

# *European Union's Relations and its Reaction to the War in Ukraine*



# OUR CONTENTS



1) EU relations from 1990s until 2014

2) EU relations between 2014 and 2022

3) EU reacts to the Russian invasion in Ukraine (2022-today)



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# How EU relations looked before 2014

## (90s to 2014)

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# PARTNERSHIP & COOPERATION AGREEMENTS (1990S)

- **Purpose:**

- Establish a framework for dialogue and reform in post-communist countries
- Economic cooperation
- Also cultural, scientific, and technological cooperation

- **Key Features:**

- Valid for 10 years
- Trade liberalisation and market reforms

- **Examples:**

- Agreements with Russia (e.g., the 1997 PCA) and other post-Soviet states



# THE FOUR COMMON SPACES COOPERATION (2003-2005)

- With Russia (based on the PCA framework from '97)
- **Components:**
  - Common economic space
  - Common space for freedom, security, and justice
  - Space of co-operation in external security,
  - Space of research, education, and cultural exchange
- **Aim:**
  - To provide a structured agenda for EU–Russia strategic cooperation



# GEOPOLITICAL EVENTS & EU IMPLICATIONS

- **Orange Revolution (2004):**

- Triggered by public demand for democratic reform in Ukraine (and annul disputed election results)
- EU supported democratic transitions, which would signal a move away from Russian influence

- **Russo-Georgian War (2008):**

- EU condemned Russian military actions and supported conflict resolution efforts

- **2009 Gas Dispute:**

- Russia halted gas transit via Ukraine, exposing EU energy vulnerabilities
- Led to EU measures for diversifying energy sources and enhancing energy security (e.g. *Nordstream 1*)



# THE EASTERN PARTNERSHIP (2009)

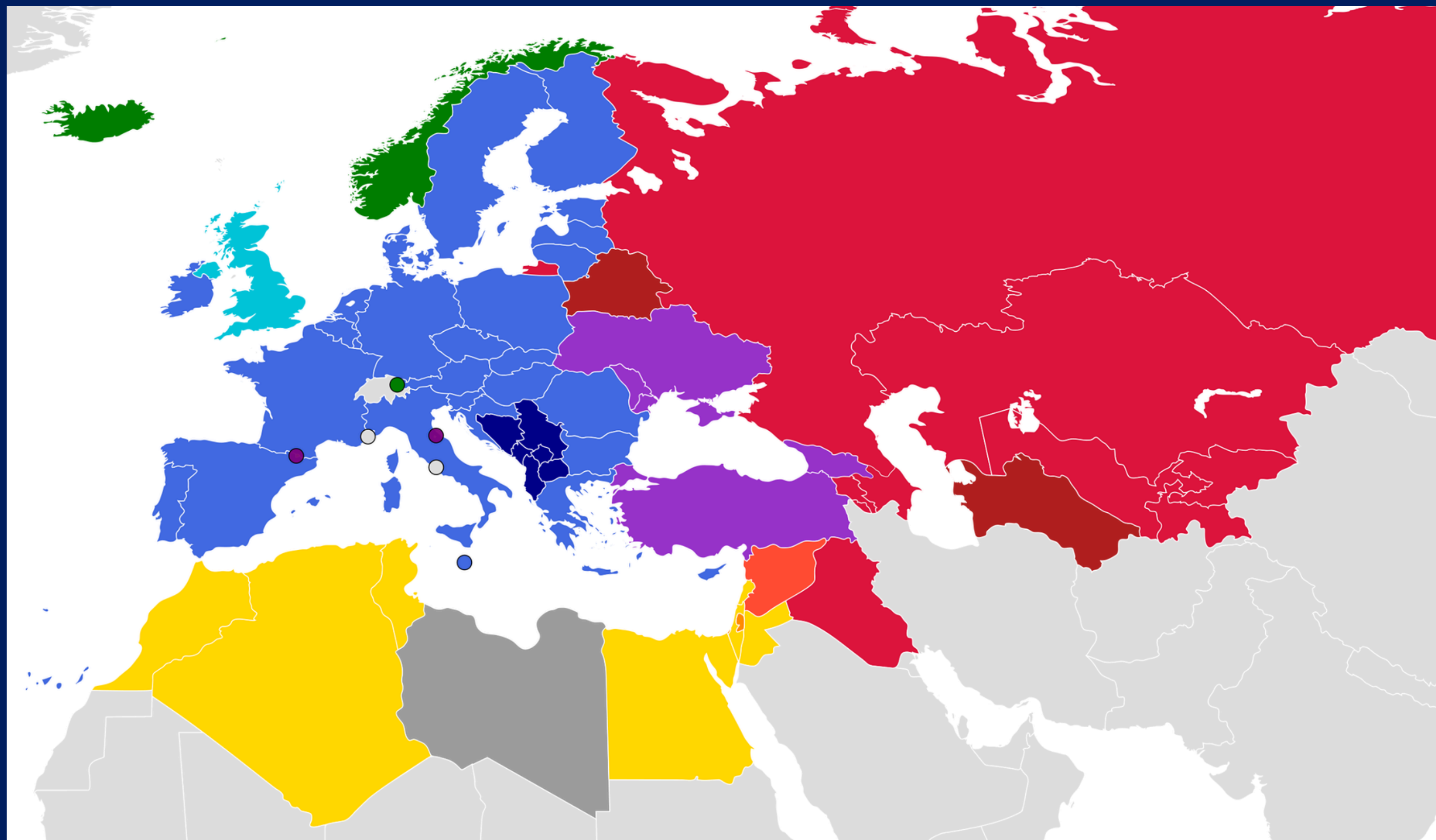
- Initiated at the Prague Summit on 7 May 2009
- **Members:**
  - Armenia, Azerbaijan, Belarus, Georgia, Moldova, and Ukraine
- **Objectives:**
  - Promote stability, reform, and closer economic and political ties
  - Serve as an “Eastern dimension” to the European Neighbourhood Policy (ENP)
- **Impact:**
  - Lays groundwork for later Association Agreements and other reform support initiatives



