





Interparliamentary Conference for the Common Foreign and Security Policy (CFSP) and the Common Security and Defence Policy (CSDP)

Senate of the Republic, 5 - 7 November 2014

THE MEDITERRANEAN AND THE CRISIS AT THE EUROPEAN UNION'S EXTERNAL BORDERS REGIONAL AND GLOBAL CHALLENGES: UKRAINE

The Inter-Parliamentary Conference for the Common Foreign and Security Policy (CFSP) and the Common Security and Defence Policy (CSDP), held in Athens on 3 and 4 April 2014, dedicated a working session to the crisis in Ukraine within the context of the Union's foreign and defence policy priorities.

In its Conclusions, the Conference expressed concern about the crisis in Ukraine; it asked Russia promptly to proceed with de-escalation and withdraw its troops from the territory, and it recognized the Ukraine government as the legitimate interlocutor, committing itself to bilateral dialogue with that nation. Moreover, the Conference expressed its appreciation for the signature of the political chapters of the Association Agreement between the European Union and Ukraine, confirmed the EU's political and economic support, and welcomed the sanctions on individuals responsible for acts of destabilization in Ukraine – sanctions that will be tightened in the event of new disorders or in response to new threats to eastern partners' integrity, sovereignty and security.

Tensions between Ukraine and Russia have continued to worsen since April, leading to a series of clashes that have resulted in significant losses: the UN estimates that by 16 September as many as 3,517 were dead (including 36 children) and at least 8,198 wounded.²

Main events in Ukraine since April: Presidential elections on 25 May, which were won by Petro Poroshenko, an independent magnate who supported the protests in Maidan Square, and who on 20 June presented a peace plan whose points include setting up a "corridor" for Russian mercenaries who want to leave the country, rebel militia disarmament, regulations to protect the Russian language, and the creation of a 10 km buffer zone, as well as early political and parliamentary elections. The first elections to be held in Crimea took place on 15 September and saw victory for the "United Russia" party. The international community and the European Union consider these elections illegitimate. **Parliamentary elections** held in Ukraine on **26 October** were won by a coalition of pro-Western and nationalist parties. No vote took place in Crimea, and turnout was low in eastern regions held by pro-Russian

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¹ The Association Agreement with the European Union was initially scheduled for signature in November 2013. Among other things, then President Yanukovich's change of heart set off a series of civil disorders in Kiev's Maidan Square on the night of 21 November 2013 (during what became known as the Euromaidan protest). President Olekasandr Turnicov, who took over when President Yanukovich was deposed, signed the Agreement's political provisions on 21 March 2014 in Brussels in concomitance with the European Council session. The political part of the Agreement includes chapters on democratic values, foreign policy and security. Signature of the Free Trade Agreement, which is an integral part of the Association Agreement, took place in concomitance with the European Council session held on 26 and 27 June 2014; it is scheduled to come into force on 1 January 2016. Association Agreements are the main instrument of bilateral relations between the European Union and Eastern Partnership nations (Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine).

² See the <u>Report on the Human Rights Situation in Ukraine</u> issued by the UN Office of the High Commissioner for Human Rights on 8 October. For more details, visit the <u>Ukraine page</u> on the High Commissioner's site.







separatists. The regions of Lugansk and Donetsk announced their own presidential and parliamentary elections for 2 November,³ which are not recognized by the European Union.

The European Union has responded to the Ukraine crisis with strong condemnation of the annexation policy pursued by the Russian Federation in Crimea and Sebastopol. On many occasions it has stated its support for Ukraine's sovereignty, independence and territorial integrity.

EU institutions have reiterated their commitment to dialogue and a peaceful solution of the crisis by backing President Poroshenko's peace plan.

