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FACT SHEET

EU-Ukraine relations

The European Union is currently focusing its efforts on <u>de-escalating the crisis in Ukraine</u>. The EU calls on all sides to continue engaging in a meaningful and inclusive dialogue leading to a lasting solution; to protect the unity and territorial integrity of the country and to strive to ensure a stable, prosperous and democratic future for all Ukraine's citizens.

The EU has also stepped-up its <u>support</u> for Ukraine's economic and political reforms.

A priority partner

The EU is committed to a policy of sequenced engagement with Ukraine and to a close relationship that encompasses gradual progress towards political association and economic integration. Ukraine is a priority partner country within the <u>European</u> <u>Neighbourhood Policy</u> (ENP) and the <u>Eastern Partnership</u> (EaP). The <u>Partnership and</u> <u>Cooperation Agreement</u> between the EU and Ukraine, which entered into force in 1998, provides a comprehensive framework for cooperation between the EU and Ukraine in key areas of reform.

An <u>Association Agreement</u>, including a Deep and Comprehensive Free Trade Area, was negotiated in 2007-2011 and initialled in 2012. On 10 December 2012, the Council of the European Union adopted <u>Conclusions on Ukraine</u> that affirmed the EU's commitment to signing the Agreement as soon as Ukraine had taken determined action and made tangible progress towards achieving the benchmarks set out in the Conclusions.

FOR FURTHER DETAILS: Maja Kocijancic +32 498 984 425 - +32 2 298 65 70 - <u>Maja.Kocijancic@ec.europa.eu</u> <u>@MajaEUspox</u> Eamonn Prendergast +32 229 98851 - +32 460 75 32 93 - <u>Eamonn.Prendergast@ec.europa.eu</u> Follow us on Twitter <u>@eu eeas</u> <u>www.facebook.com/EuropeanExternalActionService</u> <u>www.eeas.europa.eu</u> The EU and Ukraine <u>signed the political provisions of the Association Agreement</u> on 21 March 2014, underlining <u>committment</u> to proceed with the signature and conclusion of the remaining parts of the Agreement. Following the <u>completion of technical preparations</u>, the EU and Ukraine <u>signed the remaining provisions</u> of the EU-Ukraine Association Agreement in Brussels on 27 June.

Provisional application of important parts of the EU-Ukraine Association Agreement began on 1 November 2014: on the respect for human rights, fundamental freedoms and rule of law; political dialogue and reform; justice, freedom and security; economic and financial cooperation.

At the same time, the EU <u>continues to apply autonomous trade measures for the benefit</u> of Ukraine until the end of 2015, granting Ukrainian exporters continued preferential access to EU markets without awaiting entry into force of the trade provisions under the association agreement. Provisional application of the Deep and Comprehensive Free Trade Area (DCFTA) part of the Agreement <u>has been delayed until 1 January 2016</u>, as part of the overall efforts towards a comprehensive peace process in Ukraine, respecting its territorial integrity and right to decide on its own destiny.

Consultations on the implementation of the Agreement including the Deep and Comprehensive Free Trade Area have taken place with the Russian Federation as well as with both Ukraine and Russia in a trilateral format. A <u>consultation mechanism</u> has been established in this <u>context</u>.

The EU has also acted as moderator in discussions on energy security between Ukraine and Russia in <u>trilateral gas</u> talks, leading to <u>an agreement on 30 October 2014</u> on outstanding energy debt issues and an interim solution that enables gas supplies to continue throughout the winter. The Commission is now following up on the implementation of the winter package, with newly appointed Commission Vice-President for Energy Union Maros Šefčovič in regular contact with the Russian and Ukrainian sides.

On 15 December 2014 the EU and Ukraine <u>held the first meeting of the Association</u> <u>Council</u> under the new Association Agreement. An updated version of the EU-Ukraine <u>Association Agenda</u>, which will be instrumental in guiding the process of enhanced reforms and economic modernisation in Ukraine, was <u>endorsed by the EU-Ukraine</u> <u>Association Council</u> on 16 March 2015.¹

Recent events in Ukraine (2014-15)

The EU has been following the political situation in Ukraine closely and has been deeply engaged in seeking a solution to the crisis that developed after months of peaceful protest on the central 'Maidan' in Kyiv following the announcement on 21 November 2013, of the Cabinet of Ministers' decision to suspend preparations to sign the Association Agreement at the Eastern Partnership Summit in Vilnius. The EU took note of the unprecedented public support in Ukraine for political association and economic integration with the EU.