# EUROPE'S ASSOCIATION AGREEMENTS (EARLY 2000S–2013)

- Bilateral treaties designed to deepen political and economic ties
- **Key Elements:**
  - Economic integration, and the Deep and Comprehensive Free Trade Area (DCFTA) in some cases
- **Examples:**
  - Association Agreements with Ukraine, Moldova, Georgia, and Western Balkan states
- **Outcomes:**
  - Supported domestic reforms and created a framework for potential EU membership





- **BLUE** = Member states
- **RED** = PCAs
- e.g. Ukraine has an AA since 2017, in negotiations since 2012



# RUSSIA'S EURASIAN ECONOMIC UNION (EAEU)

- Initiated in the mid-2010s (treaty signed in 2014; effective from 2015)
- **Members:**
  - Russia, Belarus, Kazakhstan, Kyrgyzstan, and Armenia
- **Objectives:**
  - Create a unified economic space as an alternative to EU integration
  - Enhance Russia's influence over its near abroad
- **Implications for the EU:**
  - Challenges EU's normative power and attractiveness in Eastern Europe
  - Represents Russia's counterweight to EU initiatives like the Eastern Partnership



# RUSSIA'S EURASIAN ECONOMIC UNION (EAEU)

- Ukraine trying to play both sides until Yanukovych
  - *November 21, 2013*: Yanukovych suspends preparations regarding an EU Association Agreement, choosing closer ties with Russia



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2014-2021

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# CONTINUATION OF MAIDAN PROTESTS TO 2014



**February 21, 2014: Yanukovych flees Ukraine;  
a new pro-Western interim government forms.  
→ EU gives immediate recognition**

**February 23: Pro-Russian protests erupts in the  
East, especially in Crimea.**



# 2014 CRIMEAN ANNEXATION AND DONBASS WAR



**“little green men”**

**March 6: EU holds a summit and threatens Russia with sanctions.**

**March 16: Referendum with 97%  
→ Declaration of Crimean Independence.**

**March 17: Officially “joins” Russia.**

**→ EU travel ban and asset freeze to  
30+ Russian/Crimean individuals**

**July 17: Malaysia Airlines FH17 shot down**



# EU First Round Sanctions

- Sanctions of numerous individuals
- Declaring annexation illegal
- EU-Ukraine Association Agreement
- A ban on the export of dual-use goods (civilian-military technology)
- Embargo on arms sale
- Restrictions on oil extraction technology
- Crimea investment ban
- G8 → G7

## Counter-sanctions:

- Russian Food Import Ban  
→ Major loss of 5.1B+ euros to EU farmers
- NGO's banned
- Embassies closed, officials expelled from RU



# PROS/CONS

- |  |   |
|--|---|
| <ul style="list-style-type: none"><li>• <b>The Quick political response sent a strong message that the EU would stand by international law.</b></li><li>• <b>EU-US joint sanctions showed unity and strength.</b></li><li>• <b>Avoided major economic impacts to EU itself</b></li></ul> | <ul style="list-style-type: none"><li>• <b>Too weak to stop Russia from encroaching further into Donbas.</b></li><li>• <b>Russia's domestic food produce improved.</b></li><li>• <b>Divisions within EU (Germany, Hungary Italy).</b></li><li>• <b>Russia not affected that much as the sanctions targeted individuals rather than companies.</b></li></ul> |
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**\*Ultimately 2014-2021 sanctions were ineffective to change the course of the subsequent 2022 outcome.**



