



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

# Updated February 5, 2024

The 27-member European Union (EU) has implemented a range of policy responses to Russia's war against Ukraine. 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

Since February 2022, the EU has imposed 12 packages of sanctions—or *restrictive measures*—intended to reduce 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 331 entities (including key banks) and 1,612 individuals (primarily Russian officials and elites), to whom travel bans also apply.
- Restricting transactions with Russia's central bank and blocking access to its reserve holdings.
- Imposing debt and equity restrictions on certain banks and companies.
- 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.

**Congressional Research Service** 

https://crsreports.congress.gov IN11897

- Prohibiting imports of steel, spirits, seafood, gold, diamonds, and other products from Russia.
- Closing EU airspace, seaports, and roads to Russian operators.
- Suspending broadcasting activities of 13 Russian media outlets (including subsidiaries).

EU energy dependence on Russia has made targeting its energy sector challenging. The EU has not prohibited Russian natural gas imports, but sanctions include

- Prohibiting most imports of Russian crude oil and petroleum products (applying to around 90% of Russian oil imports), with an exemption for crude oil delivered by pipeline.
- Banning EU companies from providing oil transport services, except for Russian crude oil and petroleum products sold to non-EU countries at or below agreed price caps (established in cooperation with the Group of Seven [G7] price cap coalition to reduce Russia's oil revenues while keeping global energy markets stable).
- Banning EU exports of oil refining technologies.
- Prohibiting Russian coal imports.

In June 2023, the EU approved an anti-circumvention tool to combat sanctions evasion in other countries. In December 2023, the EU agreed to measures to curtail sanctions circumvention further and tighten implementation of the oil price cap.

#### EU Assistance to Ukraine

According to EU data, EU and member state support to Ukraine as of January 2024 totaled roughly €71 billion in military, financial, humanitarian, and emergency assistance; when €17 billion in EU funding to help Ukrainian refugees in member states is added, total EU support reaches over €88 billion. (U.S. dollar figures are slightly higher at the current €1:\$1.07 exchange rate.)

**Financial and Other Aid.** In 2022 and 2023, the EU, its member states, and European financial institutions collectively committed €43.3 billion in financial, humanitarian, and emergency aid for Ukraine, including

- $\notin$ 11.5 billion provided or guaranteed by the EU budget in 2022.
- €18 billion in EU financial assistance for 2023 (in the form of favorable loans).
- $\in$  12.2 billion from member states.

In February 2024, EU leaders approved €50 billion in new financial assistance (€33 billion in loans and €17 billion in grants) for the 2024-2027 period. The EU also coordinates the delivery of in-kind emergency supplies to Ukraine and is taking steps to allow financial proceeds from frozen Russian assets to be used to support Ukraine's reconstruction.

**Military Assistance.** Through its European Peace Facility (EPF), the EU has committed  $\notin 6.1$  billion to date in military assistance financing for Ukraine, including  $\notin 3.1$  billion for lethal equipment,  $\notin 380$  million for nonlethal supplies, and  $\notin 2$  billion to provide Ukraine with 1 million rounds of ammunition (either from member state stocks or through joint procurement, but production challenges exist). Member governments may be reimbursed from the EPF for assistance provided. The EU is considering EPF reforms and additional EPF funding for Ukraine. The EU also established a training mission for Ukraine's armed forces. As of January 2024, the EU estimates members' bilateral military support to Ukraine is around  $\notin 22$  billion.

#### Addressing Energy Dependence

Following Russia's invasion of Ukraine, the EU pledged to phase out all Russian fossil fuel imports including natural gas—before 2030. By the end of 2022, pipeline gas from Russia accounted for roughly 8% of EU gas imports (down from 40% in early 2022), although this decrease reflects in part Russia's decision to reduce deliveries. EU imports of Russian liquefied natural gas (LNG) increased somewhat during the same period. In 2023, EU statistics indicate further decreases in Russia's share of EU coal, oil, and pipeline gas imports and a marginal decline from 2022 levels in Russia's share of EU LNG imports.

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

The U.S. government and the EU have worked together closely in responding to Russia's aggression against Ukraine. Cooperation has included devising and enforcing sanctions, suspending Russia's preferential trade treatment under World Trade Organization rules, formulating the G7 oil price cap, and ensuring accountability for war crimes. The Biden Administration also committed to help the EU reduce its dependency on Russian gas, in part by boosting LNG shipments to the EU.

Strains on EU solidarity, apparent in the dispute over EU imports of Ukrainian grain and the delay in approving the new  $\notin$ 50 billion in EU financial assistance, could pose challenges to future cooperation on Ukraine, as could possible U.S. "donor fatigue" and political divisions. The EU regards sustained U.S. support for Ukraine as "indispensable." Some in Congress may be interested in monitoring the extent of EU assistance and other aspects of U.S.-EU relations affected by the war in Ukraine:

- Security and Defense. The war has prompted debate on improving EU military capabilities and strengthening the NATO-EU partnership.
- Energy and Climate. Russia's actions could accelerate the EU's energy transition and U.S.-EU energy cooperation, despite some tensions over U.S. "green" subsidies.
- EU Enlargement. Traditionally, bipartisan support has existed in Congress for EU enlargement. The EU declared Ukraine an official candidate for membership in June 2022 (eight other countries, including Moldova and Georgia, also are official candidates). Joining the EU typically takes many years.

## **Author Information**

Kristin Archick Specialist in European Affairs

# Disclaimer

This document was prepared by the Congressional Research Service (CRS). CRS serves as nonpartisan shared staff to congressional committees and Members of Congress. It operates solely at the behest of and under the direction of Congress. Information in a CRS Report should not be relied upon for purposes other than public understanding of information that has been provided by CRS to Members of Congress in connection with CRS's institutional role. CRS Reports, as a work of the United States Government, are not subject to copyright protection in the United States. Any CRS Report may be reproduced and distributed in its entirety without permission from CRS. However,

as a CRS Report may include copyrighted images or material from a third party, you may need to obtain the permission of the copyright holder if you wish to copy or otherwise use copyrighted material.