 See <https://news.un.org/en/story/2023/11/1143852>.
- 4 See <https://news.un.org/en/story/2024/01/1145567>. In December 2023 the tally was 10,191 dead and 19,139 injured among the Ukrainian civilian population. See https://ukraine.un.org/sites/default/files/2024-01/Ukraine%20-%20protection%20of%20civilians%20in%20armed%20conflict%20%28December%202023%29_ENG_0.pdf. In reporting this figure the UN indicates that the true number is expected to be much higher, given that many casualties have not yet been officially confirmed.
- 5 <https://www.nytimes.com/2023/08/18/us/politics/ukraine-russia-war-casualties.html> and <https://www.reuters.com/world/us-intelligence-assesses-ukraine-war-has-cost-russia-315000-casualties-source-2023-12-12/>. Sources estimate the number of battlefield casualties on the Ukrainian side to be 130,000, including 17,500 dead. Russian casualties are believed to number over 220,000, including 43,000 dead.
- 6 See <https://storymaps.arcgis.com/stories/36a7f6a6f5a9448496de641cf64bd375> by the Institute for the Study of War.
- 7 AIV (2023) *AIV lecture by Ivan Krastev*, 4 September 2023.
- 8 <https://www.independent.co.uk/news/world/americas/us-politics/donald-trump-russia-ukraine-war-b2377077.html>.
- 9 VVD (2023) *Ruimte geven. Grenzen stellen (Giving freedom, setting limits)*, Electoral Programme of the People's Party for Freedom and Democracy (VVD) 2023, p 5.
- 10 PVV (2023) *Nederlanders weer op 1 (The Dutch back at no. 1)*, Electoral Programme of the Freedom Party (PVV) 2023, p 37.
- 11 In a pre-election poll by Ipsos neither Ukraine nor defence was mentioned as a priority of Dutch voters: <https://www.ipsos.com/nl-nl/peiling-verkiezingsthema-bestaanszekerheid-als-campagnethema-draagvlak-monarchie>.
- 12 <https://www.rtlnieuws.nl/nieuws/politiek/artikel/5424055/tweede-kamer-steun-oekraïne-rutte-vvd-groenlinks-pvda>.
- 13 For an overview of possible scenarios and objectives, see: Deen, B., Zandee, D. and Dimitriu, G. (2023) *Oekraïne: 'Whatever it takes'?* Clingendael Policy Brief, February 2023. The authors make the case for a clear decision-making framework.
- 14 Non-military aspects of the conflict and long-term issues, such as Ukraine's possible accession to the EU and NATO, are not discussed here. These aspects will be selectively examined in the sections that follow.
- 15 The International Criminal Court has the power to investigate and prosecute certain international crimes committed by natural persons in the war between Russia and Ukraine. The ICC has issued arrest warrants against Vladimir Putin and Maria Lvova-Belova. Both are accused of war crimes, namely unlawfully deporting children and unlawfully transferring children from occupied territory in Ukraine to Russia. See <https://www.icc-cpi.int/news/situation-ukraine-icc-judges-issue-arrest-warrants-against-vladimir-vladimirovich-putin-and>. See also the Advisory Committee on Issues of Public International Law (CAVV) (2024) *De consequenties op de lange termijn van het oprichten van een alternatief tribunaal om de misdaad van agressie te berechten en andere mogelijkheden om de Russische president Poetin te berechten (The long-term ramifications of establishing an alternative tribunal to try the crime of aggression and possibilities for trying Russian president Putin)*, CAVV

- advisory report no. 45, 24 January 2024. The ICC does not hear interstate disputes. The ICJ does, however, adjudicate in legal disputes between states. On 26 February 2022 Ukraine instituted proceedings against Russia before the ICJ (Allegations of Genocide under the Convention on the Prevention and Punishment of the Crime of Genocide (Ukraine v. Russian Federation: 32 States intervening)). On 16 March 2022 the ICJ ordered that the Russian Federation should 'immediately suspend the military operations that it commenced on 24 February 2022 in the territory of Ukraine'. On 2 February 2024 the court concluded that it has jurisdiction in this case.
- 16 Ukraine's commander-in-chief on the breakthrough he needs to beat Russia, The Economist, 1 November 2023.
- 17 See Rachman, G. (2023) Ukraine and its backers need a credible path to victory, Financial Times, 18 December 2023.
