

THE EU & UKRAINE CRISIS

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Ukraine?

- A country in **Eastern Europe**
- **The largest country** entirely within Europe
- **Capital** : Kiev
- **Currency** : Ukrainian hryvnia
- **Official Language** : Ukrainian



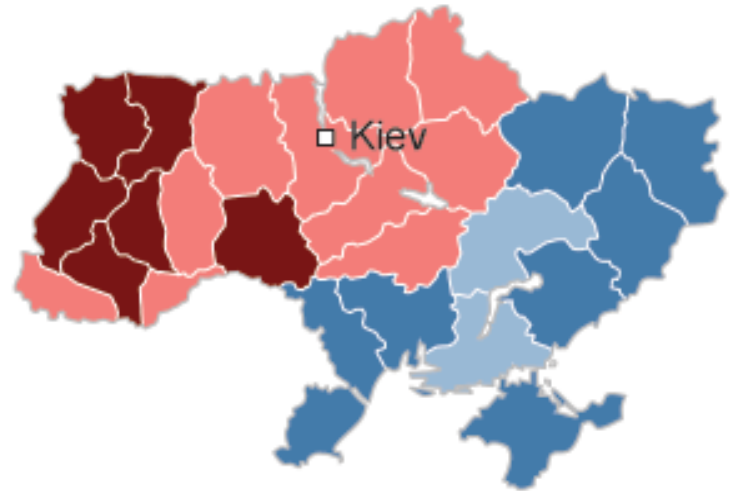
Background

- 1991 Independence from the Soviet Union
- East-West tensions – ethnic&linguistic divide
 - **East** : Pro-Russian, Russian language
 - **West** : Pro-Europe, Ukraine language

Background

Ukraine's divide

2010 election results



Tymoshenko 70%+ 50-69%
Yanukovich 70%+ 50-69%

Russian as native language



Less than 20% 20-50% 50%+

Source: 2001 national census

Current crisis is

“ An extension & culmination of such internal and external dispute over the national identity. ”



Ukraine Conflict: Timeline

- **Start of the Crisis**
: President Viktor Yanukovich **abandoned a deal with the EU** in favour of stronger ties with Russia.



Ukraine Conflict: Timeline

Mass protests against Viktor Yanukovich : **“Euromaidan”**

21 Nov. 2013



1 Dec. 2013

the Worst Day of Violence.

20. Feb. 2014



800,000 gather in Independence Square



Ukraine Conflict: Timeline

President Yanukovych
disappeared

22 Feb. 2014



27 Feb-1 March 2014

97% vote for
Crimea's secession
“Referendum”

16 March 2014

Pro-Russian
gunmen seize key
buildings in **Crimea.**



Ukraine Conflict: Timeline

New President
(Pro-Western)
: Petro Poroshenko

25 May 2014



17 July 2014

Ukraine and pro-Russian rebels sign
a truce in Minsk.

5 Sep. 2014



**Malaysia Airlines
tragedy.** Almost 300
people were killed



The EU – Ukraine Relations

- **A Priority Partner** - The ENP
 - ▣ **The European Neighborhood Policy**
 - developed in 2004,
 - to avoid the emergence of new dividing lines between the EU and its neighbors & to enhance the prosperity, stability and security of all
 - Offers a privileged relationship, building upon a mutual commitment to common values
 - Proposed to the 16 of EU's closest neighbors, including **Ukraine**.



The EU – Ukraine Relations

- The EU as a moderator in discussions on energy security between Ukraine and Russia
- Pipeline issue :
 - 30% of Europe's gas coming from Russia
 - 70% of that gas flowing through Ukraine

- Gas pipeline network
- Nord Stream
- Yamal
- - - South Stream (projected)

