

# The Ukrainian Crisis

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**2007 - European Council Foreign Relations**  
**Policy Paper on: *A Power Audit of EU-Russia Relations***  
**by Mark Leonard & Nicu Popescu**

**Five distinct policy approaches to Russia shared by old and new members alike:**

**‘Trojan Horses’** (Cyprus and Greece) who often defend Russian interests in the EU system, and are willing to veto common EU positions;

**‘Strategic Partners’** (France, Germany, Italy and Spain) who enjoy a ‘special relationship’ with Russia which occasionally undermines common EU policies;

**‘Friendly Pragmatists’** (Austria, Belgium, Bulgaria, Finland, Hungary, Luxembourg, Malta, Portugal, Slovakia and Slovenia) who maintain a close relationship with Russia and tend to put their business interests above political goals;

**‘Frosty Pragmatists’** (Czech Republic, Denmark, Estonia, Ireland, Latvia, the Netherlands, Romania, Sweden and the United Kingdom) who also focus on business interests but are less afraid than others to speak out against Russian behavior on human rights or other issues;

and **‘New Cold Warriors’** (Lithuania and Poland) who have an overtly hostile relationship with Moscow and are willing to use the veto to block EU negotiations with Russia.

The background of the slide is a photograph of a bridge with a metal truss structure. Several people are visible walking across the bridge. The image is overlaid with a blue and white graphic design consisting of large, stylized letters and lines. The main title is in white text on a dark blue background.

# EU cooperation for a successful Eastern Partnership

**How large can the EU become ?**

**Ukraine ?**

# 1998 - PCA between the EU and Ukraine

## Article 1

.... The objectives of this Partnership are:

- to provide an appropriate framework for the **political dialogue** between the Parties allowing the development of close political relations;
- to promote **trade** and investment and harmonious economic relations between the Parties and so to foster their sustainable development;
- ... - to support Ukrainian efforts to consolidate its **democracy** and to develop its economy and to complete the transition into a market economy.

## Feb. 2008 - Ukraine's membership of the WTO membership

### Sept. 2008 - *Joint Declaration on the EU – Ukraine AA*

They (EU Member States) recognized that **Ukraine as a European country** shares a common history and common values with the countries of the EU. They are pleased that the new agreement between the EU and Ukraine will be an **AA, which leaves open the way for further progressive developments in EU-Ukraine relations**. The EU acknowledges the European aspirations of Ukraine and welcomes its European choice ...

# EU Economic Agreements

**Before the 90s**, all EC economic agreements were inspired by the so-called **“ideological neutrality”** .. the EC, in entertaining reports, did not take into account if the third State with which gripped economic relations, was or was not respectful of human rights, the rule of law, democracy

**Since the '90s**, the situation changes dramatically ... in 1991 the Luxembourg European Council introduced a new policy, indicating the parameters that would guide the action of the EC with third countries. This represents **a shift from the “ideological neutrality” to the “democratic conditionality”** .. the agreement is subject to the democratic nature of the other State .

**Democratic conditionality policy** pursued by the EU in its external action / cooperation becomes the primary instrument for the promotion outside of the values of democracy, respect for human rights and affirmation of the rule of law / Financial aid will be, since Maastricht, granted to third State if the latter will undertake policies on human rights, democratic development, protection of minorities, and so on.

2013 - V. Yanukovich said his country planned to sign an AA with the EU, but he also stressed that the country would develop its relations with Russia's Custom's Union in areas which do not contradict other "international obligations".





The crisis began in November 2013, when the Ukrainian Government decided to suspend the signing of the **Association Agreement**.

..HUNDREDS OF THOUSANDS  
OF PROTESTERS WAVING  
THE EUROPEAN FLAG!!..

