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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 proposed to step-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 European Neighbourhood Policy (ENP) and the Eastern Partnership (EaP). The Partnership and Cooperation Agreement 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.

A new <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. An

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updated version of the <u>EU-Ukraine Association Agenda</u> was also endorsed by the EU-Ukraine Cooperation Council on 24 June 2013¹.

On 21 November 2013, the Cabinet of Ministers of Ukraine took a decision to suspend preparations to sign the Association Agreement at the <u>Eastern Partnership Summit in Vilnius</u>. The EU has taken note of the unprecedented public support in Ukraine for political association and economic integration with the EU.

On 21 March 2014 the EU and Ukraine <u>signed the political provisions of the Association Agreement</u>, underlining its <u>committment</u> to proceed to the signature and conclusion of the remaining parts of the Agreement, which together with the political provisions constitute a single instrument. These steps confirm Ukraine's free and sovereign decision to pursue Ukraine's political association and economic integration with the European Union.

Recent events

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 government's announcement regarding the Association Agreement.

Catherine Ashton, High Representative of the Union for Foreign Affairs and Security Policy/Vice-President of the Commission, and Commissioner for Enlargement and Neighbourhood Policy Štefan Füle have <u>visited Kyiv on multiple occasions</u> since the outbreak of the protests, as have 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 have been focused on facilitating dialogue and assisting efforts to stabilise the political situation.

The Council of the European Union in its Foreign Affairs formation (convened and chaired by HR/VP Ashton) adopted <u>Conclusions</u> on 10 February 2014 underlining its concern notably 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.

HR/VP Ashton convened an extraordinary session of the Foreign Affairs Council on 20 February 2014, where in light of the deteriorating situation, the EU decided notably to introduce targeted sanctions and Ministers agreed to suspend export licences on equipment which might be used for internal repression. Expressing deep dismay at the deteriorating session and condemning in the strongest terms all use of violence, the EU urged all sides to engage, without further delay, in a meaningful dialogue, to fulfil the legitimate democratic aspirations of the Ukrainian people (see Conclusions).

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

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 also commended the measured response demonstrated by Ukraine.

The Council on 5 March <u>adopted EU sanctions focused on the freezing and recovery of misappropriated Ukrainian state funds</u>, targeting 18 persons identified as responsible for such misappropriation and whose assets within the European Union have been frozen². The sanctions also contain provisions facilitating the recovery of the frozen funds, once certain conditions are met.

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 also 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.

In the absence of de-escalatory steps by the Russian Federation, the EU on 17 March adopted restrictive measures 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. In this regard, 21 persons were identified and targeted with a travel ban and a freeze of their assets within the EU. On 21 March the EU strengthened its sanctions in this regard with additional measures against a further 12 individuals. The EU also strongly condemned the holding of an illegal "referendum" in Crimea on joining the Russian Federation, in clear breach of the Ukrainian Constitution. The EU does not recognise the illegal "referendum" or its outcome. HR/VP Ashton said: "We want to underline very clearly that there is still time to avoid a negative spiral and to reverse current developments."

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. 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.

3 | Page

² List of individuals targeted extended on 14 April 2014, see link below.

HR/VP Ashton <u>expressed her grave concern</u> on 8 and 13 April about the surge of actions undertaken by armed individuals and separatist groups in various cities of eastern Ukraine, commending the Ukrainian authorities for pursuing their law and order operations in a measured way to establish the authority of the state.

Following a meeting of the Foreign Affairs Council on 14 April the EU <u>called</u> on Russia to repudiate lawless acts in eastern Ukraine and pull back its troops from the Ukrainian border. In light of the latest events the Council decided to expand the list of those subject to assets freeze and visa bans. HR/VP Ashton <u>underlined</u>: "Free and fair Presidential elections on 25 May are the best way to express the will of the citizens, as is the process of constitutional reform. We will continue to support the efforts to stabilise the situation in Ukraine economically, financially and politically". She added: "We will also continue our diplomatic engagement to try to deescalate the crisis and stabilise the situation. It is crucial that Russia and Ukraine engage in a meaningful dialogue to find a political solution and we are ready to participate in the efforts to start this dialogue."