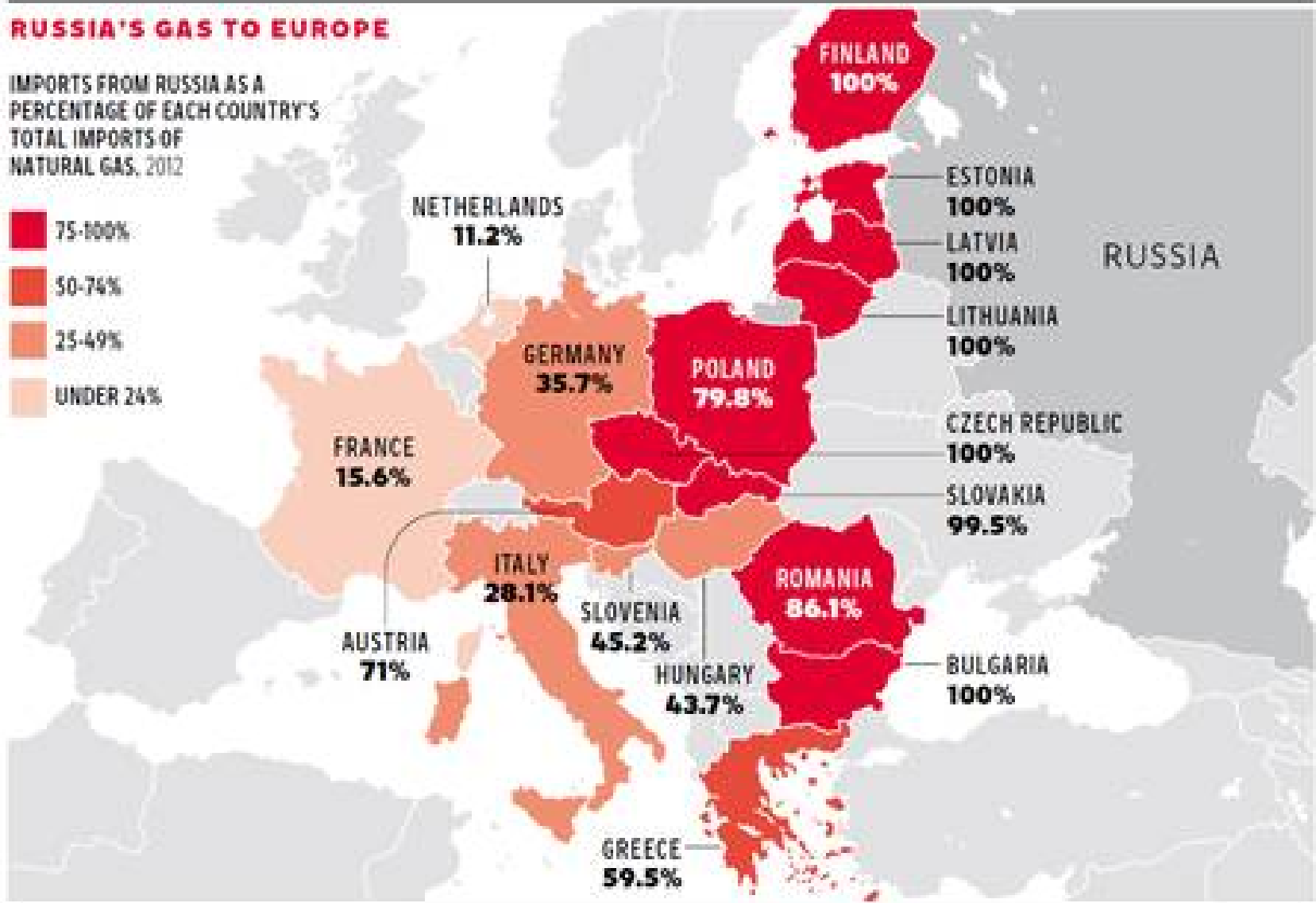
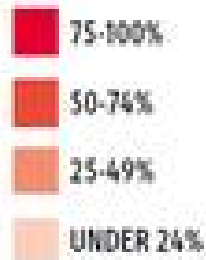


The EU – Ukraine Relations

- **“Europe ties to Russian gas”**
 - ▣ The Baltics, Slovakia and Hungary are among other EU states that rely heavily on Russian supplies
 - ▣ Other EU member states rely on Russia for more than half their supply.