**..EUROPE IS  
ALIVE..!!**

*FBM*





## The Association Agreement



**The AA is a pioneering document: *it is the first agreement based on political association between the EU and any of the Eastern Partnership countries, and is unprecedented in its breadth (number of areas covered) and depth (detail of commitments and timelines).* It aims to deepen political and economic relations between Ukraine and the EU, and to gradually integrate into the EU internal market.**

**According to Herman Van Rompuy, the AA with Ukraine - which served to a large extent as a template for the agreements with Moldova and Georgia - is “the most advanced agreement of its kind ever negotiated by the EU”.**

The image shows two flags waving against a blue sky. The top flag is the European Union flag, featuring a blue field with twelve yellow stars arranged in a circle. Below it is the Ukrainian national flag, consisting of two horizontal stripes of equal width, blue on top and yellow on the bottom. The text is overlaid on the right side of the image.

**The Agreement puts a strong emphasis on democracy and the rule of law, human rights and fundamental freedoms, good governance, a well-functioning market economy and sustainable development.**

**1 November 2014 - Provisions in areas including the respect for human rights, fundamental freedoms and rule of law; political dialogue and reform; justice, freedom and security; economic and financial cooperation will be provisionally applied.**

# Effects for Ukraine

Ukraine signs  
European Union  
Association Agreement



**40%**

of Ukrainians  
in favor

Source: Kyiv Post poll

**\$17 bn**

Ukraine exports  
to EU in 2012

Source: EU trade data

No gas  
discount

continue to pay  
**\$421** per 1,000 m<sup>3</sup>  
for Russian gas

Source: Ukraine government budget



Long lines  
at Russian border

Lose 35 bn euro in trade, says Putin's  
chief economic adviser, Sergei Glazyev

Ukrainian exporters will save nearly  
**\$490 million** over 10 years, 95% of  
goods will have zero customs duties

Source: EU Commission

Exports to Russia will shrink 25%



Ukraine joins  
Eurasian Customs  
Union

**35%**

of Ukrainians  
in favor

Source: Kyiv Post poll

**\$16 bn**

Ukraine exports  
to Russia in 2012

Source: EU trade data

**\$5.5 bn**  
'gas discount'

by removing  
export duties

Source: Glazyev



'Chocolate war'  
likely to end

Avoid threat of gas wars, Russia turned  
off pipes in 2006 and 2009

## How Will Citizens Benefit from the Association Agreement ?

**a better protection of consumers**, in particular through a higher quality and safety of locally grown agricultural products;

***more business opportunities for small and medium enterprises*** through a wider opening of markets and, as a result, more jobs and less out-migration ... ;

***lower prices for consumers*** and for better-quality products ... ;

***better access to improved health services*** ...;

***lower energy bills*** thanks to more efficient use of energy resources and the development of renewable energy sources ...;

**a better functioning of the judiciary and the strengthened rule of law and increased transparency.**

**DCFTA - The Presidents of the European Commission, Russia and Ukraine have agreed to hold Trilateral Consultations on the AA, the DFCTA and their possible negative effects on Russia**

During the **first round of consultations** held in Brussels on 11 July 2014, the Parties agreed that implementation of the Agreement will modify trade and investment conditions on the Ukrainian market and may have negative consequences for trade between Ukraine and Russia.

The **second round of consultations** was held in Brussels on 12 September 2014

Moscow presented a document containing proposals to amend the AA, in order to minimize the costs to the Russian economy of the AA's coming into force. The document contains a number of demands for far-reaching changes.

***Provisional application of the DCFTA part of the Agreement has been delayed until 1 January 2016***, as part of the overall efforts towards a comprehensive peace process in Ukraine ...

**The EU will continue the application of autonomous trade measures for the benefit 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 AA.

In return for the concessions to the EU and Ukraine, **Russia announced in a communiqué that Ukraine will benefit from the preferences of the CIS free trade zone** by the end of 2015.