¹ Originally adopted in 2009 and <u>updated in 2011</u> and 2013, the Agenda replaced the former <u>Action Plan</u> preparing for and facilitating entry into force of the Agreement.

The High Representative of the Union for Foreign Affairs and Security Policy/Vice-President of the Commission, and Commissioner for Enlargement and Neighbourhood Policy <u>visited Kyiv on multiple occasions</u> following the outbreak of the protests, as did Foreign Ministers from numerous EU Member States and Members of European Parliament in a near-constant demonstration of this engagement. In meetings with the authorities, opposition leaders and representatives of civil society, the EU's efforts focused on facilitating dialogue and assisting efforts to stabilise the political situation.

The Council of the EU in its Foreign Affairs formation adopted <u>Conclusions</u> on 10 February 2014 underlining its concern over reported abuses of human rights and cases of violence, intimidation and missing persons, expressing its readiness to react quickly to any deterioration on the ground. At an extraordinary session of the Council on 20 February, in light of the deteriorating situation, the EU <u>decided</u> notably to introduce targeted sanctions. The Council on 5 March also <u>adopted sanctions</u> focused on the freezing and recovery of misappropriated Ukrainian state funds.

A second extraordinary meeting of the Council on 3 March 2014 <u>condemned</u> the clear violation of Ukrainian sovereignty and territorial integrity by acts of aggression by the Russian armed forces as well as the authorisation given by the Federation Council of Russia on 1 March for the use of the armed forces on the territory of Ukraine. The EU called on Russia to immediately withdraw its armed forces to the areas of their permanent stationing, in accordance with the Agreement on the Status and Conditions of the Black Sea Fleet stationing on the territory of Ukraine of 1997. The EU commended the measured response demonstrated by Ukraine.

In a <u>statement of the Heads of State or Government</u> following an extraordinary meeting on 6 March, the EU underlined that a solution to the crisis must be found through negotiations between the Governments of Ukraine and the Russian Federation, including through potential multilateral mechanisms. Having first suspended bilateral talks with the Russian Federation on visa matters and discussions on the New (EU-Russia) Agreement, as well as preparations for participation in the G8 Summit in Sochi, the EU set out a second stage of further measures in the absence of de-escalatory steps and additional far-reaching consequences for EU-Russia relations in case of further destabilisation of the situation in Ukraine.

Consequently on 17 March the EU <u>adopted restrictive measures</u> against persons responsible for actions which undermine or threaten the territorial integrity, sovereignty and independence of Ukraine as well as persons and entities associated with them. On 21 March the <u>EU strengthened its sanctions</u> in this regard with additional measures. The EU also strongly <u>condemned</u> the holding of an <u>illegal "referendum" in Crimea</u> on joining the Russian Federation, in clear breach of the Ukrainian Constitution.

The <u>European Council</u> of 20 March 2014 strongly condemned the illegal annexation of Crimea and Sevastopol to the Russian Federation, asking the Commission to evaluate the legal consequences of this action and to propose economic, trade and financial

restrictions regarding Crimea for rapid implementation.² EU leaders also recalled that any further steps by Russia to destabilise the situation in Ukraine would lead to additional and far reaching consequences for relations in a broad range of economic areas.

Following a meeting of the Foreign Affairs Council on 14 April, the EU <u>called</u> on Russia to repudiate <u>lawless acts in eastern Ukraine</u> and pull back its troops from the Ukrainian border. In light of the latest events the Council expanded the list of those subject to assets freeze and visa bans.

In a joint statement issued following a meeting of the <u>EU, US, Ukraine and Russia in Geneva</u> on <u>17 April</u>, it was agreed that all sides must refrain from violence, intimidation or provocative actions; that all illegal armed groups must be disarmed and illegally occupied buildings and public places vacated with amnesty granted to those who did so; that the OSCE Special Monitoring Mission should play a leading role in implementation of these deescalatory measures and that the constitutional process announced by the Ukrainian authorities would be inclusive, transparent and accountable. The leaders of the G7 welcomed positive steps taken by Ukraine under the accord.

