



By: TA | AP Insight

EU is back with massive financial package for Ukraine



The European Union on Thursday approved a massive loan package to help Ukraine meet its economic and military needs for two years, the bloc's Cypriot presidency said, after oil began flowing through a key pipeline to Hungary and Slovakia, ending months of political deadlock.

The EU also approved a new raft of sanctions against Russia over its war on Ukraine.

The measures were prepared early this year and set to be announced in February to mark the fourth anniversary of the conflict, but Hungary and Slovakia opposed the move.

Hungary and Slovakia have been **locked in a feud** with Ukraine since Russian oil deliveries to the two EU countries were halted in January after a **pipeline was damaged**.

Ukrainian officials blamed the damage on Russian drone attacks.

Both countries confirmed Thursday that deliveries have resumed.

Ukraine desperately needs the 90-billion-euro (\$106 billion) loan package to prop up its war-ravaged economy and help keep Russian forces at bay.

Hungary angered its EU partners by renegeing on a December deal to provide the funds.

"Today the Council approved the final element needed to allow for the disbursement of the 90-billion-euro loan for Ukraine," Cypriot Finance Minister Makis Keravnos said. "Loan disbursements will start flowing as soon as possible, providing vital support for Ukraine's most pressing budgetary needs."

"Promised, delivered, implemented," European Council President Antonio Costa posted on social media, just hours before he was due to chair a summit of EU leaders in Cyprus, which holds the bloc's presidency until June 30.

Pipeline breakthrough

The political greenlight for the loan package

came after Russian oil began flowing to Hungary and Slovakia again through the Druzhba pipeline that crosses Ukraine.

Populist Slovak Prime Minister Robert Fico welcomed that development as "good news."

"Let's hope a serious relation between Ukraine and the European Union has been established," Fico said.

Hungarian energy group MOL said it had "received crude oil at the Fényeslitke and Budkovce pumping stations earlier Thursday. Crude oil deliveries via the Druzhba pipeline system have thus resumed to Hungary and Slovakia after a hiatus of nearly three months."

Unlike the rest of the European Union, Hungary and Slovakia still depend on Russia for their energy needs

Ukraine and most of its European backers oppose imports of Russian oil which have helped to fund Russian President Vladimir Putin's war against Ukraine, now in its fifth year.

But unlike the rest of the European Union, Hungary and Slovakia still depend on Russia for their energy needs.

Hungary's nationalist Prime Minister Viktor Orbán, who was recently **defeated in an election**, had accused Ukraine of deliberately delaying repairs — an allegation that Ukrainian President Volodymyr Zelenskyy denied.

Fico said Thursday he still didn't believe the pipeline was damaged at all and alleged that the pipeline and oil "were used in the current geopolitical battle."

Another EU voting hijack

The row has raised yet more troubling questions about decision-making in the EU, which can often be held hostage to national

interests when unanimous votes are required.

Several top officials have in recent months called for more majority voting.



Viktor Orbán has repeatedly blocked EU aid to Ukraine

The 27-nation bloc had originally intended to use frozen Russian assets as collateral for the loan.

But that option was blocked by Belgium, where the bulk of the frozen assets are held.

In December, the Czech Republic, Hungary and Slovakia agreed not to stop their EU partners from borrowing the money on international markets as long as the three countries did not have to take part in the scheme.

But Orbán, who has repeatedly blocked EU aid to Ukraine, angered the other 24 countries by later renegeing on that deal over the pipeline dispute and as campaigning heated up ahead of the April 12 election that he lost in a landslide.

More sanctions on Russia

The EU has also been trying since February to push through a new raft of sanctions against Russia to undermine its war effort, but Hungary and Slovakia were also blocking those measures over the oil feud.

The sanctions set up a ban on providing services, like maintenance or refueling, to ships illicitly transporting Russian oil. More

than 40 ships believed to be part of Russia's shadow fleet were also targeted.

Oil revenue is the linchpin of Russia's economy, allowing Putin to pour money into the armed forces without worsening inflation for everyday people and avoiding a currency collapse.

Asset freezes were slapped on around 60 more "entities" – often companies, government agencies, banks or other organizations – adding to a growing list of more than 2,600 Russian officials and entities already under sanctions, including Putin, his political associates, oligarchs, and dozens of lawmakers.