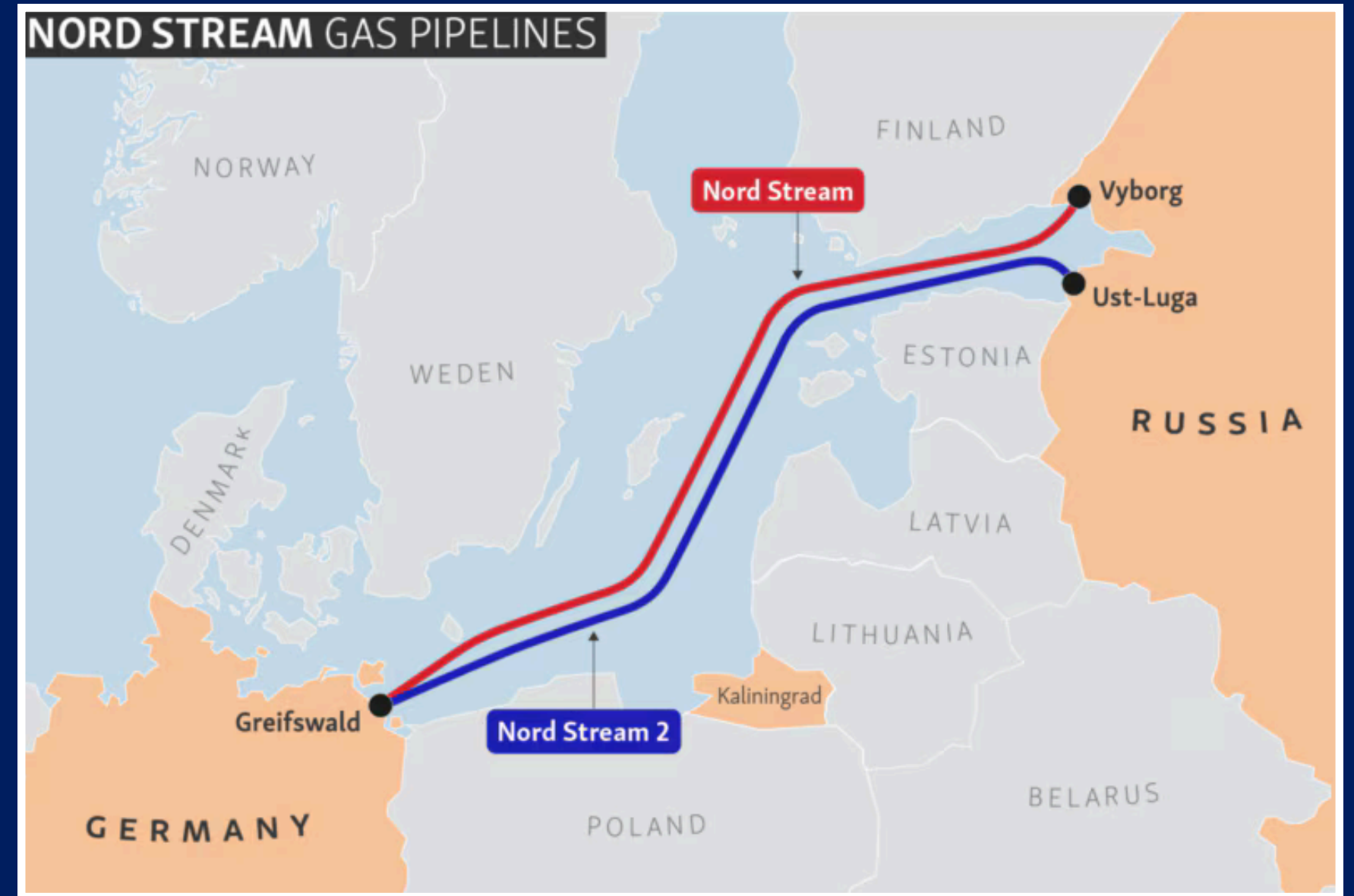
# EU Trade Despite Sanctions

Imports continued with:

1. Oil and natural gas
  2. Raw metals (Aluminum, nickel and copper, etc)
  3. Some agricultural products: fish and wheat
- 2019: €145 billion imports in 2019*

## Nord Stream II

- Nord Stream 1 built in 2011 → Wanted to double the capacity and Germany's reliance on Russia.
- Russia: Wanted to reduce dependence on Ukraine's transit system (carried 40% of exports to Europe) → Would weaken Ukraine by 2-3 billion dollars/year



# Eastern Partnership

- **2016:** Ukraine has free trade access to the EU market → promoting trade liberalization and economic integration.
- **2017:** Ukrainians with biometric passport can travel visa-free for short stays.
- Increase in security cooperation, especially in cyber defence.

## POST-2022:

- Ukraine integrated to EU electricity grid after being disconnected from Russian one in 2022.
- June 2022, Ukraine granted EU candidate status.



# **Minsk Accords I (September 2014)**

**Ukraine, Russia, the 'Organization for Security and Co-operation in Europe', and separatist leaders meet in Minsk.**

## **Key points:**

- 1. Immediate ceasefire in Luhansk and Donetsk**
- 2. Decentralization of power and special status for separatist regions**
- 3. Monitoring by the OSCE**
- 4. Prisoner Exchanges**
- 5. Withdrawal of foreign fighters**
- 6. Border security discussions between Russia and Ukraine**

**→ FAILED**

**Breaking of the ceasefire and protocols from both sides as there were unclear definitions, no time limit, and no clear enforcement mechanisms.**



# Minsk Accords II (February 2015)

**Early 2015 fightings escalated again.**

**→ Ukraine, Russia, Germany, and France pushed for a new deal.**

## **Key points:**

- 1. Everything from Minsk I**
- 2. Withdrawal of heavy weapons from frontlines**
- 3. Dialogue on local elections of Donetsk and Luhansk**
- 4. Amnesty for separatist fighters**
- 5. Restoration of full Ukrainian control**
- 6. Constitutional reform in Ukraine**



**Failed: Russia kept on advancing, and Ukraine refused to give autonomy as many opposition parties and Ukrainian nationalists saw this as giving too much power to Russia and its separatists.**





