



# 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 10 packages of 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.

To date, EU sanctions on Russia's government and financial, business, defense, technology, and media sectors include

- Freezing the assets of 205 entities (including key banks) and 1,473 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, spirits, seafood, gold, asphalt, and synthetic rubber (among other items) from Russia.
- Closing EU airspace, seaports, and roads to Russian aircraft, ships, and freight operators, respectively.
- Suspending broadcasting activities of nine Russian state-owned media outlets (including subsidiaries).

EU energy dependence on Russia has made targeting its energy sector challenging, but the EU has approved progressively tougher sanctions, 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 crude oil sold to non-EU countries at or below a price cap of \$60 a barrel. In February 2023, the EU set price caps for Russian petroleum products. EU caps are established in cooperation with the Group of Seven (G7) price cap coalition (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, it is working to end its reliance on Russian energy (see below). The EU also is considering 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 €3.6 billion to date in military assistance financing for Ukraine, including for lethal equipment (€3.1 billion) and nonlethal supplies (€380 million). Member states may be reimbursed from the EPF for assistance provided. In March 2023, the EU agreed to provide Ukraine with 1 million rounds of ammunition within a year, either from existing stocks or through joint procurement (a package worth €2 billion total). The EU also has established a training mission for Ukraine's armed forces. The EU estimates that members' bilateral military support to Ukraine is over €8 billion.

#### Financial and Other Aid

As of March 2023, the EU, its member states, and European financial institutions have collectively mobilized €37.8 billion in financial, humanitarian, and emergency assistance for Ukraine, including

- $\notin$ 11.6 billion provided or guaranteed by the EU budget in 2022;
- €18 billion in EU financial assistance for 2023 (in the form of favorable loans); and
- $\notin$  7.8 billion from member states.

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, particularly 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 on enforcing sanctions, suspending Russia's preferential trade treatment under World Trade Organization rules, and formulating the G7 price cap on Russian oil exports. The United States also has committed to help the EU reduce its dependency on Russian gas, in part by boosting LNG shipments to the EU.

Although U.S.-EU unity on Ukraine remains strong, energy costs and ongoing economic challenges 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 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 war against Ukraine also has implications for several EU initiatives of possible interest to Congress:

- Security and Defense. The war has prompted debate on EU efforts to improve its military capabilities and could strengthen the NATO-EU partnership.
- Energy and Climate Policies. Russia's actions could accelerate the EU's energy transition, 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. The EU declared Ukraine and Moldova official candidates for membership in June 2022 (six other countries are recognized as official candidates also). Joining the EU typically takes many years.

## **Author Information**

Kristin Archick Specialist in European Affairs

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