- 18 Between 2016 and 2021, 92% of Ukrainian wheat went to Asia and Africa, with Indonesia, the Philippines, Bangladesh, Egypt, Tunisia and Morocco as the biggest purchasers. See <https://www.consilium.europa.eu/nl/infographics/how-the-russian-invasion-of-ukraine-has-further-aggravated-the-global-food-crisis/> and <https://nos.nl/artikel/2484653-afrikaanse-unie-wil-niet-alleen-russisch-graan-maar-ook-staakt-het-vuren-in-oekraïne>.
- 19 A good academic study of the series of promises and misunderstandings between Washington and Moscow in the years between 1989 and 2000 – with the leading players being George H.W. Bush and Mikhail Gorbachev, and then Bill Clinton and Boris Yeltsin – is M.E. Sarotte (2021) Not One Inch: America, Russia and the Making of Post-Cold War Stalemate, Yale University Press, 30 November 2021.
- 20 For an overview of the arguments against unconditional support for Ukraine and their refutation, see Ash, T., Bohr, A., Busol, K., Giles, K., Lough, J., Lutsevych, O., Nixey, J., Sherr, J., Smith, S. and Wolczuk, K. (2023) How to end Russia's war on Ukraine. Safeguarding Europe's future and the dangers of a false peace. Chatham House report, 27 June 2023.
- 21 AIV (2022) Choices for the Armed Forces, AIV advisory letter 35, 4 March 2022.
AIV (2020) European Security: Time for New Steps, AIV advisory report 122, 19 June 2020.
AIV (2017) Russia and the Defence Efforts of the Netherlands, AIV advisory letter 31, 3 March 2017.
- 22 See the Wales Summit Declaration of 5 September 2014.
- 23 See the Vilnius Summit Communiqué of 11 July 2023.
- 24 The AIV previously made recommendations to this effect in its advisory letter Choices for the Armed Forces, see note 21.
- 25 The AIV previously made recommendations to this effect in its advisory report European Security: Time for New Steps, see note 21.
- 26 See the Bucharest Summit Declaration of 3 April 2008.
- 27 <https://www.euractiv.com/section/defence-and-security/news/us-germany-remain-reluctant-to-support-quick-ukraine-nato-accession/>.
- 28 Article 10 of the NATO treaty reads as follows: 'The Parties may, by unanimous agreement, invite any other European State in a position to further the principles of this Treaty and to contribute to the security of the North Atlantic area to accede to this Treaty.' See https://www.nato.int/cps/en/natohq/official_texts_17120.htm?selectedLocale=en.
- 29 La France se résout à soutenir l'adhésion de l'Ukraine à l'OTAN (lemonde.fr) and UK 'very supportive' of fast-track NATO plan for Ukraine (POLITICO).
- 30 'We will be in a position to extend an invitation to Ukraine to join the Alliance when Allies agree and conditions are met.' See note 23 for the full declaration.
- 31 https://assets.publishing.service.gov.uk/media/65a14a6ae96df50014f845d2/UK-Ukraine_Agreement_on_Security_Co-operation.pdf.
- 32 <https://www.politico.eu/article/ukraine-signs-security-pacts-with-germany-france/>.

- 33 Approval of the budget statements of the Ministry of Defence for the year 2024: <https://www.rijksoverheid.nl/binaries/rijksoverheid/documenten/begrotingen/2023/09/19/x-defensie-rijksbegroting-2024/x-defensie-rijksbegroting-2024.pdf>.
- 34 See also the AIV's advisory letter Choices for the Armed Forces in note 21.
- 35 See note 23.
- 36 The 2024-2028 NATO Common Funding Resource Plan, a report by the Resource Policy and Planning Board of 31 July 2023.
- 37 See also the [keynote speech](#) by President of the European Council Charles Michel to the European Investment Bank Group Forum of 7 February 2024.
- 38 See the OECD guidelines and the UN Guiding Principles on Business and Human Rights (UNGPR).
- 39 Bondar, K. (2023) 'Arsenal of Democracy: Integrating Ukraine into the West's Defense Industrial Base', Carnegie Endowment for International Peace, 4 December 2023.
- 40 Republic of Estonia Ministry of Defence (2023) 'Setting Transatlantic Defence up for Success: a Military Strategy for Ukraine's Victory and Russia's Defeat'.
- 41 The AIV intends to release an advisory report on EU enlargement in the coming year, see AIV (2024) [AIV work programme for 2024-2026](#), 22 January 2024.
- 42 Such as the [MATRA programme](#) or, in an EU context, the Technical Assistance and Information Exchange Instrument of the European Commission (TAIEX).