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2022

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**THE FIRST EU RESPONSE.**

*- First package of sanctions  
against Russia*

**THE FIRST EU RESPONSE.**

**23 FEBRUARY**

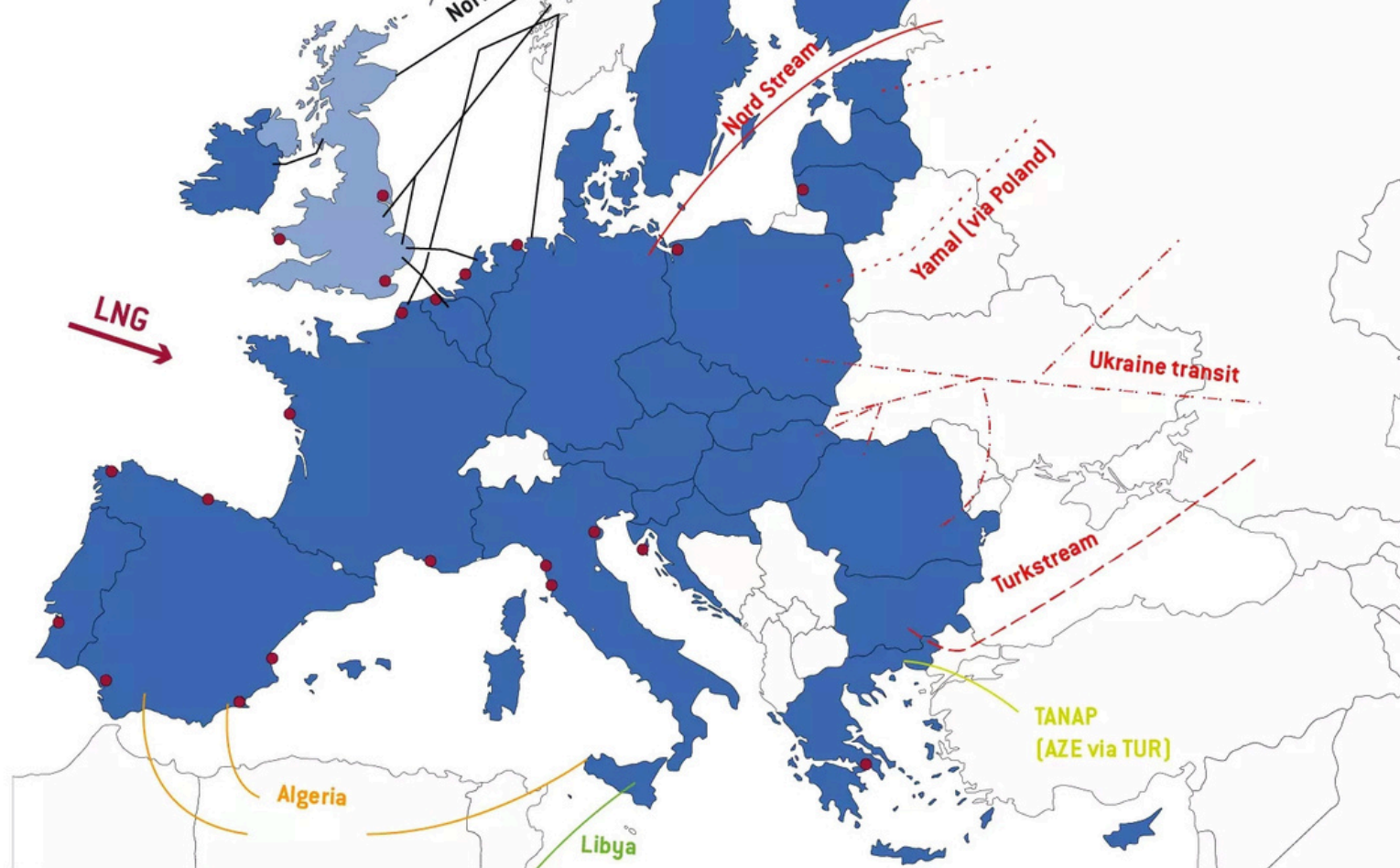
The agreed package includes:

- Targeted sanctions against the 351 members of the Russian State Duma and an additional 27 individuals
- Restrictions on economic relations with the non-government controlled areas of Donetsk and Luhansk oblasts
- Restrictions on Russia's access the EU's capital and financial markets and services