Following Russia's continued escalation of tensions through rhetoric and ongoing military manoeuvres on Ukraine's eastern border, the EU on 28 April <u>expanded the list of persons</u> <u>subject to targeted sanctions</u> for actions undermining Ukraine's territorial integrity sovereignty and independence. The EU High Representative/Vice-President <u>condemned</u> <u>incidents</u> of violence and intimidation in eastern Ukraine, calling for the release of illegally detained persons. The EU <u>welcomed</u> the adoption by the Verkhovna Rada of a Memorandum of Peace and Concord.

Presidential elections held in Ukraine on 25 May and <u>strongly supported by the EU</u> were characterised by a high turnout and the clear resolve of the Ukrainian authorities to hold a genuine democratic exercise in line with international commitments and respecting fundamental freedoms, despite a hostile security environment in two eastern regions, according to the OSCE/ODIHR. Having <u>taken note of the preliminary election assessment</u> and calling on all parties to respect the outcome, the EU in a <u>statement by Heads of State</u> and <u>Government</u> on 27 May reaffirmed its firm stance on the upholding of Ukrainian sovereignty and territorial integrity, encouraging the Ukrainian authorities to build on the legitimacy of <u>newly elected President</u> Poroshenko and continue to reach out to the population of all regions of Ukraine, including through on-going round tables of national dialogue.

While concern over <u>violence in eastern Ukraine remained</u>, the High Representative <u>welcomed President Poroshenko's announcement of a ceasefire and 15-point plan</u> for the peaceful settlement of the crisis. The Council on 23 June 2014 <u>called on all sides</u> to agree and honour a ceasefire, and called on Russia to adopt measures to stop the flow of illegal fighters, arms and equipment over the border into Ukraine, as well as to use its influence

² As part of the EU's non-recognition policy regarding the illegal annexation of Crimea/Sevastopol, the Council on 23 June prohibited the import of goods from Crimea and Sevastopol without Ukrainian certificates: <u>http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/EN/foraff/143342.pdf</u>

on separatists to stop the violence and lay down their arms. The Council also expressed its concern about the rapidly deteriorating human rights and humanitarian situation in Eastern Ukraine and Crimea.

With violence and the activities of illegal armed groups continuing to affect eastern Ukraine including <u>the freedom of media and freedom of expression</u>, the EU High Representative/Vice-President spoke to President Poroshenko underlining the EU's support for his peace plan. In view of the gravity of the situation, the <u>EU expanded further on 11 July the list of persons subject to restrictive measures</u> for actions undermining Ukraine's territorial integrity, sovereignty and independence. As <u>four steps outlined on 27 June</u> had not been taken, the European Council on 16 July decided to further expand the list of individuals subject to restrictive measures and to enhance the <u>legal basis</u> for listings. EU leaders also asked the EIB and EBRD to suspend the signature of new operations in Russia and announced that the EU would reassess bilateral and regional cooperation programmes with Russia with a view to their suspension.

The EU and its Member States <u>expressed their shock and deep sadness</u> at the downing of the Malaysian Airlines Flight MH17 in Donetsk on 17 July and the tragic loss of so many innocent lives. The Foreign Affairs Council of 22 July <u>concluded</u> that that those directly and indirectly responsible for the downing must be held accountable and brought to justice, calling on all states and parties to fully cooperate to this end. The EU urged Russia to use its influence over illegally armed groups to allow full access to the site and cooperation to recover remains and possessions and with the independent investigation.

Urging Russia to stop the increasing flow of weapons, equipment and militants across the border and to withdraw its additional troops from the border area, the Council agreed to accelerate the work it had been tasked to carry out by the European Council of 16 July and subsequently <u>adopted decisions on 25</u> and <u>30 July</u>. The EU also adopted further trade and investment restrictions for Crimea and Sevastopol, as part of the EU's policy of not recognising the illegal annexation. The EU <u>announced</u> on 29 July that it had agreed on a package of <u>significant additional restrictive measures</u> targeting sectoral cooperation and exchanges with Russia.

On 11 August the European Commission President made <u>telephone calls to Ukrainian</u> <u>President Poroshenko and Russian President Putin</u>, calling for the respect of international humanitarian law and for humanitarian organisations to be supported in their efforts to increase assistance to all the population in need. On 15 August, the Foreign Affairs Council <u>underlined</u> the EU's unwavering support for the sovereignty, territorial integrity, unity and independence of Ukraine, stating that the EU would actively support any meeting format conducive to creating new impetus towards a political solution and underlining the importance of President Poroshenko's peace plan.