- 43 Granada Declaration of the European Council, 6 October 2023: <https://www.consilium.europa.eu/nl/press/press-releases/2023/10/06/granada-declaration/>.
- 44 <https://documents.worldbank.org/en/publication/documents-reports/documentdetail/099184503212328877/p1801740d1177f03c0ab180057556615497>.
- 45 See note 63 for the Needs Assessment of the World Bank of 23 March 2023 and [Letter to parliament on first support package of 2024 for Ukraine](#) (in Dutch), Parliamentary Paper 36 045, no. 172, 15 December 2023.
- 46 https://ieg.worldbankgroup.org/blog/anticipating-unintended-consequences-preparing-reconstruction-ukraine?utm_source=Blog&utm_medium=LinkedIn&utm_campaign=Ukraine_CPE and <https://www.euronews.com/my-europe/2023/06/29/ukrainians-worried-about-corruption-as-donors-pledge-billions-to-rebuild-the-country>.
- 47 Åslund, A. (2023) [Preparing for Ukraine's reconstruction](#), Project Syndicate.
- 48 [Conclusions of the special meeting of the European Council of 1 February 2024](#).
- 49 <https://www.government.nl/topics/russia-and-ukraine/dutch-aid-for-ukraine>.
- 50 <https://www.rvo.nl/>.
- 51 <https://www.consilium.europa.eu/en/meetings/fac/2024/01/22/> and <https://www.reuters.com/world/europe/eu-envoys-back-setting-aside-russian-asset-profits-ukraine-2024-01-29/>.
- 52 <https://link.springer.com/article/10.1007/s40802-023-00231-7>.
- 53 [Special Economic Measures Act](#): <https://laws-lois.justice.gc.ca/eng/acts/S-14.5/FullText.html>.
- 54 <https://www.pubaffairsbruxelles.eu/eu-institution-news/ukraine-council-adopts-renewal-of-temporary-trade-liberalisation-and-other-trade-concessions/> and https://eu-solidarity-ukraine.ec.europa.eu/eu-assistance-ukraine/eu-ukraine-solidarity-lanes_en.
- 55 This section examines the gap in the context of the war in Ukraine. The AIV is planning to publish a more wide-ranging advisory report on this issue, also looking at aspects beyond the conflict. See note 41 for a link to the AIV work programme.
- 56 O. Brown, A. Froggatt, N. Gozak, N. Katser-Buchkovska and O. Lutsevych (2023), [The consequences of Russia's war on Ukraine for climate action, food supply and energy security](#), Chatham House Research Paper, 13 September 2023.

- 57 UNCTAD (2022), *A Double Burden: The effects of food price increases and currency depreciations on food import bills*, UN Conference on Trade and Development, 16 December 2022.
- 58 UNCTAD (2023), *Trade and Development Report 2023. Growth, Debt, and Climate: Realigning the Global Financial Architecture*, United Nations Conference on Trade and Development, 4 October 2023.
- 59 This should certainly not be considered a blanket statement. A large number of countries, such as Kenya, supported the Western sanctions.
- 60 US Department of State (2023), *Secretary Antony J. Blinken with German Foreign Minister Annalena Baerbock and Ukrainian Foreign Minister Dmytro Kuleba at the Munich Security Conference*, 18 February 2023.
- AIV (2022), *Urgent need for a new Dutch Strategy on Africa*, AIV advisory letter 36, 14 July 2022.
- 61 https://www.nrc.nl/nieuws/2024/01/15/zwitserland-gaat-vredesconferentie-organiseren-over-oorlog-oekraïne-a4187059?utm_source=push&utm_medium=topic&utm_term=20240115 (in Dutch).
- 62 Bertelsmann Stiftung, *EUpinions*, September 2023: <https://eupinions.eu/de/text/ukraine-trends-september-2023>.
- 63 Ibid and Bertelsmann Stiftung, *EUpinions*, March 2023: <https://eupinions.eu/de/text/ukraine-trends-march-2023>.
- 64 See note 7.
- 65 Corruption was the reason most commonly cited by Dutch nationals for voting against the association agreement with Ukraine in the referendum of 2016.
- 66 See note 15.
- 67 https://www.nato.int/cps/en/natohq/opinions_221779.htm.
- 68 See note 1.
- 69 *Volkscrant* (2023) *Voor moreel leiderschap moet je je een betere wereld voorstellen: Kan Europa dat?* (Moral leadership requires us to imagine a better world: Is Europe capable of that?), 2 December 2023.