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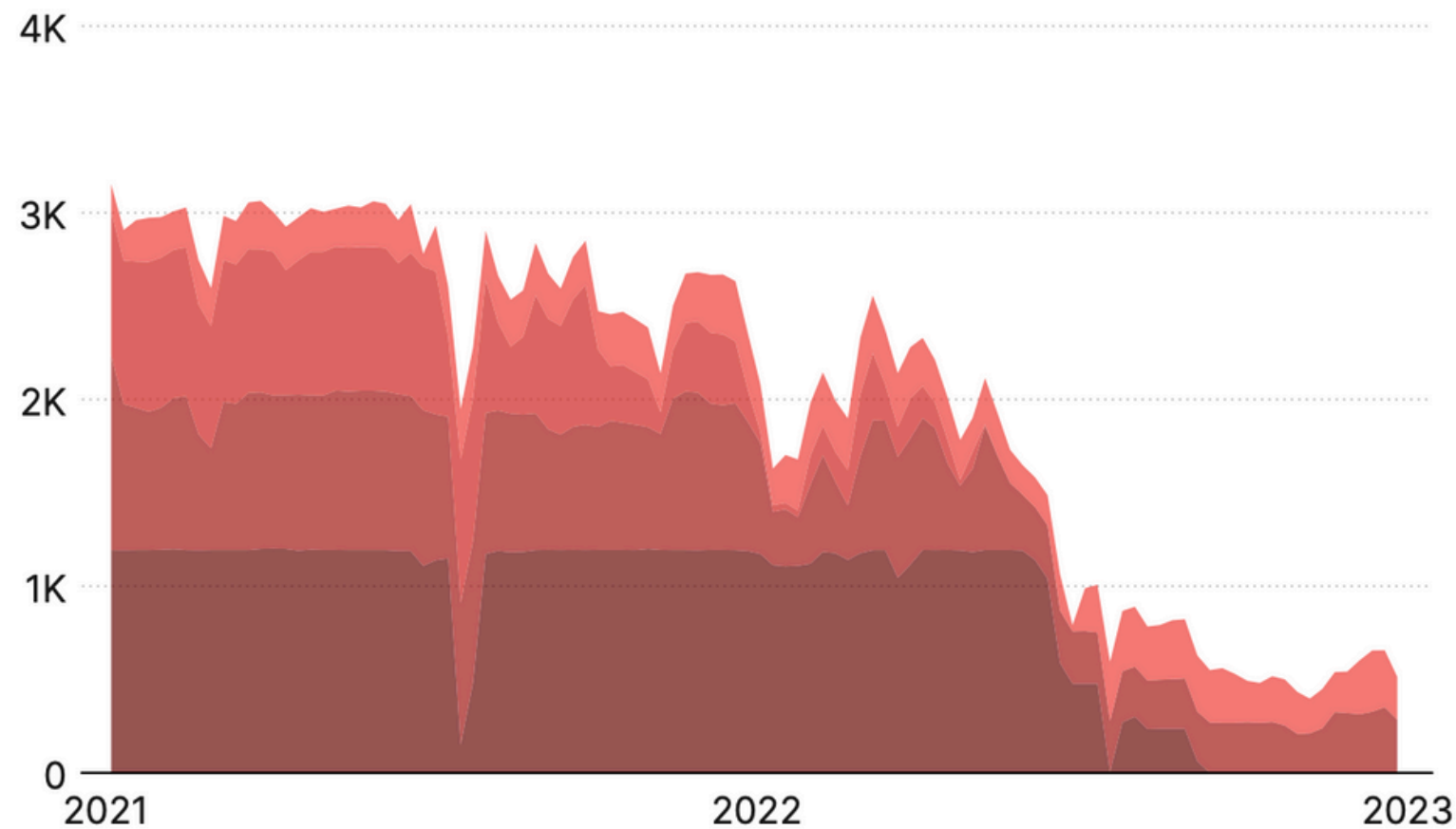