On 26 August in discussions with Russia and Ukraine in Minsk, the EU focused on the territorial integrity and sovereignty of Ukraine, as well as peace and security. Calling for a bilateral ceasefire, linked to the proper management of borders and for humanitarian support delivered in line with international law, the EU underlined that the political process, dialogue and outreach must continue. A meeting between President Putin and President Poroshenko was one of the day's outcomes.

Following a <u>request of the European Council</u>, the Commission and EEAS on 3 September <u>proposed further steps to take</u> in light of the situation in eastern Ukraine. The <u>measures</u> complement those <u>adopted 31 July</u> and concerned access to EU capital markets, defence, dual use goods and sensitive technologies, <u>entering into force on 12 September</u>.

At the same time, the Council agreed to carry out a comprehensive review of the implementation of the <u>peace plan agreed in Minsk on 5 September</u>, on the basis of an assessment carried out by the EEAS. The EU stressed the reversibility and scalability of restrictive measures. The agreement reached in Minsk 21 September on implementation of the ceasefire in Ukraine was also <u>welcomed</u> by the EU, noting this had resulted in a significant decrease in the level of violence, the release of hostages and adoption by the Rada of laws on amnesty and interim self-governance for certain districts of Donetsk and Luhansk. The EU underlined <u>the need to observe both the ceasefire protocol and implementing memorandum</u> as a necessary step for the much needed restoration of law and order in the East of Ukraine, to prevent further human rights violations and for the investigation of those that have occurred.

The <u>Foreign Affairs Council on 20 October</u> welcomed the adoption by the Verkhovna Rada of the laws on prosecution and anti-corruption, condemning the deterioration of the human rights situation in Crimea, in particular the persecution and intimidation of the Crimean Tatar community. The EU considered the holding of "presidential and parliamentary elections" in Donetsk and Luhansk "People's Republics" on 2 November as illegal and illegitimate, <u>calling on all sides to work towards early local elections in these parts of the Donetsk and Luhansk regions</u> in accordance with Ukrainian law. <u>The EU welcomed the holding</u> of parliamentary elections in Ukraine on 26 October 2014.

Newly appointed High Representative of the Union for Foreign Affairs and Security Policy/Vice-President of the Commission Federica Mogherini chaired the Foreign Affairs Council for the first time on 17 November 2014, where Ukraine was again the centre of discussion among EU Foreign Ministers. Alarmed by the recent heavy shelling and reports of convoys in separatist held areas with substantial heavy weapons, tanks and troops without insignia from across the Russian border, the Council urged all parties to fully implement the Minsk Protocol and Memorandum without further delay. On 28 November 2014 the EU reinforced its sanctions targeting separatists in Eastern Ukraine.

The first official visit of HR/VP Mogherini to Ukraine came a day after the first EU-Ukraine Association Council under the EU-Ukraine Association Agreement, on 16 December 2014. She met with President Poroshenko, Prime Minister Yatsenyuk, Foreign Minister Klimkin and other members of the Ukrainian government and ruling coalition, Verkhovna Rada speaker Groysman as well as representatives of the opposition. She also met with representatives of civil society organisations. Newly appointed European Commissioner for European Neighbourhood Policy and Enlargement Negotiations Johannes Hahn also visited Ukraine on 27-28 November 2014, signing an agreement for regional development worth €55 million with the acting Minister of the economy Valery Piatnitsky.

The <u>European Council on 18 December</u> congratulated Ukraine on its new government and welcomed its determination to carry out political and economic reforms. The Union's

policy of not recognising the illegal annexation of Crimea and Sevastopol was further tightened (see annex).

The EU <u>called on Russia to fully assume its responsibility</u> following renewed intensification, in spite of the ceasefire in place, of shooting and shelling in eastern Ukraine, which led to further tragic deaths of civilians notably on 13 and 22 January, again <u>underlining the need</u> for strict observation of the Minsk agreements. The EU <u>warned of a</u> further grave deterioration of relations between the EU and Russia following the shelling of residential areas of Mariupol from separatist-held territory on 24 January, which cost the lives of at least fifteen civilians, wounding many others and terrorising the innocent population.HR/VP Mogherini <u>spoke by telephone with Ukrainian President Poroshenko</u> the same day and called openly upon Russia to use its considerable influence over separatist leaders and to stop any form of military, political or financial support.