HR/VP Ashton participated in a meeting between the European Union, the United States, Ukraine and Russia in Geneva on Thursday 17 April to discuss the crisis in Ukraine. In a joint statement issued following the meeting, it was agreed inter alia 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 de-escalatory measures and that the constitutional process announced by the Ukrainian authorities would be inclusive, transparent and accountable.

HRVP Ashton in a <u>statement on 24 April</u> expressed her grave concern following continued reports of kidnappings, torture and killings in eastern Ukraine, calling on all parties to the Geneva agreement to implement its terms, including by using their leverage on illegal armed groups to stop violence and to make them hand in their arms.

In a <u>statement from leaders of the G7</u> on 26 April the EU welcomed the positive steps taken by Ukraine to meet its commitments under the Geneva accord, including work towards constitutional reform and decentralisation, the proposal of an amnesty law for those leaving seized buildings and supporting the work of the OSCE, noting the restraint used in dealing with armed bands illegally occupying government buildings and forming illegal checkpoints. In contrast, Russia's lack of concrete actions in support of the Geneva cord was noted along with continued escalation of tensions through rhetoric and ongoing military manoeuvres on the Ukraine's border.

In line with the G7 statement and as agreed at the Foreign Affairs Council of 14 April, the EU on 28 April expanded the list of persons subject to targeted sanctions for actions undermining Ukraine's territorial integrity sovereignty and independence, with travel bans and asset freezes on a further 15 individuals. HRVP Ashton also expressed alarm at the worsening security situation in eastern Ukraine, condemning incidents of violence and intimidation which undermine the normal functioning of the legitimate State institutions and calling for the immediate release of all illegally detained persons.

The European Union stands by the efforts of the new Ukrainian Government to stabilise the situation and pursue the course of reforms. The EU reaffirms the necessity of further constitutional reform in Ukraine and to hold free, fair and transparent Presidential elections with OSCE-ODIHR observation. 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.

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.⁴

On 9 April the Commission <u>decided to create a Support Group</u> to ensure that the Ukrainian authorities have all the assistance they need in undertaking the political and economic reforms that are necessary to stabilise the country.

An EU crisis response expert mission is also on the ground in Ukraine to assist the authorities in analysing Ukrainian needs for support in terms of civil security reform (police and rule of law). All options for EU support in this area are currently being examined, including through a mission under the EU's Common Security and Defence Policy. ⁵ The EU has also provided € 1.5 million to the OSCE ODIHR Sustainability Fund for Ukrainian elections 2014-2015.

The signature and implementation of the EU-Ukraine Association Agreement, including a Deep and Comprehensive Free Trade Area, while not constituting the final goal of EU-Ukraine cooperation, would bring opportunities for sustainable economic development and prosperity to all the regions of Ukraine, including Crimea, as well as to its neighbours. The EU reiterates its commitment to enhance people to people contacts between the EU and Ukraine, notably through the <u>visa liberalisation process</u>.

³ See also Special Measures 2014 for Ukraine: http://europa.eu/rapid/press-release IP-14-501 en.htm

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.

⁵ A Political Framework for Crisis Approach (PFCA) is currently being elaborated by the EEAS.

More information on EU-Ukraine relations

http://www.eeas.europa.eu/ukraine/

EU Restrictive measures

Focused on the freezing and recovery of misappropriated Ukrainian state funds Announcent 5 March:

http://www.consilium.europa.eu/uedocs/cms_Data/docs/pressdata/EN/foraff/141324.pdf Extension of list 14 April:

http://www.consilium.europa.eu/uedocs/cms_Data/docs/pressdata/EN/foraff/142196.pdf 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

Against actions threatening Ukraine's territorial integrity

Announcement 17 March:

http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/EN/foraff/141603.pdf Extension of list 21 March:

http://www.consilium.europa.eu/uedocs/cms_Data/docs/pressdata/EN/foraff/141741.pdf Extension of list 28 April:

http://www.consilium.europa.eu/uedocs/cms_Data/docs/pressdata/EN/foraff/142411.pdf Legal texts:

http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2014:078:0016:0021:EN:PDF http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2014:086:0030:0032:EN:PDF http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=OJ:JOL 2014 126 R 0002