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INSIGHT

Russia's Invasion of Ukraine: European Union Responses and Implications for 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 2022 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.

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. Despite the EU's significant trade and investment ties to Russia, most EU sanctions were agreed swiftly. European reliance on Russian energy imports, however, has made targeting such imports challenging, and the EU has not sanctioned Russian gas imports. As of late July 2022, EU sanctions include

- Imposing asset freezes and travel bans on 1,212 Russian officials, legislators, and other elites and freezing the assets of 108 entities (including several key banks)
- Expanding sanctions on Russia's financial sector, including debt and equity restrictions on certain banks and companies
- Restricting transactions with Russia's Central Bank and blocking access to its reserve holdings
- Disconnecting 10 leading Russian financial institutions from SWIFT (the world's dominant international financial messaging system, headquartered in Belgium), including Sberbank, Russia's largest bank
- Prohibiting Russian coal imports

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- Prohibiting imports of Russian crude oil and petroleum products (with an exemption for crude oil delivered by pipeline) and banning oil transport services
- Prohibiting imports of steel and other raw materials, spirits, seafood, and gold (including jewelry) from Russia
- Banning certain exports in the oil refining, aviation, maritime, and technology sectors (e.g., semiconductors) and the export of luxury goods to Russia
- Broadening the scope of export controls on dual-use goods and technologies
- Closing EU airspace, seaports, and roads to Russian aircraft, ships, and freight operators, respectively (with some exceptions, including for energy-related cargo)
- Expanding sanctions on Belarus for supporting Russia's invasion of Ukraine

Reaching agreement on future sanctions may be more difficult given a worsening EU economic outlook and rising inflation and energy prices. (See CRS Insight IN11869, *Russia's 2022 Invasion of Ukraine: Overview of U.S. Sanctions and Other Responses*; CRS In Focus IF12062, *New Financial and Trade Sanctions Against Russia*; and CRS In Focus IF12092, *Russia's War on Ukraine: The Economic Impact of Sanctions*.)

Military Assistance

The EU has announced a total of €2.5 billion to date in financing for military assistance to Ukraine through the European Peace Facility (EPF). This financing includes funding for lethal equipment (€2.33 billion) and €170 million for nonlethal supplies. Member states are responsible for delivering equipment and may be reimbursed from the EPF for assistance provided since the start of 2022.

Helping Refugees and Providing Aid

As of late July 2022, about 7 million people have been displaced internally within Ukraine and over 6 million have fled Ukraine. A temporary protection mechanism provides Ukrainian nationals and other legal residents of Ukraine with immediate residency rights and access to benefits throughout the EU. Between February and June 2022, the EU mobilized €4.1 billion in assistance for Ukraine, including macro-financial, humanitarian, and emergency aid and the provision of in-kind emergency supplies. In July 2022, the EU announced €1 billion more in macro-financial assistance, the first tranche of a proposed €9 billion financial support package for Ukraine.

Tackling Disinformation

The EU has condemned Russia's disinformation campaign against Ukraine and suspended broadcasting of five Russian state-owned media outlets, including Russia Today (RT) and Sputnik, across all platform types (cable, satellite, websites, apps). Through its EUvsDisinfo project, the EU also is addressing disinformation targeting Ukraine.

Addressing Energy Dependence

The EU has pledged to decrease its energy dependence on Russia, including reducing demand for Russian gas by two-thirds by the end of 2022. At the same time, the EU is concerned about decreased Russian gas flows to Europe and further cutoffs. The EU has adopted a gas rationing plan in case of supply shortages, although critics note it contains numerous exemptions and question its efficacy.

U.S.-EU Cooperation

Russia's war against Ukraine has strengthened U.S.-EU ties. The United States and the EU have coordinated closely on sanctions, and many EU and U.S. sanctions are identical or substantively similar. With other partners, the EU and the United States established a task force to ensure effective implementation of sanctions against designated individuals and companies and announced plans to suspend Russia's preferential trade treatment under World Trade Organization rules.

In March 2022, President Biden committed to help the EU reduce its dependency on Russian gas by working with "international partners" to boost liquefied natural gas (LNG) shipments to the EU this year and outlined plans to enable additional annual U.S. LNG shipments through 2030. A new U.S.-EU task force on energy security is to implement these and other goals.

Some experts warn that unity could fray in the longer term. Some European leaders have called for a cease-fire and eventual negotiations with Russia, whereas U.S. and other European officials discourage any efforts to promote Ukrainian concessions to Russia. U.S.-EU divisions also could emerge over the extent of military and/or financial assistance each partner is providing to Ukraine.

U.S. and Congressional Interests

Russia's invasion of Ukraine has galvanized debate on several EU initiatives that could be central to how the EU as an institution and U.S.-EU relations evolve. Among those of interest to Congress are

- **Security and Defense.** Russia's actions could prompt greater EU efforts to improve military capabilities and become a more independent global actor (often referred to as *strategic autonomy*). Russia's aggression also has reinforced NATO's importance and could strengthen the NATO-EU partnership.
- **Energy and Climate Policies.** Russia's war in Ukraine could accelerate EU energy diversification efforts (long called for by some in Congress), bolster the European Green Deal to address climate change, and encourage U.S.-EU cooperation on clean energy technologies and renewables. However, reducing EU energy dependence on Russia also could slow progress on other initiatives, such as phasing out coal production in some EU countries.
- **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, however, typically takes many years.

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