C/2024/3822

19.6.2024

Resolution by the Euronest Parliamentary Assembly on the economic impact of the Russian war of aggression on Ukraine and the Eastern Neighbourhood as adopted on 20 March 2024

(C/2024/3822)

THE EURONEST PARLIAMENTARY ASSEMBLY,

— having regard to the Constituent Act of the Euronest Parliamentary Assembly of 3 May 2011 and the joint declaration of the Eastern Partnership summit of 24 November 2017,

— having regard to the Association Agreement between the European Union and the European Atomic Energy Community and their Member States, of the one part, and Georgia, of the other part ([1]), in particular the Deep and Comprehensive Free Trade Area,

— having regard to the Association Agreement between the European Union and the European Atomic Energy Community and their Member States, of the one part, and the Republic of Moldova, of the other part ([2]), in particular the Deep and Comprehensive Free Trade Area,

— having regard to the Association Agreement between the European Union and its Member States, of the one part, and Ukraine, of the other part ([3]), in particular the Deep and Comprehensive Free Trade Area,

— having regard to the Comprehensive and enhanced Partnership Agreement between the European Union and the European Atomic Energy Community and their Member States, of the one part, and the Republic of Armenia, of the other part ([4]),

— having regard to the Partnership and Cooperation Agreement between the European Communities and their Member States, of the one part, and the Republic of Azerbaijan, of the other part ([5]),

— having regard to its resolution of 21 February 2023 on green energy transition as a response to the current energy security challenges in the Eastern Partnership in the context of Russia's war of aggression and occupation ([6]),

— having regard to the renewed agenda for recovery, resilience and reform underpinned by an economic and investment plan for the Eastern Partnership,

— having regard to the 2021-2027 multiannual indicative programme for the Eastern Neighbourhood,

— having regard to the applications for EU membership by Ukraine and Moldova on 28 February 2022 and 3 March 2022 respectively, and to the subsequent European Council decision of 23 June 2022 to grant them candidate status,

— having regard to the application for EU membership by Georgia on 3 March 2022 and to the subsequent European Council decision of 23 June 2022 to recognise its European perspective,

— having regard to the European Council decision of 14-15 December 2023 to open accession negotiations with Ukraine and Moldova, and to grant the status of candidate country to Georgia,

— having regard to the Declaration of the European Union's Regions and Cities of 3 March 2022 on Solidarity with Ukraine,

([1]) OJ L 261, 30.8.2014, p. 4.
([2]) OJ L 260, 30.8.2014, p. 4.
([3]) OJ L 161, 29.5.2014, p.3.
([4]) OJ L 23, 26.1.2018, p. 4.
([5]) OJ L 246, 17.9.1999, p. 3.
([6]) OJ C 229, 29.6.2023, p. 16.

— having regard to the European Economic and Social Committee resolutions of 24 March 2022 on the war in Ukraine and its economic, social and environmental impact ([7]) and of 16 June 2022 on 'Ukraine from relief to reconstruction proposals by European civil society' ([8]),

— having regard to the Commission communication of 8 March 2022 entitled 'European solidarity with refugees and those fleeing war in Ukraine' (COM(2022)0107),

— having regard to the Commission communication of 18 May 2022 entitled 'Ukraine relief and reconstruction' (COM (2022)0233),

— having regard to the European Parliament recommendation of 23 November 2022 to the Council, the Commission and the Vice-President of the Commission / High Representative of the Union for Foreign Affairs and Security Policy concerning the new EU strategy for enlargement ([9]),

— having regard to Regulation (EU) 2022/2463 of the European Parliament and of the Council of 14 December 2022 establishing an instrument for providing support to Ukraine for 2023 (macro-financial assistance +) ([10]),

— having regard to the joint statement by the President of the European Council, the President of the Commission and the President of Ukraine adopted at the 24th EU-Ukraine Summit on 3 February 2023 in Kyiv,

— having regard to the Third Ukraine Rapid Damage and Needs Assessment of 14 February 2024, which was jointly prepared by the Government of Ukraine, the Commission, the World Bank and the UN,

— having regard to its resolutions of 23 February 2023 on the armed aggression of the Russian Federation against Ukraine ([11]), of 21 February 2023 on the strategic importance of starting EU accession negotiations with Ukraine and Moldova ([12]) and of 21 February 2023 on supporting the path of Ukraine, Moldova and Georgia towards EU membership ([13]),