Fearing that Russia could retaliate against Ukraine following the entry into force of the DCFTA later this year, **the European Commission is now pushing Ukraine to agree to a trilateral trade format, including Russia.**

On Wednesday 15 April 2015, **Hryhoriy Nemyria**, a MP from Ukraine, and a former Deputy Prime Minister in a government led by Yulyia Tymoshenko, reacted angrily to messages from EU officials, who said that ***Ukraine should seek to accommodate its EU free trade agreement with an older arrangement his country had with Russia.***

*Ironically, it was Ukrainian President Viktor Yanukovich who appealed for such an approach two years ago, which was flatly rejected by Brussels.*

The study ***How to Stabilize the Economy of Ukraine***, by the Vienna Institute for International economic studies, was presented at a public event organized by the Bertelsmann Foundation ... **Neighbourhood Commissioner Johannes Hahn** backed the main conclusions of the paper in the following terms: ***“The study rightly recognizes that integration [for Ukraine] with Russia and EU are not in principle mutually exclusive. The study goes on to suggest that at least partial restoration of links with Russia, and the so-called Eurasian Economic Union will be important to Ukraine’s economic recovery, and that Ukraine should diversify its export markets and develop trade relations in many directions.”***



# Food Assistance





## Eastern Ukraine:

### EU calls for full humanitarian access in Luhansk region

28.09.2015 -The EU has called for unhindered humanitarian access in Eastern Ukraine after the **decision of the de facto authorities of certain areas of the Luhansk region to remove humanitarian aid agencies from territories under their control.**

In a statement, EU Commissioner for Humanitarian and Crisis Management Christos Stylianides warned this would have *“a very negative humanitarian impact on the civilian population and cause the suspension of humanitarian operations”*.

With hundreds of thousands of people in the region urgently needing aid, Stylianides said the decision would *“only worsen the plight of the already affected civilian population, particularly at the onset of the harsh winter conditions”*.

*We expect all those with influence to enable the immediate resumption of much needed humanitarian operations in certain areas of the Luhansk region and thus live up to their obligations (?) under International Humanitarian Law.*

# EIB and World Bank join forces with new agreement to support Ukraine

9 October 2015 – The EIB and World Bank signed an agreement under EU guarantee that aims to facilitate the purchase of gas by Ukraine’s national gas company, NJSC Naftogaz.

EIB President Werner Hoyer commented: *“European and global institutions are committed to helping Ukraine avert a potentially severe energy crisis as winter approaches. The guarantee agreement we signed today will facilitate Ukraine’s purchase of gas at a critical time ..”*

*“The new agreement is part of our broad support to the restructuring of the gas sector in Ukraine and it will contribute to adequate gas supplies for the next three years,”* said Jim Yong Kim. *“The World Bank Group is committed to continue supporting Ukraine’s ambitious reform program and we are pleased to work jointly with the EIB.”*

The new agreement is part of the support for Ukraine by the EU and international financial institutions, under which the **EIB guarantees World Bank investment development projects in Ukraine**

# EU Commissioner for Justice - first official visit to Ukraine

**25-09-2015** - EU Commissioner for Justice, Consumers and Gender Equality Vera Jourová visited Ukraine, with the aim of **supporting the on-going judicial reform process and the fight against corruption in Ukraine.**

During her visit, she met with political leaders including President Poroshenko, Prime Minister Yatsenyuk and Minister of Justice Petrenko, noting that these were *"very constructive discussions"*.

In a statement after her meeting with President Poroshenko, EU Head of Delegation **Jan Tombinski** said he had *"a full conviction that the intention of President is to support Verkhovna Rada in its work on the **Law on Civil Service**, with the aim to adopt it in the second reading .."*.

Ahead of her visit, Commissioner Jourová stated: ***"Ukraine has launched important reforms in the judicial area over the last months. Now they have to be translated into concrete actions on the ground"***.

