



## RUSSIA

EU-Russia relations have been strained since 2014 because of Russia's illegal annexation of Crimea, support for rebel groups in eastern Ukraine, policies in the neighbourhood, disinformation campaigns and negative internal developments. Tensions have grown over Russian intervention in Syria. The EU has regularly renewed sanctions against Russia since 2014. The EU and Russia remain closely interdependent and the EU applies a 'selective engagement' approach.

### LEGAL BASIS

- Title V of the Treaty on European Union (TEU): 'external action';
- Articles 206-207 (trade) and Articles 216-219 (international agreements) of the Treaty on the Functioning of the European Union (TFEU);
- Partnership and Cooperation Agreement (PCA) (bilateral relations).

### EU-RUSSIA RELATIONS

Until the outbreak of the crisis in Ukraine, the EU and Russia had been building a strategic partnership, covering, among other issues, trade, economy, energy, climate change, research, education, culture, and security, including counter-terrorism, nuclear non-proliferation and conflict resolution in the Middle East. The EU was a staunch supporter of Russia's WTO accession (completed in 2012). In recent years, the issue of the shared neighbourhood has become a major point of friction between the EU and Russia. The illegal annexation of Crimea by Russia in March 2014 and the evidence that Russia supported rebel fighters in the east of Ukraine triggered an international crisis. The EU reviewed its bilateral relationship with Russia, discontinuing regular bilateral summits, and suspended the dialogue on visa issues and talks on a new bilateral agreement to replace the PCA. The EU currently follows a twin-track approach on Russia, combining gradual sanctions with attempts to find diplomatic solutions to the conflict in eastern Ukraine. Russia's participation in the efforts of the E3+3 group of countries that concluded a nuclear agreement with Iran in July 2015 raised hopes for greater cooperation on the global stage. However, Russia's intervention in the Syrian War since September 2015, supporting President Assad, and strong disinformation campaigns both inside and outside Russia have caused additional tensions with the West.

The 2018 presidential election gave Vladimir Putin his fourth term as president, with 76.69% of the vote. As on previous occasions, the European Parliament was not



invited to send an election observation mission. Russian legislation, passed from 2012 onwards, targeted the opposition and civil society. Hundreds of NGOs have been labelled as 'foreign agents' and/or 'undesirable organisations', and the authorities have tightened control over media and internet use. The EU is concerned about the rule of law — including corruption. In 2017 and 2018, large anti-corruption demonstrations instigated by opposition politician Alexey Navalny took place across Russia and were met with a tough response by the authorities. The Central Election Commission and the Supreme Court banned Navalny as a candidate because of a contested past conviction. The parliamentary election in September 2016 had already affirmed the predominance of Putin's presidency and a big victory for his United Russia party.

In 2017, Russia's economy recovered from the 2014-2016 recession and turbulence in the banking sector, benefiting from increasing revenues from oil and commodities exports. The outlook is favourable, but the country's investment climate is uncertain and its economic performance remains dependent on oil and gas prices. The economic system is concentrated in a few sectors; it lacks transformative investments, while large firms close to the state dominate the market. Despite the sanctions, the EU remains Russia's biggest trading partner and Russia is the EU's fourth biggest. However, trade and economic relations are marred by numerous factors, such as Russia's embargo on several EU agri-food products, WTO disputes and serious limitations on opportunities for EU companies to participate in Russian public procurement.

Since March 2014, the EU has progressively imposed restrictive measures against Russia in response to the illegal annexation of Crimea and the destabilisation of Ukraine. The EU significantly expanded its sanctions after the shooting down of flight MH17 on 17 June 2015 over territory controlled by Russian-supported rebels in eastern Ukraine. The sanctions are regularly updated and prolonged.

The EU's restrictive measures take different forms. Diplomatic measures consist of Russia's exclusion from the G8, stopping the process of Russia's accession to the OECD and the International Energy Agency, and the suspension of the regular EU-Russia bilateral summits.

Economic sanctions target exchanges with Russia in specific economic sectors. They limit access to the EU's primary and secondary capital markets for certain Russian banks and companies. They impose export and import bans on the trade in arms and an export ban on dual-use goods for military use or military end-users in Russia. They also curtail Russian access to certain sensitive technologies and services that can be used for oil production and exploration. Specific restrictions on economic relations with Crimea and Sevastopol apply, including an import ban on goods from the peninsula, an export ban on certain goods and technologies, restrictions on investment, and a prohibition on the supply of tourism services. Measures concerning economic cooperation suspend any new financing operations in Russia by the European Investment Bank (EIB) and European Bank for Reconstruction and Development (EBRD).

Individual restrictive measures apply to more than 150 individuals and 40 entities, which are subject to an asset freeze and a travel ban because their actions undermined Ukraine's territorial integrity, sovereignty and independence. The list includes the



speakers of the two chambers of the Russian Federal Assembly (the State Duma and the Federation Council), as well as the incumbent chair of the Russian Delegation to the EU-Russia Parliamentary Cooperation Committee.