— having regard to the European Parliament resolution of 6 October 2022 on Russia's escalation of its war of aggression against Ukraine ([14]),

— having regard to the European Parliament resolution of 16 February 2023 on one year of Russia's invasion and war of aggression against Ukraine ([15]),

— having regard to the European Parliament resolution of 15 June 2023 on the sustainable reconstruction and integration of Ukraine into the Euro-Atlantic community ([16]),

— having regard to the NATO Vilnius Summit communiqué of 11 July 2023,

— having regard to the G7 leaders' statements of 27 June 2022 and 19 May 2023 on Ukraine,

— having regard to the conclusions of the International Expert Conference on the Recovery, Reconstruction and Modernisation of Ukraine held in Berlin on 25 October 2022,

— having regard to the conclusions of the Ukraine Recovery Conference held in Lugano on 4 and 5 July 2022, in particular the seven 'Lugano Principles', which are the guiding principles for the recovery process in Ukraine,

([7]) OJ C 290, 29.7.2022, p. 1.
([8]) OJ C 365, 23.9.2022, p. 1.
([9]) OJ C 167, 11.5.2023, p. 105.
([10]) OJ L 322, 16.12.2022, p. 1.
([11]) OJ C 229, 29.6.2023, p. 30.
([12]) OJ C 229, 29.6.2023, p. 29.
([13]) OJ C 229, 29.6.2023, p. 33.
([14]) OJ C 132, 14.4.2023, p. 94.
([15]) OJ C 283, 11.8.2023, p. 34.
([16]) OJ C, C/2024/490, 23.1.2024, ELI: http://data.europa.eu/eli/C/2024/490/oj.

— having regard to the European Council conclusions of 30 May 2022 on Ukraine, which endorsed the idea of a Ukraine reconstruction platform that would bring together the Ukrainian Government, the EU, its Member States and the European Investment Bank, as well as international partners, financing institutions, organisations, experts and interested parties,

— having regard to the conclusions of the Ukraine Recovery Conference held in London on 21 and 22 June 2023,

— having regard to the European Parliament resolution of 5 October 2023 on taking stock of Moldova's path to the EU ([17]),

— having regard to Ukraine's 2022-2032 recovery and development plan,

A. whereas Russia is currently fighting an unprovoked, unjustified and illegal war of aggression against Ukraine, which has caused Ukraine to lose access to financial markets and has led to a significant drop in its public revenue; whereas Ukraine has dramatically increased its public expenditure to defend its sovereign territory, address the humanitarian situation and maintain the continuity of state services;

B. whereas, in addition to the tragic loss of human life, the financial cost of supporting the resilience, recovery and reconstruction of Ukraine rises by the day, as Russian forces and their proxies continue to carry out indiscriminate and malicious attacks on residential areas and civilian infrastructure, including hospitals, homes and schools; whereas one such example of this is Russia's destruction of the Kakhovka Dam in an act of terrorism on 6 June 2023;

C. whereas Russia's war of aggression has enormous security and economic implications for all of the countries in the EU's Eastern Partnership (EaP), in particular Moldova, whose economy has been severely affected by lost trade, a decrease in foreign investment and increased energy and transport prices;

D. whereas, since the outbreak of this war of aggression, the EU, its Member States and like-minded partners have been providing substantial humanitarian, financial and technical support to Ukraine, in addition to military support, which is direly needed to assist Ukraine in exercising its legitimate right to defend itself against the Russian invaders;

E. whereas the third Rapid Damage and Needs Assessment, which was drawn up by the Government of Ukraine, the Commission, the World Bank Group and the United Nations and published on 14 February 2024, estimated the cost of supporting Ukraine's reconstruction and recovery at USD 486 billion over the next decade;

F. whereas the Multi-agency Donor Coordination Platform for Ukraine was launched on 26 January 2023, bringing together experts from Ukraine, the EU, the G7 countries, the European Investment Bank, the European Bank for Reconstruction and Development, the International Monetary Fund and the World Bank, to act as a catalyst to mobilise the international commitments required to respond to Ukraine's needs;

G. whereas all together, the Team Europe commitments for Ukraine given by the EU institutions, the European Investment Bank and the EU Member States totalled EUR 132 billion as of July 2023;