## Russian gas exports to the EU27

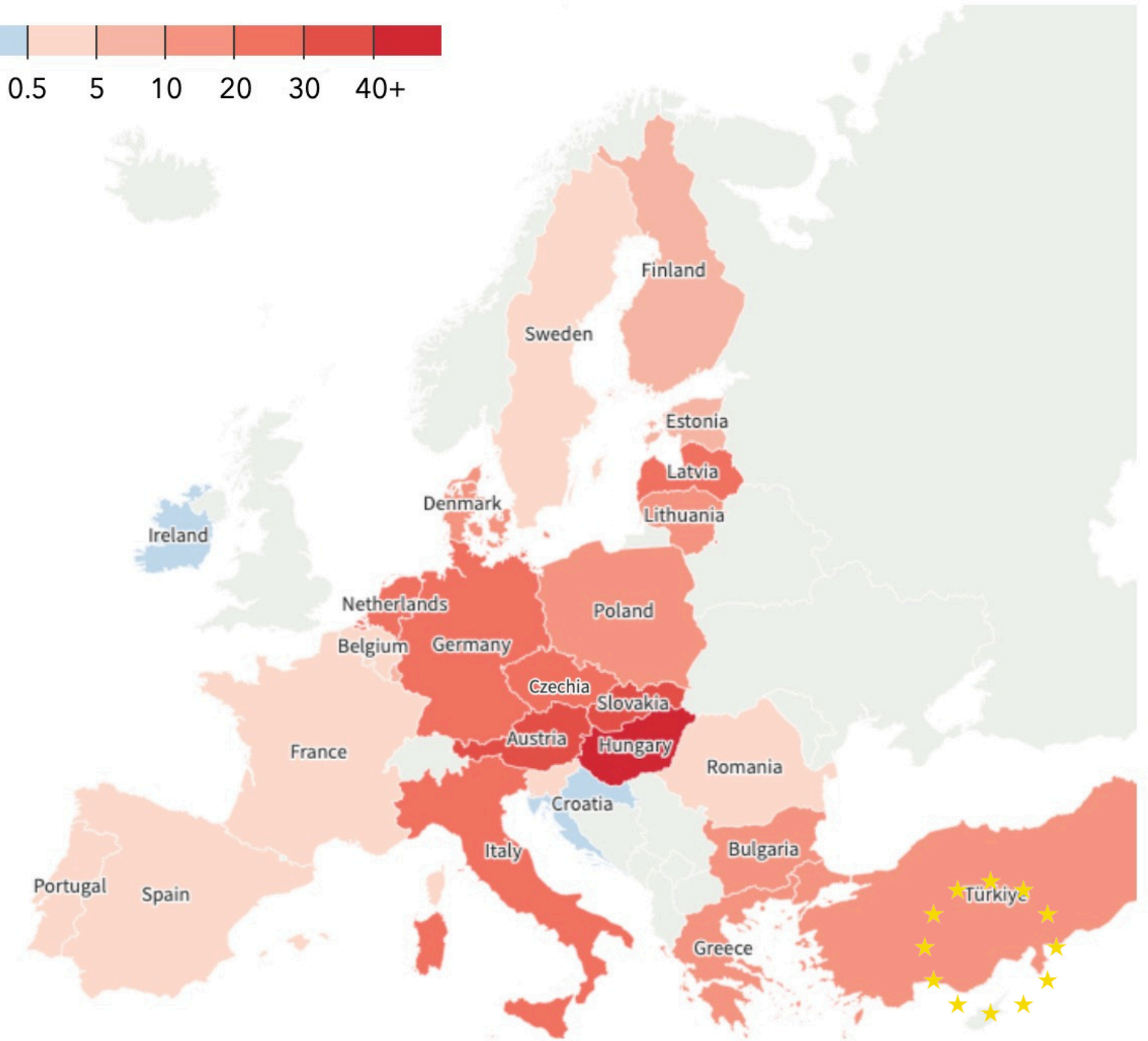
Million cubic meters per week

■ Nordstream ■ Ukraine transit ■ Yamal ■ Turkstream



## Russian gas dependence

(Russian gas as a share of total energy consumption, 2020, percent)



Source: IMF staff calculations.

# EU PLAN AND PROBLEMS



## *THE OTHER WAY*

- Russia's share of EU imports of pipeline gas dropped from over 40% in 2021 to about 11% in 2024.
- Norway and the United States were the top suppliers of gas to the EU in 2024. Norway provided over 33% of all gas imports.
- Other suppliers included Algeria, Qatar, the UK and Azerbaijan.
- At the start of the war United States was main subsidiser.

## *REPOWER EU 2027*

- REPowerEU plan in May 2022, aiming to eliminate dependence on Russian fossil fuels by 2027.
- Launched in May 2022, REPowerEU is helping the EU to
  - To phase out Russian fossil fuel imports by 2027.
  - To save energy,
  - Diversify energy supplies, and produce clean energy.



A group of people, including men and women in formal suits and dresses, are standing in a room with ornate architectural details. The image is overlaid with a semi-transparent dark layer. The text "Goodbye russia, Goodbye lenin" is centered in a white serif font. In the bottom right corner, there is a small, faint circular logo consisting of twelve yellow stars arranged in a circle, resembling the European Union flag.

“Goodbye russia, Goodbye lenin”



# EXCEPTIONS TOWARDS SLOVAKIA AND HUNGARY, EU PLAN ON RUSSIAN GAS



## SLOVAKIA

The share of Russian gas in Slovakia's was 90%  
*before 2025*

Slovakia's main gas buyer SPP said it would supply its customers mainly  
via pipelines from Germany and also Hungary, but would face  
additional transit costs.