The High Representative <u>convened</u> an extraordinary Foreign Affairs Council to discuss Ukraine on 29 January. The Council <u>agreed</u> to extend existing restrictive measures over action against Ukraine's territorial integrity, until September 2015, and asked that the Commission and EEAS undertake preparatory work on any appropriate action aiming at ensuring a swift and comprehensive implementation of the Minsk agreements. HR/VP Federica Mogherini said: "We hope this can help putting pressure, in particular on Russia, to make positive steps and prevent negative steps that we have seen in recent days." The Foreign Affairs Council of 9 February, adopted additional restrictive measures concerning separatists in Eastern Ukraine and their supporters in Russia, consisting of an asset freeze and a travel ban on further 19 persons and 9 entities involved in action against Ukraine's territorial integrity.

The EU <u>fully supports</u> all the initiatives aimed at bringing political solution to the ongoing conflict in Eastern Ukraine, using all the means available to push for a political solution, by applying pressure as well as continuing dialogue. This includes the efforts of German Chancellor Angela Merkel and French President François Hollande, their visits to Kyiv and Moscow and participation in the Minsk meeting of 11-12 February together with Ukraininan President Poroshenko and Russian President Putin, where they agreed on a package of measures for the implementation of the Minsk agreements and a supporting Declaration by the "Normandy" Heads of State and Government. HRVP Mogherini at the informal <u>meeting of the Members of the European Council on 12 February</u> said the agreement on Ukraine signed in Minsk that morning was "*a step in the right direction*". The EU is already looking "*at the practical tools, the practical means, that we have to make implementation feasible, to support it, to help and sustain these efforts*" <u>she said</u>. As part of its efforts in this regard the EU has already stepped up its support for the OSCE, for trilateral talks on trade- and energy-related issues with Russia and for political engagement including through the "Normandy" format of discussions

On 16 March 2015, one year on from the holding of the illegal and illegitimate "referendum" and the subsequent illegal annexation of Crimea and Sevastopol by the Russian Federation, the European Union <u>reiterated its</u> <u>firm commitment</u> to Ukraine's sovereignty and territorial integrity and its non-recognition of the illegal annexation. The European Council on 19 March 2015 <u>agreed</u> that the duration of the restrictive measures

against the Russian Federation, adopted on 31 July 2014 and enhanced on 8 September 2014, should be clearly linked to the complete implementation of the Minsk agreements.

The European Union stands by the efforts of the new Ukrainian Government to stabilise the situation and pursue the course of reforms including constitutional reform. The EU reaffirms the utmost importance of ensuring inclusiveness at all levels of government by the Ukrainian authorities, including through steps designed to reach out to all Ukrainian regions, population groups and to ensure full protection of national minorities in accordance with Ukraine's international commitments. In this regard, it encourages Ukraine to draw on the expertise of the Council of Europe and the OSCE.

The 17th EU-Ukraine summit takes place in Kyiv, on Monday 27 April 2015. This will be the first summit under the new Association Agreement.

Increased support and cooperation

On 5 March 2014 the European Commission proposed a series of economic and financial support measures as part of international efforts in support of Ukraine's economic and political reforms. € 11 billion could be available over the next years from the EU budget and EU-based international financial institutions. This is to stabilise the economic and financial situation, assist with the transition and encourage political and economic reform.³ As part of this package, legal acts temporarily removing customs duties on Ukrainian exports to the EU were adopted on 14 April, advancing implementation of the tariffs-related section of the Association Agreement's provisions on a Deep and Comprehensive Free Trade Area without waiting for its entry into force. The temporary tariff cuts entered into force on 23 April. On 9 April the Commission decided to create a Support Group to ensure that the Ukrainian authorities have all the assistance they need in undertaking the political and economic reforms necessary to stabilise the country.

Members of European Commission and of the Government of Ukraine met in Brussels on 13 May 2014 and <u>agreed</u> to continue implementation of the joint inclusive European Agenda for Reform which combines Ukraine's short- and medium-term needs and exchanged views on the first progress in this regard.⁴ On 8 July 2014 the EU and its Member States met in Brussels with Ukraine, other donor countries, international organisations, financial institutions and civil society to coordinate international support for Ukraine. The <u>international community confirmed its commitment</u> to support the country's economic and political stabilisation and reform, notably in the framework of Ukraine's political association and economic integration with the EU.

