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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.

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.

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An 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 took 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. The EU and Ukraine <u>will sign the remaining provisions of the Agreement</u> in Brussels on 27 June.

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.³ EU leaders also recalled that any

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

³ 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 if they don't have Ukrainian certificates: http://www.consilium.europa.eu/uedocs/cms data/docs/pressdata/EN/foraff/143342.pdf

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.

HR/VP Ashton expressed her grave concern 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 called 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 underlined: "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.

HR/VP 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.

On 12 May 2014 the Foreign Affairs Council <u>underlined</u> the EU's strong support for free and fair Ukrainian Presidential elections on 25 May, and called on all parties to do so, in order to overcome the crisis and allow the Ukrainian people to choose their own future. It underlined that the EU would not recognise any illegitimate and illegal "referenda".

Repeating the EU's call for a thorough investigation of the tragic events of 2 May in Odessa and for those responsible to be brought to justice, the Council also reconfirmed the EU's full commitment to the Geneva Joint Statement of 17 April, calling on all parties to implement it and reiterating its demand for Russia to call back its troops from the Ukrainian border. The work undertaken by the OSCE and its Special Monitoring Mission was commended.

In light of recent developments and in the absence of steps towards de-escalation, the EU broadened its sanctions in relation to the situation in Ukraine: it expanded the criteria allowing visa bans and asset freezes to be imposed and targeted 13 further persons and two entities with these measures.

Presidential elections held in Ukraine on 25 May 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 preliminary assessment of the OSCE/ODIHR. HRVP Ashton in the run up to the vote reiterated the EU's strongest support for the holding of free, transparent and fair elections to allow the Ukrainian people to choose their own future and as a major step to de-escalate tensions and restore stability. The adoption by the Verkhovna Rada of a Memorandum of Peace and Concord was welcomed on 21 May as a particularly positive step to facilitate Ukrainian-led solutions in this regard.

Having taken good note of the preliminary election assessment and calling on all parties to respect the outcome, the EU in a statement by Heads of State and Government 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 the newly elected President and continue to reach out to the population of all regions of Ukraine, including through on-going round tables of national dialogue.

The High Representative, as well as the Presidents of the European Council and Commission, <u>congratulated</u> Petro Poreshenko on his victory, looking forward to working closely together with the next President of Ukraine in view of ensuring its political and economic stability.

While <u>violence</u> in eastern <u>Ukraine</u> continued as a matter of deep concern, the High Representative <u>welcomed President Poroshenko's announcement of a ceasefire and a 15-point plan</u> for the peaceful settlement of the crisis, which was also <u>welcomed by the Council on 23 June</u> as a major chance for de-escalation. The Council called on all sides to agree and honour a ceasefire and called on the Russian Federation to support the pleace plan and to adopt measures to stop the continued flow of illegal fighters, arms and

equipment over the border into Ukraine, as well as to use its influence 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, as highlighted by the <u>latest report of the the Office of the UN High Commissioner for Human Rights</u>.

Looking forward to the signing of the remaining provisions of the EU-Ukraine Association Agreement including its Deep and Comprehensive Free Trade Area on 27 June, having concluded technical preparations to do so, the EU encouraged the Ukrainian authorities to continue their reform efforts, including as regards constitutional and decentralisation reforms, the rights of persons belonging to national minorities, the reform of the judiciary, fight against corruption and improving the business climate.

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.

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. 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, headed respectively by President Barroso and Prime Minister Yatseniuk, met in Brussels on 13 May. They agreed 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. A <u>first disbursement</u> of €100 million from a combined € 1.61 billion Macro Financial Assistance loan programme approved for Ukraine was made on 20 May.⁵

⁴ See also Special Measures 2014 for Ukraine: http://europa.eu/rapid/press-release IP-14-501 en.htm

⁵ 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.

Following a mission of EU crisis response experts to assist the Ukrainian authorities in analysing their needs for support in terms of civil security reform (police and rule of law), the Council on 23 June 2014 <u>agreed</u> to establish a Common Security and Defence Policy mission to assist Ukraine in this field and approved a related crisis management concept so that operational planning can be pursued with a view to an early deployment in the summer. The mission would provide strategic advice for the development of sustainable, accountable and efficient security services that contribute to strengthening the rule of law in Ukraine.⁶

The EU has also increased its support for the work of the Organisation for Security and Cooperation in Europe in Ukraine. A € 10 million exceptional assistance package is supporting the OSCE/Office for Democratic Institutions and Human Rights (ODIHR) Election Observation for the Presidential Elections in Ukraine on 25 May, the OSCE Special Monitoring Mission (SMM) as well as other confidence-building measures in Ukraine to be implemented by other organisations including civil society.

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, will bring opportunities for sustainable economic development and prosperity to all the regions of Ukraine, 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>.

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

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

⁶ Press release: http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/EN/foraff/143344.pdf

- Against actions threatening Ukraine's territorial integrity, stability and security

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 Extension and broadening of list 12 May:

http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/EN/foraff/142559.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 http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=OJ:JOL 2014 137 R 0001 http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=OJ:JOL 2014 137 R 0002