# EU-Ukraine-Russia Relations: Problems and Prospects

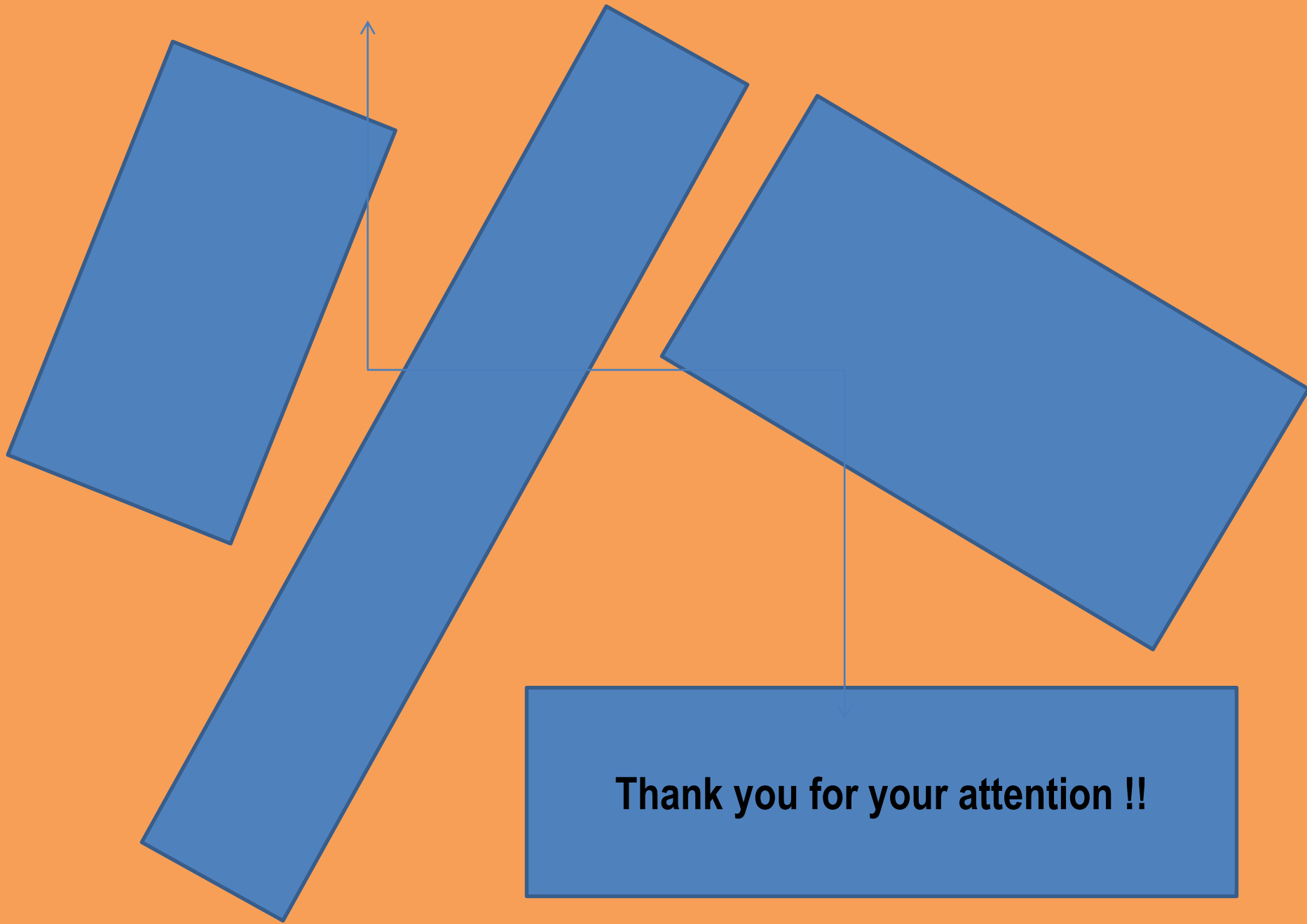
Today, relations between Kyiv, Brussels and Moscow are rather complex and contradictory. High degree of uncertainty, the credibility gap and conflict of interests are its main features.

*Contacts between the parties are burdened with ideological opposition, “frozen” conflicts, and competing integration projects in the post-Soviet area.*

The relations between the EU, Russia and Ukraine in political, economic, energy, security and humanitarian spheres are rather problematic. This situation creates additional risks for the European security, does not correspond to the parties' interests and requires some joint measures and mutually accepted solutions to the issues on the agenda.

*(EU – Ukraine - Russia: Political Dimension of Relations*

Razumkov Centre • National Security & Defense • no 4-5, 2012)



**Thank you for your attention !!**