³ See also Special Measures 2014 for Ukraine: <u>http://europa.eu/rapid/press-release_IP-14-501_en.htm</u>

⁴ Since 1991 the EU has provided Ukraine with €3.3 billion in grants, alongside approximatelly € 10.5 billion in loans from the the EIB and EBRD and bilateral assistance from EU Member States. In recent years Ukraine has received annually on average € 150m in the framework of the European Neighbourhood Policy.

The European Commission proposed further macro-financial assistance (MFA) to Ukraine of up to €1.8 billion in medium-term loans on 8 January 2015. Subject to adoption by the European Parliament and the Council, to be implemented in the course of 2015 and early 2016. The Commission has already disbursed €1.36 billion in support of Ukraine under two previous MFA programmes. The disbursement of the final tranche of €250 million under these programmes was <u>made on 21 April 2015</u> on the basis of successful implementation by Ukraine of agreed policy measures and a continued satisfactory track record with the IMF programme. The <u>MFA programmes</u> are designed to help Ukraine cover part of its urgent external financing needs in the context of the economic stabilisation and reform programme launched by the Ukrainian authorities. The assistance is aimed at reducing the economy's short-term balance of payments and fiscal vulnerabilities.

The Council in July 2014 established a Common Security and Defence Policy mission to assist Ukraine in this field. The <u>EU Advisory Mission for Civilian Security Sector Reform</u> <u>Ukraine (EUAM)</u> will provide strategic advice for the development of sustainable, accountable and efficient security services that contribute to strengthening the rule of law in Ukraine. EUAM Ukraine, headquartered in Kyiv, is an unarmed, non-executive civilian mission. It is led by Head of Mission Kálmán Mizsei. For the first 12 months, the mission has a budget of €13.1 million available. EU High Representative Federica Mogherini and Ukrainian Foreign Minister Pavlo Klimkin signed the Status of Mission Agreement between the EU and Ukraine on 17 November 2014. The mission was launched on <u>1 December 2014</u>.

The EU has also <u>increased its support for the work of the Organisation for Security and</u> <u>Cooperation in Europe in Ukraine</u>. The EU and its Member States have been the biggest contributor to the OSCE Special Monitoring Mission (SMM), contributing about two thirds of both the mission's budget and monitors. In addition to Member States' contribution, the EU has contributed € 7m to the SMM budget through the Instrument contributing to Stability and Peace. The EU has furthermore donated 40 unarmoured and 24 armoured vehicles to the SMM. The EU is currently considering additional support measures, following the agreement on the Minsk package on 12 February.

To help the most vulnerable of those affected by the conflict, the European Union and its Member States have contributed over €139.5 million in humanitarian and early recovery aid since the beginning of the crisis, including €47.85 million provided by the Commission. In 2014, the European Commission has allocated €17 million in development aid for urgent preparations for the winter and early recovery. A further €4.5 million has been provided from the Instrument contributing to Stability and Peace to meet the recovery and integration needs of internally displaced persons and host communities and to promote confidence-building.

Since the beginning of the crisis, the European Commission has provided over €26 million for funding humanitarian assistance. About 55% of this funding addresses the basic needs of the population in the non-government controlled areas directly affected by the conflict. EU humanitarian aid also goes to internally displaced people and people who have sought refuge across the border, including in the Russian Federation and Belarus. On

the ground, assistance is delivered through partner organisations such as UNICEF, UNHCR, WHO, IOM, Save the Children, Danish Refugee Council, People In Need, WFP and ICRC.

The implementation of the EU-Ukraine Association Agreement, including a Deep and Comprehensive Free Trade Area, will bring opportunities for sustainable economic development and prosperity to all the regions of Ukraine, as well as to its neighbours.

The EU has also reiterated its commitment to enhance people to people contacts between the EU and Ukraine, notably through the <u>visa liberalisation process</u>.