In response to the annexation of Crimea and Sebastopol and escalating clashes, in March 2014 and again in September the EU adopted a series of sanctions against Russia which envisage:

- Diplomatic measures (cancellation of the EU/Russia summit scheduled for June 2014, suspension of bilateral talks on visas);
- Restrictive measures (the freezing of assets and travel restrictions for a list of people and entities responsible for actions detrimental to Ukraine's territorial integrity);
- Restrictions against Crimea and Sebastopol (a ban on importing goods from these regions unless certified by the Ukraine government):
- "Economic" sanctions against Russia (including an embargo on arms imports and exports, a ban on exporting dual use goods and military use technology);
- Economic cooperation-related measures (suspension of new funding programmes to the Russian Federation and potential suspension of bilateral regional cooperation programmes).4

The Union has always reiterated that sanctions may be reversed as a result of developments in the Ukraine crisis and peace plan implementation.⁵

The European Union has encouraged Ukraine to follow a "European" path. This has led to signature of the Association Agreement ratified by the European Parliament and Kiev on 16 September, while at the same time encouraging the country to pursue the consequent reforms.⁶

Brussels' commitment to Ukraine extends to: financial assistance (a short-term total of €11 billion); aid to the population affected by the conflict (totalling €63 million); an active role at trilateral talks (EU/Ukraine/Russian Federation) on the access of Ukraine to the free trade zone, and reaching a Ukraine/Russia agreement on gas.

Below is an overview of how European institutions have responded to the evolving Ukraine crisis since April.

At its 26 June meeting, the European Council expressed its support of the peace plan announced by President Poroshenko and invited both parties to confirm the cessation of military

³ These elections may be postponed until December.

⁴ For more details on the sanctions against Russia, consult this section of the European Union website.

⁵ Russia has implemented counter-sanctions, specifically a ban on importing certain agricultural products from the EU such as fruit, vegetables and dairy.

⁶ Association Agreements fall under the framework of the Eastern Partnership, envisaging a substantial step-up in political commitment, deeper integration into the EU economy, simplified rules for partner country citizens travelling to the Union – on condition that certain security requirements are met – as well as strengthened agreements on energy security and greater financial assistance. Eastern Partnership is based on a common commitment to international law, the key values of democracy, human rights and fundamental freedoms, a market economy, sustainable development and good governance.







hostilities. It then proposed a series of pro-peace plan actions including agreement on a verification mechanism for the ceasefire (monitored by the OSCE) and effective border controls; return of a number of border posts to the Ukrainian authorities; hostage release; and start-up of substantive negotiations on implementing President Poroshenko's peace plan. At its extraordinary session held on 16 July, however, the European Council lamented the fact that Russia and the separatists had not taken the steps requested, and resolved to impose a new series of restrictive measures on Russia by adding to the list of entities and individuals responsible for actions against Ukraine, suspending a number of EIB funding operations in the Russian Federation, and preparing for the potential suspension of bilateral regional cooperation programmes with Russia. More recently, at its 30 August extraordinary session, concerned by continued fighting in eastern Ukraine, it called on the Russian Federation to withdraw its equipment and troops from the zone, reiterating the "need for a sustainable political solution based on respect of Ukraine's sovereignty, territorial integrity, unity and independence."

The European Union's Foreign Affairs Council has discussed the Ukraine issue a number of times since the crisis began. At its 14 and 15 April meeting, it reiterated its support for Ukraine's unity, sovereignty and independence, and invited Russia to withdraw its troops from Ukraine territory. At that time, the Council approved €1.6 billion of macro-financial support to Ukraine for economic stabilization and structural reform. In pursuit of European Commission guidance, it ruled to reduce customs tariffs on Ukraine goods in advance of applying the EU-Ukraine Association Agreement. On 23 June, it condemned the illegal annexation of Crimea and Sebastopol and resolved to ban EU imports of goods from these two areas without a certificate of origin from the Ukraine government, as well as provide funding or financial assistance for the import of such goods. To assist Ukraine in its civil security-related reforms, including the police and the rule of law, it set up a mission concerned with security and defence policy. Lastly, the Council has reiterated the Union's commitment to a process of liberalizing visas for citizens of the Ukraine. At its 22 July meeting, the Council condemned the downing of Flight MH17 and issued its support for an appeal by the United Nations and OSCE to open an international enquiry. It further called on the Russian Federation to actively exercise its influence over illicit armed groups. Subsequently, responding to a request from the European Council, the Foreign Affairs Council prepared a new series of sanctions against Russia. Adopted on 31 July, they cover sectoral cooperation and trade with the country. Among other things, these envisage limiting access to European capital markets for Russian financial entities, and embargoing trade in arms and dual use technology with Russia. In September, these sanctions were strengthened by adding to the list of targets involved, as disclosed in the relevant Press Release. The list of individuals subject to asset freezes and travel restrictions was lengthened to include 119 people and twenty-three entities. The most recent restrictive measures also apply to people and entities who collaborate with separatist groups in the Donbas region.