The Foreign Affairs Council in March 2016 outlined five guiding principles underlying the EU's relations with Russia: (1) implementation of the Minsk agreement as the key condition for any substantial change in the EU's stance towards Russia; (2) strengthened relations with the EU's Eastern Partners and other neighbours, including Central Asia; (3) strengthening the resilience of the EU (e.g. energy security, hybrid threats or strategic communication); (4) selective engagement with Russia on issues of interest to the EU; (5) need to engage in people-to-people contacts and support Russian civil society. The first principle implicitly links the duration of some of the EU sanctions to the progress made towards a peaceful resolution of the conflict in eastern Ukraine.

Russia has been retaliating since August 2014 against the sanctions imposed by the EU and by Western countries (including the US, Canada and Australia), imposing counter-sanctions on agricultural goods, raw materials and food, alleging violations of food security standards. This has reinforced Russia's import substitution policy in the agricultural sector. Russia also applies a 'stop-list' to EU and US nationals who have criticised its actions, denying them the right to enter Russian territory (including 18 MEPs). There is no possible avenue for a legal appeal if a person appears on the Russian list, contrary to the EU's travel ban.

## **AGREEMENTS IN FORCE**

The legal basis for EU-Russia relations is the PCA signed in June 1994. Initially valid for 10 years, it has since been renewed automatically every year. It sets the principal common objectives and establishes the institutional framework for bilateral contacts (including regular consultations on human rights and biannual presidential summits, which are currently frozen).

At the St Petersburg summit in May 2003, the EU and Russia reinforced their cooperation by creating four 'Common Spaces': an economic space; a freedom, security and justice space; an external security space; and a research, education and culture space. At regional level, the EU and Russia, along with Norway and Iceland, set up the new Northern Dimension policy in 2007, focusing on cross-border cooperation in the Baltic and Barents regions. In July 2008, negotiations were initiated for a new EU-Russia agreement to include 'legally binding commitments' in areas such as political dialogue, justice, liberty, security, economic cooperation, research, education, culture, trade, investment and energy. A 'Partnership for Modernisation' was launched in 2010. Negotiations on a visa facilitation agreement were concluded in 2011. However, Russia's intervention in Crimea led to the suspension of all these talks and processes. In 2014, the European Council froze cooperation with Russia (except on cross-border cooperation and people-to-people contacts), as well as new EU financing for the benefit of the country through international financing institutions.



## ROLE OF THE EUROPEAN PARLIAMENT

The Lisbon Treaty states that Parliament must ‘consent’ to any new agreement, as it did to the previous PCA. More specific agreements (such as visa facilitation) also require Parliament’s consent. Parliament does not directly define strategic needs or action programmes, but it legislates jointly with the Council on the objectives and priorities of EU financial assistance, including the European Neighbourhood Instrument (ENI), through which EU regional cooperation with Russia is financed. Furthermore, Parliament has the right to scrutinise documents guiding ENI implementation before they are adopted, a procedure known as ‘democratic scrutiny’.

Parliament has adopted a series of resolutions on Ukraine, which condemn Russia’s illegal annexation of Crimea and Russia’s role in destabilising eastern Ukraine. Parliament adopted a resolution on the state of EU-Russia relations in June 2015, backing the EU sanctions and emphasising the need to provide more ambitious EU financial assistance to Russian civil society and to promote people-to-people contacts despite difficult relations. Later, other resolutions welcomed the efforts outlined by the Commission for an Energy Union to reduce dependence on energy imports from Russia and EU measures to counter aggressive propaganda from Russia and other third countries. However, Parliament has called for cooperation with Russia on counter-terrorism and the Middle East Peace Process, but has been critical of Russia’s intervention in Syria.

Before 2014, Parliament had favoured a new comprehensive agreement with Russia, based on common values and interests. However, in several own-initiative reports, Parliament has expressed strong concerns about respect for human rights, the rule of law and the state of democracy in Russia. Laws against LGBTQ ‘propaganda’ and a crackdown on independent NGOs, or those receiving funding from sources outside Russia, are the best examples. In April 2017, Parliament adopted a resolution condemning Navalny’s arrest. In 2016, Parliament strongly condemned the unprecedented levels of human rights abuses perpetrated against residents of Crimea, most notably Tatars. In March 2017, Parliament asked Russia to free more than 30 Ukrainian citizens who were either incarcerated or facing conditions of restricted freedom.

From 1997 to 2014, relations with Russian legislators were mostly developed in the Parliamentary Cooperation Committee (PCC), an inter-parliamentary forum established by the 1994 EU-Russia PCA. Between 1997 and early 2014, the EU-Russia PCC served as a stable platform for developing cooperation and dialogue between delegations from Parliament and the Russian Federal Assembly. Since March 2014, however, Parliament has discontinued inter-parliamentary relations with the Russian Federal Assembly, in accordance with the diplomatic restrictive measures taken in response to the Ukrainian crisis. Nevertheless, Parliament’s Delegation to the EU-Russia PCC continues to meet and discuss issues related to EU-Russia relations on its own. It also maintains a channel of discussion and exchange with representatives of Russian civil society, NGOs and the media.



Parliament has not been invited by Russia to observe elections since 1999 and has no other related activities in the country.

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05/2019

