



# Russia's War Against Ukraine: European Union Responses and U.S.-EU Relations

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The 27-member European Union (EU) has implemented a wide range of policy responses to Russia's war against Ukraine, launched in 2022. EU actions and coordination with the United States are of interest to Congress given the EU's role as an important U.S. partner. (Also see CRS In Focus IF12277, *Russia's War on Ukraine: U.S. Policy and the Role of Congress.*)

# **Key EU Responses**

## Sanctions

The EU has imposed several rounds of increasingly punitive sanctions—or *restrictive measures* intended to cripple Russia's ability to finance the war against Ukraine, enact costs on Russia's elites, and diminish Russia's economic base. Imposing sanctions requires unanimity among EU members.

As of December 2022, EU sanctions on Russia's government and financial, business, defense, technology, and media sectors included

- Freezing the assets of 171 entities (including key banks) and 1,386 individuals (primarily Russian officials and elites), to whom travel bans also apply.
- Imposing debt and equity restrictions on certain banks and companies.
- Restricting transactions with Russia's central bank and blocking access to its reserve holdings.
- Banning transactions with certain Russian state-owned military-industrial enterprises.
- Disconnecting 10 leading Russian financial institutions—including Sberbank, Russia's largest bank—from SWIFT (the world's dominant international financial messaging system).
- Broadening export controls on dual-use goods and technologies.
- Banning certain exports in the aviation, maritime, and technology sectors (e.g., semiconductors) and the export of drone engines and luxury goods to Russia.

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- Prohibiting imports of steel and other raw materials, spirits, seafood, and gold (including jewelry) from Russia.
- Closing EU airspace, seaports, and roads to Russian aircraft, ships, and freight operators, respectively.
- Suspending the broadcasting activities of nine Russian state-owned media outlets.

EU energy dependence on Russia has made targeting its energy sector challenging, but the EU has approved progressively tougher sanctions in this area, including

- Prohibiting most imports of Russian crude oil and petroleum products, with an exemption for crude oil delivered by pipeline. The EU expects these sanctions, which began taking effect in December 2022, to apply to around 90% of Russian oil imports.
- Banning oil transport services. An exemption finalized in December 2022 allows EU companies to provide such services for Russian oil sold to non-EU countries at or below an agreed Group of Seven (G7) price cap of \$60 a barrel (aimed at reducing Russia's oil revenues while keeping global energy markets stable).
- Banning EU exports of oil refining technologies.
- Prohibiting Russian coal imports.

Although the EU has not prohibited Russian natural gas imports, Russia has reduced gas flows to Europe and the EU is working to end its reliance on Russian energy (see below). The EU may consider additional sanctions on Russia and using frozen Russian assets to support Ukraine. (Also see CRS Insight IN11869, *Russia's War Against Ukraine: Overview of U.S. Sanctions and Other Responses.*)

#### Military Assistance

Through its European Peace Facility (EPF), the EU has committed  $\notin 3.1$  billion to date in military assistance financing for Ukraine, including for lethal equipment ( $\notin 2.8$  billion) and nonlethal supplies ( $\notin 180$  million). The EPF also is providing over  $\notin 100$  million for an EU training mission for Ukraine's armed forces. Member states may be reimbursed from the EPF for assistance provided since the start of 2022. EU members' bilateral military assistance to Ukraine totals an estimated  $\notin 8.6$  billion (as of November 2022).

#### Financial and Other Aid

In 2022, the EU, its member states, and European financial institutions collectively mobilized  $\notin$ 19.7 billion in financial, humanitarian, and emergency assistance for Ukraine (with  $\notin$ 9.2 billion from the EU budget,  $\notin$ 3.2 billion from European financial institutions, and  $\notin$ 7.3 billion in member state contributions). The EU has approved  $\notin$ 18 billion in financial assistance for 2023 (in the form of favorable loans).

The EU also coordinates the delivery of in-kind emergency supplies to Ukraine. A temporary protection mechanism provides Ukrainian nationals who have fled with immediate residency rights and access to benefits throughout the EU. (Also see CRS Insight IN11882, *Humanitarian and Refugee Crisis in Ukraine.*)

#### **Addressing Energy Dependence**

Russia's war in Ukraine has heightened long-standing concerns about EU dependence on Russian energy imports, in particular natural gas. Russia substantially reduced gas pipeline deliveries to the EU in 2022. By the end of 2022, pipeline gas from Russia accounted for roughly 9% of EU gas imports (down from

40% in early 2022), although EU imports of Russian liquefied natural gas (LNG) increased somewhat during the same period. The EU has pledged to phase out Russian fossil fuel imports before 2030.

## **U.S.-EU** Cooperation and Congressional Interests

The United States and the EU have cooperated closely in responding to Russia's aggression against Ukraine. Many sanctions are identical or substantively similar. The two partners have worked together to establish a task force on sanctions enforcement, to suspend Russia's preferential trade treatment under World Trade Organization rules, and to formulate the G7 price cap on Russian oil exports.

In March 2022, President Biden committed to help the EU reduce its dependency on Russian gas, in part by boosting LNG shipments to the EU. A U.S.-EU task force on energy security is working to implement this and other goals. Some in the EU, however, are frustrated with high U.S. LNG prices.

Although U.S.-EU unity on Ukraine remains strong, energy costs and economic difficulties could put pressure on EU policies in the longer term—potentially affecting sanctions on Russia, increasing calls for negotiations, or impeding EU financial support to Ukraine. EU financial aid disbursements faced some delays in 2022, but disbursements have accelerated and appear on schedule in 2023. Some in Congress may be interested in monitoring the extent of EU assistance to Ukraine and U.S.-EU coordination.

Russia's invasion of Ukraine also has implications for several EU initiatives of possible interest to Congress:

- Security and Defense. The war could prompt greater EU efforts to improve military capabilities and strengthen the NATO-EU partnership.
- Energy and Climate Policies. Russia's actions could accelerate EU energy diversification efforts, bolster the European Green Deal, and present opportunities for U.S.-EU clean energy cooperation. The EU worries, however, that new U.S. subsidies for green technologies could divert trade and investment away from the EU. A U.S.-EU task force is seeking to address EU concerns.
- EU Enlargement. Traditionally, strong bipartisan support has existed in Congress for EU enlargement. In June 2022, the EU declared Ukraine and Moldova official candidates for membership. Joining the EU typically takes many years.

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