Tomorrow's Affairs
Analysis of today
Assessment of tomorrow

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Political compromise in Brussels – funds for Hungary in exchange for the 19th sanctions package against Russia

The European Commission has decided to release around 550 million euros to Hungary to secure its support for the 19th package of sanctions against Russia.

Financial leverage has overridden a veto before, but this is the first time it has been so openly tied to the energy policy measures that should be the package's new core.

This reveals the cost of European unity and shows how a policy that appears common and indivisible to outsiders is formed internally.

The package itself has been in preparation for months. At its core, it is about a ban on Russian LNG imports by early 2027 as well as measures against a "shadow fleet" of tankers and a network of intermediaries that enable Moscow to circumvent existing restrictions.

In Brussels, it is no longer just about symbolism but about the specific date on which Russian liquefied natural gas will no longer be allowed to enter European terminals.

This deadline was moved forward by a year from what was planned, which changes the dynamics of contracts, infrastructure investments and the entire energy market.

Raising the price of a vote

The problem is that some EU members perceive such an acceleration as a direct blow to their own energy security. Hungary and Slovakia, and to a lesser extent some other countries, see themselves exposed to higher costs and fear shortages if the transition is carried out without additional security of supply.

Budapest turned its objection into a veto threat, and Brussels responded with financial compensation. The decision to release more than half a billion euros, which had previously been frozen due to disputes over the rule of law, is now being explained as a necessity in order to pass the package as a whole.

Any measure that affects energy sources raises the issue of internal cost allocation, and this is an area where Budapest and similar actors see an opportunity

In this way, the European Commission is trying to solve a problem that has become long-lasting. Extending existing individual sanctions against Russian officials and companies was routinely adopted on 12 September, but new steps affecting energy flows are regularly stalled.

The reason for this is obvious: while rhetorical unity remains strong, operational implementation affects member states and their economies unevenly.

Any measure that affects energy sources immediately raises the issue of internal cost allocation, and this is an area where Budapest and similar actors see an opportunity to raise the price of their vote.

The economic and strategic stakes

For the transatlantic partners, especially the United States, this is a signal that Europe remains slow, even if the objectives are undisputed.

Washington is calling for a faster reduction in Russian energy revenues and has been insisting for months on closing the loopholes filled by tankers outside the insurance system and intermediaries in third countries.

There are still differences in the instruments – the US is considering tariffs against large buyers of Russian oil, while the EU remains within the framework of restrictive measures that require unanimity of all members.

But the goal is the same, which is precisely why the lack of a decision in Brussels has far-reaching consequences for the credibility of the West as a whole.

> Every month without new sanctions means that Russian LNG continues to reach European terminals

The economic logic of this move is clear. Every month without new sanctions means that Russian LNG continues to reach European terminals, that transport takes place via the "shadow fleet" and that financial flows continue unhindered via intermediate channels.

This is revenue for Moscow but also a loss for European companies that play by the rules and bear the costs of compliance, while competitors from non-EU countries exploit loopholes.

The closure of the LNG channel by 2027 and the strengthening of supervision over transport and insurance are aimed at reversing precisely this asymmetry.

Closing loopholes or paying for politics?

However, the political risk remains. If the Commission gets the Hungarian vote and starts the gradual adoption of the package — energy and transport now, banks and financial intermediaries next — the Union will show that it can sustain the initiative with pragmatic agreements.

If the EU releases the funds for Hungary and does not impose new sanctions on Russia, it will turn out that the Union is paying for a political agreement but is not making a decision that will change the situation on the ground.

In this case, Russian LNG would continue to enter Europe, the "shadow fleet" would continue to transport oil, and the intermediaries and banks through which Moscow circumvents the restrictions would remain unreachable.

> The influx of budget funds from Brussels reduces internal pressure and gives the government political capital

The extension of the old measures no longer carries any weight because Russia is successfully circumventing them. Now, a visible closure of the loopholes, which everyone is aware of and that the EU's partners consistently highlight, is necessary.

For Hungary, the calculation is twofold. The influx of budget funds from Brussels reduces internal pressure and gives the government political capital. At the same time, by supporting the package, open conflict with the majority in the Union can be avoided at a time when the outcome is practically inevitable.

The veto has negotiating value in such an environment, but its use is limited if the rest of the EU shows a willingness to pay and if the objective is already defined as strategic.

The cost of unity

The most important message of this agreement lies not in the figure of 550 million euros but in the fact that European sanctions policy is being implemented more and more openly through transaction agreements.

This may seem like a weakness, but it can also be read as a realistic response to the fact that unity in the Union is always a compromise and not an ideal alignment of interests. The crucial question is whether this compromise will lead to a measurable result.

The EU has tied its own credibility to 1 January 2027. If Russian LNG continues to enter European terminals on that date, it will become clear that the sanctions regime has lost its purpose and political will is fading

If the LNG ban is actually implemented a year earlier and the loopholes for transport and intermediaries are closed at the same time, then the transaction made sense. If not, then it will only have shown that European unity costs money but does not produce an effective strategy.

At the moment, Budapest and Brussels are mutually bound by the result. Hungary cannot afford to leave empty-handed, and the EU cannot afford to postpone the prioritised package again.

This narrows the room for manoeuvre, and the pressure to show concrete results in the coming weeks — the LNG ban, the intermediaries lists, the monitoring of the "shadow fleet" — will be the decisive test.

The European Union has effectively tied its own credibility to 1 January 2027. If Russian LNG continues to enter European terminals on that date, it will become clear that the sanctions regime has lost its purpose and political will is fading.

If it closes the energy gaps by that date, Europe will show that pragmatism can be turned into a consistent strategy and that joint decisions can be put into practice and have a measurable and decisive impact.