## HUNGARY

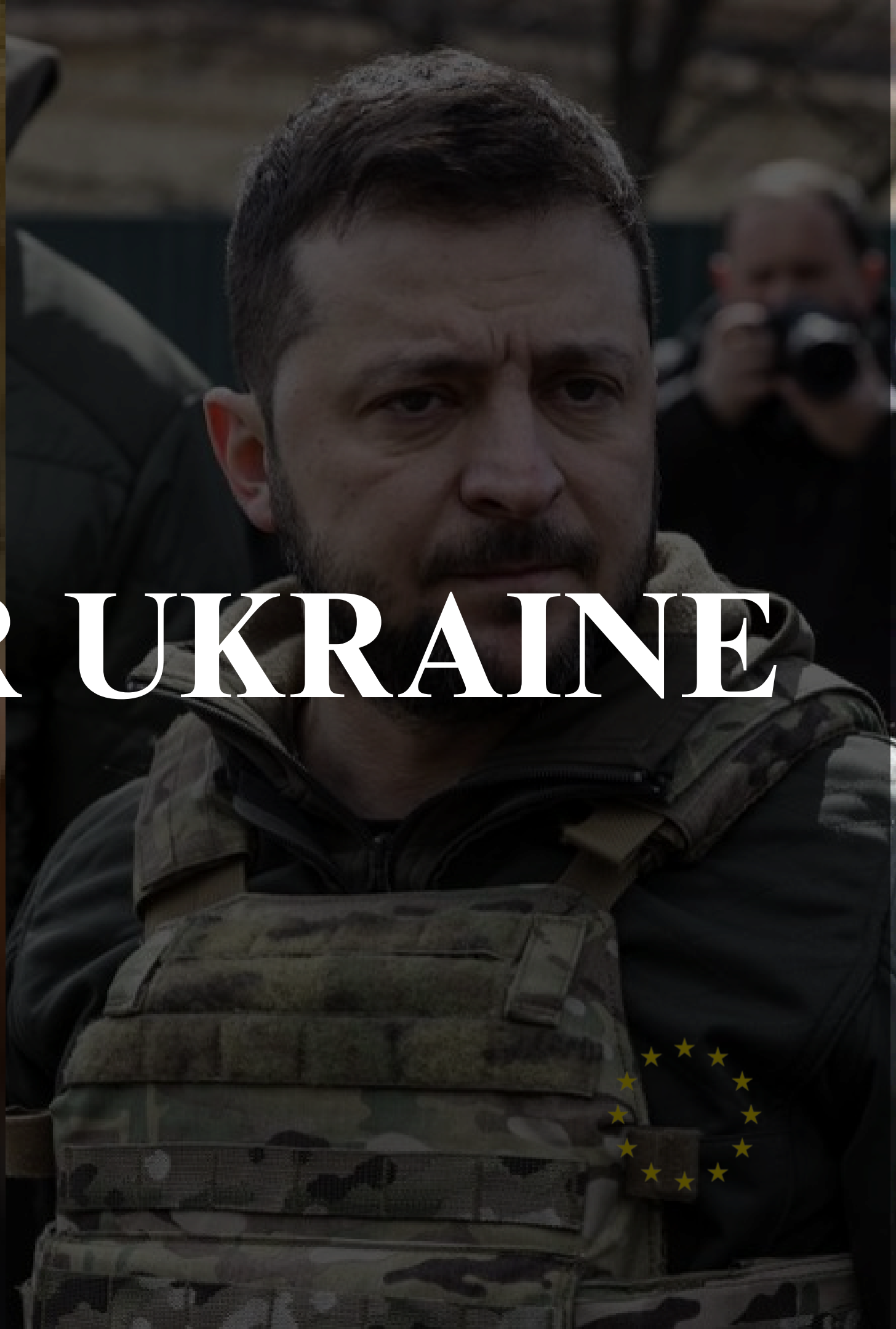
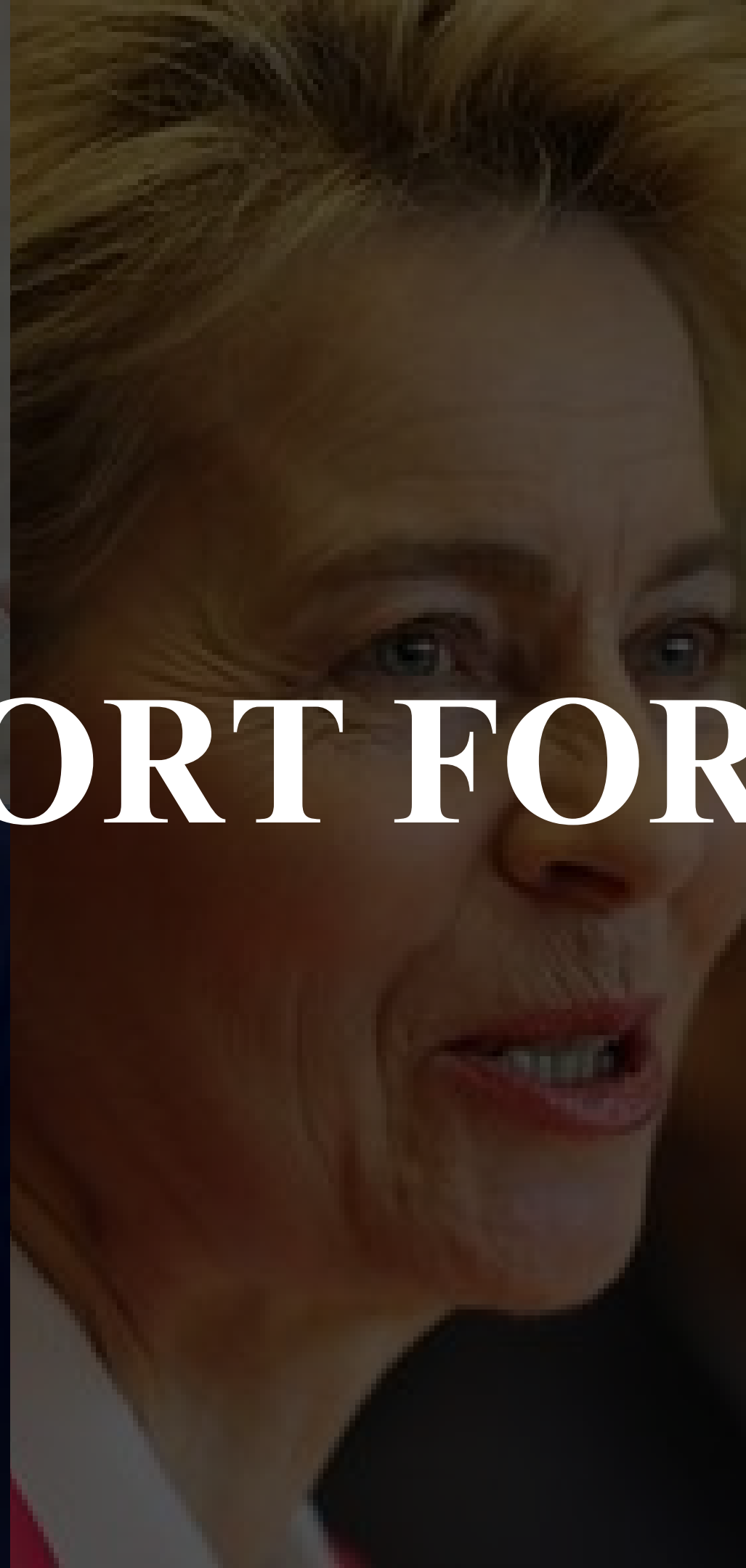
The share of Russian gas in Hungary's imports is 47%  
*before 2025*

Hungary will keep receiving Russian gas via the TurkStream pipeline under the  
Black Sea.



