



## European ‘Peace Fund’ Stoking War in Ukraine as Scheming EU Governments Take Advantage

### Description

**WORLD : German Chancellor Olaf Scholz, French President Emmanuel Macron, and Polish Prime Minister Donald Tusk recently vowed to procure more weapons for Ukraine at a meeting in Berlin.**

**“A new era is dawning,” claimed Macron, while Poland’s Tusk lauded:** “We want to spend our money on Ukraine.” But a closer look shows that European taxpayers’ money “spent on Ukraine” will go to a scheme called the European Peace Facility, which since its inception has been promoting war instead of peace and enriched shady operators.

The problems bothering the three European leaders in Berlin seem clear. A \$60 billion bill aimed at supporting Ukraine’s “war effort” has got stuck in the US Congress and \$300 million worth batch of arms that the US recently sent to Kiev is obviously not enough to stop the gradual retreat of Zelensky’s troops.

So, Scholz, Macron and Tusk felt an urgent need to create the impression that “Europeans are ready to step in” and compensate for the military-industrial complex of the United States, with the EU sending deadly “gifts” to Ukrainians.

This reimbursement is supposed to be done through the grossly misnamed and off-budget scheme European Peace Facility (EPF).

### The Fund Worth Billions

The EPF fund was established in 2021 and was initially used to reimburse European producers of arms that were sent to “EU-friendly dictators in Africa” – an expression used by the fund’s critics in Western media.

But from February 2022, the EPF started operating with billions and devoted itself entirely to arming Russia’s adversaries in Ukraine and other post-Soviet countries.

**On the surface, the EPF's operations make an impression:** "The EU agrees to €5 billion in Ukraine military aid," "EU cash for Ukraine" – such headlines were omnipresent in the Western media last week.

The EU member countries' envoys in Brussels recently indeed agreed to increase the EPF's assets to €17 billion, of which €11 billion are meant for Ukraine. (So far, the EPF has already spent €6.1 billion of taxpayers' money on supplying Zelensky's regime with arms.)

However, the European Conservative, a Budapest-based media outlet, reports that "it is theoretically possible that no actual money reaches the EPF under the agreement."

Why? The EU has become a victim of its own hypocrisy. According to the EU's legislation, the European Union is a peaceful organization that cannot legally finance any war effort directly, despite member countries fighting in just about all the major wars since 1991 – from Iraq and Afghanistan to Libya and Yugoslavia.

Hence the need for this "peace" fund, which uses European money, but legally is not a part of the EU budget system with its strict regulations, the outlet writes.

### **Obligations – In Money Or Weapons**

So, all 27 countries of the European Union are supposed to make contributions to the EPF, depending on the relative size of each country's economy. However, there is a provision that makes it possible for every country to replace its share in the obligatory payment of €5 billion by "an in-kind donation."

This means that instead of donating money, Estonia or Germany could just "donate" weapons (including old ones) to this venerable "peace" fund. This opens the door to schemes.

"The fine print specifies that for every \$2 worth of military equipment donation member states can deduct \$1 from their required money donation to EPF – with no limit on deductions," The European Conservative writes.

So, if we read the fine print, the news about the €5 billion 'sacrifice' of EU member states for the Ukrainian Army is not quite accurate: Germany, for example, may not pay an additional cent to the fund. Here is why.

As Politico reports, Germany has been the largest donor for the Ukrainian military, having given €17.7 billion in military supplies. Now Germany is supposed to pay €1.2 billion a year into the EPF, but as long as it gives at least €2.4 billion in weapons to Ukraine in a year, Germany is free of any obligation to pay money to the fund.

### **Showing Them The Money, Getting Arms For Oneself**

However, if Germany is the biggest donor, then Estonia is the smartest schemer. Earlier this year, Politico accused Estonia of using a loophole in the rules that the European Council adopted for the EPF.

The bureaucrats in Brussels forgot to specify how EU members should calculate the procurement price of the weaponry they send to Ukraine's war machine via the European Peace Facility.

So, Estonia (followed by Latvia and Lithuania) vastly overestimated the value of the old Soviet weapons that it provided. However the EPF still gave Estonia the money, which the officials later used to satisfy their country's defense and consumer needs.

“They [Estonians and other EU members] are sending their scraps to Ukraine and later buying brand new war materials for themselves, using EU money,” Politico writes.

According to EU inspectors quoted by The European Conservative, the behavior of the Estonian government led by Prime Minister Kaja Kallas was a “particularly blatant case.”

Estonia “topped the charts” of the EPF's abuse schemes, demanding 91% reimbursement for the old weapons donated and raking in €135 million last year alone.

New NATO members Finland and Sweden also demanded huge refunds, and Macron's France insisted on 71% plus an obligation to operate only with European-made weapons.

“All in all, this is an unseemly story – Western countries pride themselves on their supposedly selfless military aid to Ukraine, just like they boasted of their aid to the insurgents in Syria.

As a result, Syria and Ukraine were badly damaged largely by Western-made weapons,” commented Sonja van den Ende, a Moscow-based international affairs analyst with experience covering the wars in the Middle East.

“But in reality this military aid is not selfless. We see at the example of the EPF how this aid actually helps to fill the pockets of big arms producing companies and of Western government officials.”

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