RUSSIA'S GAS TO EUROPE

IMPORTS FROM RUSSIA AS A PERCENTAGE OF EACH COUNTRY'S TOTAL IMPORTS OF NATURAL GAS, 2012



SOURCE: IEA, EUROSTAT AND EIA

The EU's Actions toward the Crisis



**The EU's Actions in Support
to Ukraine**



The EU's Restrictive Measures



The EU's Actions in Support to Ukraine

- **Economic & Financial Support**
- **Trade & Investment**
- **Energy Security**
- **Facilitating Mobility**
- **Fighting against Corruption**



The EU's Actions in Support to Ukraine

□ Economic & Financial Support

1. Macro Financial Assistance(MFA)

- An exceptional EU crisis-response instrument
- Support **urgent external financing needs**

2. Development Assistance(until 2020)

- **Funding on-going sector budget support** to new Government in key areas
- Invest for modernisation and the adoption of EU standards



The EU's Actions in Support to Ukraine

□ Trade : Removal Custom Duties

Temporary tariff cuts for Ukrainian exports to the EU

**Secure long-term Sustainability
for Ukraine**

Real boost to Ukrainian businesses & real impact on the daily-lives

The EU's Actions in Support to Ukraine

□ Energy Security

- ▣ Short-term: diversifying gas supply routes and ensuring the gas flow (EU-Ukraine)
ex. **EU subsidy** keeps Russian gas coming to Ukraine
- ▣ Mid-term: a trilateral approach for the modernisation of the **Ukrainian gas transmission system**



The EU's Actions in Support to Ukraine

□ Facilitating Mobility

1. **The bilateral Visa Facilitation Agreement**
 - The optimal use of existing framework
1. **The Visa Liberalisation Action Plan**



The EU's Actions in Support to Ukraine

- **Fighting against Corruption**
 - ❖ Supply **necessary expertise** to support the new Ukrainian authorities
 - ❖ Monitor **the effective disbursement of EU aid**
 - ❖ An **independent anti-corruption** authority



The EU's Restrictive Measures

- 2 targets
 - ▣ Governments
 - ▣ Persons/Entities
- 3 types
 - ▣ Diplomatic measures
 - ▣ Trade
 - ▣ Economic & Financial Sanctions to Russia and Ukraine



The EU's Restrictive Measures

- **Diplomatic measures**
 - Suspend new financing operations in Russia
 - A G7 meeting was held in Brussels instead of the G8 summit in Sochi
 - Cancellation of the EU-Russia summit
 - EU member states decided **not to hold regular bilateral summits.**





The EU's Restrictive Measures

- **Economic & Financial Sanctions**
 - EU nationals and companies may not sell new bonds, equity or similar financial instruments with Russia
 - **Embargo on the import and export of arms** and related material from/to Russia
 - **Asset freeze** : persons identified as responsible for the misappropriation of State funds, as well as many senior Russian officials

Accession to the EU: Ukraine's Perspective

- **“European integration became the national idea for Ukraine”**
- Petro Poroshenko
- **Ukraine–European Union Association Agreement(AA)**





Accession to the EU : From the EU's Perspective

- From the EU's Perspective,
Hard to accelerate Ukraine's path to membership
- Many obstacles to overcome for the EU to accept Ukraine as a member state



Accession to the EU: Challenges

□ Political Impediment

1. **Territorial Integrity:** Ukraine-Russia Relations

- Uncertainty over the status of Crimea
- Claims of secessionists to Eastern Ukraine



Accession to the EU: Challenges

- Political Impediment
- 2. **High Level of Corruption**
 - Lost credibility to the enlargement process



Accession to the EU: Challenges

- **Economic Challenges**
- The Poorest country in Europe



Accession to the EU: Challenges

□ Challenges within the EU

“Enlargement Fatigue”

- The EU governance has also reached its limits

Accession to the EU: Challenges

□ Challenges within the EU



Accession to the EU: Challenges

Population

Quality of Governance

Rule of Law

Problems with Corruption

Level of Economic

Development

Unsettled Borders



On-going Crisis in Ukraine

□ The Human Cost

- More than **3,000** people have been killed in the continuing crisis in Ukraine
- **4,035 killed and 9,336 wounded** in eastern Ukraine
- Tens of thousands of people have fled the region for safety
- **the most vulnerable need to be protected.**

- **“ Ukraine's Unity, Sovereignty, Independence and Territorial Integrity”**



Thank You For Listening!