More information on EU-Ukraine relations http://www.eeas.europa.eu/ukraine/

Frequently asked questions about Ukraine, the EU's EasternPartnership and the EU-Ukraine Association Agreement http://www.eeas.europa.eu/statements/docs/2014/140612_01_en.pdf

European Commission support for Ukraine http://europa.eu/rapid/press-release MEMO-15-3920 en.htm

ANNEX: EU Restrictive measures

See also http://europa.eu/newsroom/highlights/special-coverage/eu_sanctions/index_en.htm

Diplomatic measures and other steps

- The European Council of 16 July requested the European Investment Bank to suspend the signature of new financing operations in Russia. EU Member States also coordinate their positions within the Board of Directors of the European Bank for Reconstruction and Development with a view to suspending financing of new operations in Russia.
- Instead of the G8 summit in Sochi, a G7 meeting was held in Brussels on 4/5 June. EU nations supported the suspension of negotiations over Russia's joining the OECD and the International Energy Agency.

 The EU-Russia summit was cancelled and EU Member States decided not to hold regular bilateral summits. Bilateral talks with Russia on visa matters as well as on the New Agreement between the EU and Russia were suspended. Moreover, a reassessment of EU-Russia cooperation programmes is currently ongoing with a view to suspending the implementation of EU bilateral and regional cooperation programmes. Projects dealing exclusively with cross-border cooperation and civil society will be maintained.

Asset freezes and visa bans

- Asset freezes and visa bans apply to 150 persons while 37 entities are subject to a freeze of their assets in the EU. This includes 140 persons and 24 entities responsible for action against Ukraine's territorial integrity, eleven persons providing support to or benefitting Russian decision-makers and 13 entities in Crimea and Sevastopol that were confiscated or that have benefitted from a transfer of ownership contrary to Ukrainian law. The EU prolonged the validity of sanctions over action against Ukraine's territorial integrity on 13 March 2015, extending the asset freeze and travel bans for a further 6 months.
- The list of persons and entities subject to sanctions is available at: <u>http://www.consilium.europa.eu/en/press/press-</u> <u>releases/2015/02/pdf/17022015-Russia-sanctions-table---Persons--and-</u> <u>entities_pdf/</u>

Restrictions for Crimea and Sevastopol

- As part of the EU's non-recognition policy of the illegal annexation of Crimea and Sevastopol, the EU has imposed substantial restrictions on economic exchanges with the territory. These include:
 - A ban on imports of goods originating in Crimea or Sevastopol unless they have Ukrainian certificates;
 - A prohibition to invest in Crimea. Europeans and EU-based companies can no longer buy real estate or entities in Crimea, finance Crimean companies or supply related services. In addition, they may not invest in infrastructure projects in six sectors;
 - A ban on providing tourism services in Crimea or Sevastopol. European cruise ships may not call at ports in the Crimean peninsula, except in case of emergency. This applies to all ships owned or controlled by a European or flying the flag of a Member State. Existing cruise contracts may be still be honoured until 20 March.
 - Goods and technology for the transport, telecommunications and energy sectors or the exploration of oil, gas and mineral resources may not be exported to Crimean companies or for use in Crimea;
 - Technical assistance, brokering, construction or engineering services related to infrastructure in the same sectors must not be provided.

"Economic sanctions"

- EU nationals and companies may not buy or sell new bonds, equity or similar financial instruments with a maturity exceeding 30 days, issued by:
 - five major state-owned Russian banks, their subsidiaries outside the EU and those acting on their behalf or under their control.
 - three major Russia energy companies and
 - three major Russian defence companies.
- Services related to the issuing of such financial instruments, e.g. brokering, are also prohibited.
- EU nationals and companies may not provide loans to five major Russian stateowned banks.
- Embargo on the import and export of arms and related material from/to Russia, covering all items on the EU common <u>military list</u>.
- Prohibition on exports of dual use goods and technology for military use in Russia or to Russian military end-users, including all items in the EU <u>list of dual use goods</u>. Export of dual use goods to nine mixed defence companies is also banned.
- Exports of certain energy-related equipment and technology to Russia are subject to prior authorisation by competent authorities of Member States. Export licenses will be denied if products are destined for deep water oil exploration and production, arctic oil exploration or production and shale oil projects in Russia.
- Services necessary for deep water oil exploration and production, arctic oil exploration or production and shale oil projects in Russia may not be supplied, for instance drilling, well testing or logging services.

Measures focused on freezing and recovery of misappropriated Ukrainian state funds

Legal texts:

http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2014:066:0026:0030:EN:PDF http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=OJ:JOL_2014_111_R_0018