At its most recent meeting on 20 October, 8 the Foreign Affairs Council commented favourably on the signature of the Minsk Protocol and its associated Memorandum, as well as reiterating the importance of the OSCE implementation monitoring mission. As regards Flight MH17, the Council has asked for access to be allowed to the crash site and for investigations and the repatriation of corpses to resume. As far as the humanitarian impact of the crisis is concerned, it reiterated the Union's support to the people affected by the conflict. The European Commission and member states have set aside **£63 million** for this purpose. It also welcomed European Parliament

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⁷ The Press Release is available in English.

⁸ Conclusions are available in English.







ratification of the recently-signed Association Agreement. On Crimea and Sebastopol, it stated that the European Union does not recognize the elections held on 14 September.

The European Parliament has also issued a number of statements on the Ukraine question and adopted a number of resolutions, in particular the Resolution on the situation in Ukraine and the state of play of EU-Russia Relations dated 18 September. In this resolution, the EP welcomes the signature of the Minsk agreement and invites compliance with the ceasefire. Moreover, in addition to condemning the Russian Federation for its "undeclared hybrid war against Ukraine", the EP reiterates its commitment to the independence, sovereignty, territorial integrity and inviolability of the borders of Ukraine, as well as the country's "right to make a European choice", noting that "the international community will not recognize the illegal annexing of Crimea and Sebastopol or the attempts at creating quasi-republics in Donbas." It goes on to support the sanctions adopted against the Russian Federation and invites the European Commission to assess the impact of Russia's "counter sanctions", which envisage restrictions on the trade of certain types of EU products, notably dairy, fruit and vegetables, recommending that the European executive prepare measures to support producers affected by these restrictions. On the humanitarian emergency in eastern Ukraine, it commends the European Commission's decision to mobilize €22 million in humanitarian aid, and strongly recommends that initiatives be implemented urgently. Among other things, in its 17 July Resolution on the Situation in Ukraine the EP welcomed the signature of the remaining provisions in the Association Agreement, including the free trade zone, and reiterated that the Agreement was not the end goal of relations between the two countries and supported the opportunity to apply for membership for Ukraine and indeed other nations in the eastern partnership.

For its part, on 5 March the **European Commission** approved a <u>Support Package</u> for Ukraine, envisaging concrete economic and financial measures worth a total of €11 billion. On 19 April, the Commission set up a <u>support group</u> for Ukraine to provide all possible assistance to the country's authorities from a political and economic point of view to support the re-stabilization process.

The Commission is committed to a series of **trilateral talks** with Russia and Ukraine on the topic of Ukraine's access to the **free trade zone**. On conclusion of the relevant mid-September meetings, the European Union decided to postpone implementation of the Free Trade Agreement with Ukraine until 1 January 2016 in order to allow more time for trilateral consultations in response to concerns expressed by Moscow within the framework of the overall peace process.

The Commission is actively committed to serving as mediator in the **trilateral talks** with Moscow and Kiev and resolving the issue of Russia's **supply of gas** to the Ukraine. On 26 September, an outline agreement was reached in Berlin that envisages a resumption of Russian supplies to Kiev, after Russia had cut off its supply in June following Ukraine's refusal to pay the price imposed by Moscow. After long and intense talks, on 30 October last an official agreement was signed in Brussels by Russia, Ukraine and the European Commission, which includes a binding protocol ensuring supplies to Kiev until March 2015.