**PIPELINE OIL DELIVERIES**  
**14TH SANCTIONS PACKAGE**  
**CONCESSIONS** **AND NUCLEAR ENERGY** **OIL EMBARGO EXEMPTIONS**

# EU SUPPORT FOR UKRAINE



**\$149B** - total EU aid

*65% - grants.*

*35% - loans.*

**\$53B** - in military assistance

**\$18B** - to support Ukrainian refugees

**-trained 73 000 Ukrainian soldiers.**

**-\$78B in other aid, and facilities.**



*\*funds committed through EU*

MAXAR

GENERAL AID

- Deutschland - 55,1 B 
- France - 31,3 B 
- Italia - 18,7 B 
- Netherlands - 17,5 B 

27,6€ B

23,3€ B

16,3€ B

10,8€ B



# UKRAINE FACILITY

**Dedicated support mechanism, which entered into force on 1 March 2024 and covers the years 2024 to 2027, offers up to €50 billion in stable and predictable financial support.**

**Support recovery, reconstruction, and modernisation**

**Support reforms on the way to EU accession**

**Support financing needs**

**Mobilise investments**

**Support Ukrainian society**

**Facilitate its path towards sustainable development and EU membership.**

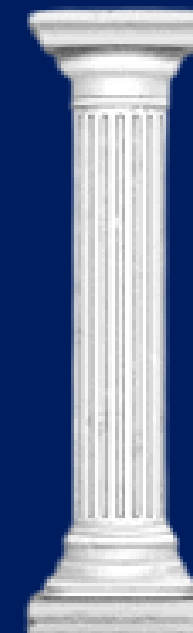
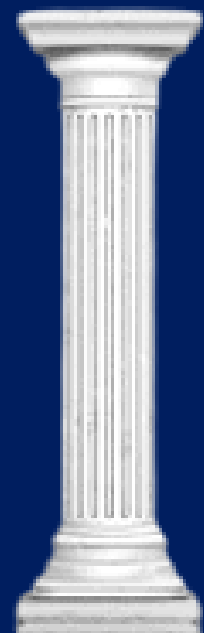


# EUROPEAN PEACE FACILITY

- The European Peace Facility (EPF) was established by Council Decision (CFSP) 2021/509 of 22 March 2021.
- The EPF finances CFSP actions with military and defence implications that will enhance the Union's ability to prevent conflicts, build peace, and strengthen international security.
- The EPF has a total financial ceiling of more than EUR 17 billion for the period 2021-2027. EU Member States pay their contributions directly every year.
- The European Peace Facility (EPF) is an off-budget funding mechanism for EU actions with military and defence implications under the Common Foreign and Security Policy (CFSP).

**\$6.6 BILLION - AID TO UKRAINE**

*The EPF has a two-pillar structure articulated into operations and assistance measures. The operations pillar covers the common costs of military missions and operations. The assistance finances the military aspects of Peace Support Operations (PSOs)*



# EU MILITARY SITUATION



# THE REARM EUROPE PLAN

**Activating** the Stability and Growth Pact's.

Countries could be allowed to increase their military budgets to up to 1.5% of GDP without this expenditure being counted in their national deficits.

**Raising** €150 billion through EU-issued bonds, which would then be lent to member states at low-interest rates and with long repayment terms.

**Facilitating** the use of cohesion funds for defense investments.

**Creating** a European savings and investment union.

**Expanding** the European Investment Bank's (EIB) role in defense financing.

WHAT TYPES OF DEFENSE EXPENDITURES WILL BE EXEMPT  
FROM DEFICIT CALCULATIONS?

WHO WILL DECIDE?

UNDER WHAT CONDITIONS WILL DEFENSE SPENDING BE  
EXEMPT?



# LONDON

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## EUROPEAN MILITARISATION

- ReArmEurope Plan.
- Increasing military budgetary spendings.
- Peacekeeping mission?
- Adopting towards new modern warfare.
- Border securising.
- €326 billion - Estimated total spending on defence among EU countries in 2024.
- €800 billion targeted plan.
- European Defence Industry Programme



## SANCTIONS

- 16th package of sanctions against Russia negotiations on 17th
- €210 billion of frozen assets
- Travel ban in EU for russian citizens.
- Unavailability of funds fo sanctioned entities.
- Targeted energy sector.
- Marytime targeting/russian shadow fleet.

Add a little bit of body text



# QUESTIONS SECTION



A woman with short blonde hair, wearing a light-colored blazer over a dark top, is speaking at a podium. She has her hands raised, pointing upwards with her index fingers. The background is a blue wall with a grid of yellow stars, resembling the European Union flag. The image has a dark blue overlay.

**THANK YOU FOR YOUR ATTENTION!**

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