H. whereas the Ukrainian authorities' 2022-2032 recovery and development plan underpins their commitment to rebuilding and modernising their country and implementing the EU integration reforms;

I. whereas the reconstruction of Ukraine will also provide an opportunity to accelerate the dual digital and green transitions in the country, including by developing energy sovereignty and independence from Russian supplies, thereby 'building back better' rather than simply restoring or reproducing destroyed or damaged infrastructure;

J. whereas the EU Member States and neighbouring countries, in particular Moldova, that have provided transit or shelter to millions of Ukrainians forced to leave their homes also face a significant economic burden owing to increasing inflation and, in particular, rapid increases in food and energy prices;

([17]) OJ C, C/2024/1189, 23.2.2024, ELI: http://data.europa.eu/eli/C/2024/1189/oj.

K. whereas the Temporary Protection Directive ([18]) has helped to ease the integration of Ukrainian refugees in the EU by providing them with a residence permit and access to employment, social welfare, medical care and suitable accommodation or housing;

L. whereas the EU is now implementing the Ukraine Facility for 2024-2027, which includes EUR 50 billion of both grants and loans; whereas this funding is in addition to the EUR 85 billion of support, including military aid, previously provided to Ukraine; whereas additional resources are expected to be committed under the Neighbourhood, Development and International Cooperation Instrument – Global Europe and the Instrument for Pre-Accession Assistance III, especially for humanitarian aid;

M. whereas ensuring energy security and the acceleration of the green transition for Ukraine, other EaP countries and the EU will remain a top priority in the years ahead; whereas all EaP countries are signatories to the Paris Agreement and alignment with the EU environment *acquis* is of crucial importance for EU candidate countries;

N. whereas the Commission report of 2 February 2023 on Ukraine's alignment with the EU *acquis* provided a comprehensive and positive assessment of Ukraine's progress towards completing the necessary reforms, which further advances its aspirations for EU membership;

O. whereas negotiations between the EU and the candidate countries of Ukraine and Moldova should be initiated as soon as possible, following the European Council's positive decision to this end on 14 December 2023;

General considerations regarding Russia's war of aggression against Ukraine

1. Condemns in the strongest terms Russia's brutal, illegal and unjustified war of aggression against Ukraine, in which the illegitimate Belarusian regime and its leader Aliaksandr Lukashenka are complicit; demands that Russia immediately terminate all military activities in Ukraine and unconditionally withdraw all forces and military equipment from the entire internationally recognised territory of Ukraine;

2. Emphasises that this war of aggression violates international law, threatens Europe's security and stability and has triggered a global food crisis that is primarily affecting developing and the least developed countries, for which Russia and the illegitimate Belarusian regime and its leader Aliaksandr Lukashenka bear full responsibility; stresses that, due to its direct involvement, the illegitimate Belarusian regime must be held accountable through economic and targeted European sanctions;

3. Expresses its undivided solidarity with the people of Ukraine; fully supports Ukraine's independence, sovereignty and territorial integrity within its internationally recognised borders, and underlines that this war constitutes a serious violation of international law; pays homage to the immense courage and resilience of the people of Ukraine and the country's armed forces, who are defending their homeland and sovereign territory against Russian invaders;

4. Calls for the EU, its Member States and their like-minded partners to support Ukraine in its defence against Russia's illegal war of aggression with sustained humanitarian, financial and military support and by standing with Ukraine for as long necessary for it to achieve its independence, sovereignty and full control over its entire internationally recognised territory;

5. Welcomes the decision taken by some European companies to withdraw from the Russian market and encourages other companies to follow suit and place values above economic interest;

([18]) Council Directive 2001/55/EC of 20 July 2001 on minimum standards for giving temporary protection in the event of a mass influx of displaced persons and on measures promoting a balance of efforts between Member States in receiving such persons and bearing the consequences thereof (OJ L 212, 7.8.2001, p. 12).

Economic fallout for the EU, its Member States and other countries

6. Insists that the war recovery and reconstruction efforts, as well as other related efforts, should be in line with the dual green and digital transitions in the EU Member States;

7. Calls for the EU institutions and the Member States to enhance market transparency and temporally remove all obstacles to the import of agricultural produce in order to alleviate the global food price crisis;

8. Stresses that NextGenerationEU, the Recovery and Resilience Facility and the flexibility afforded under the 2021-2027 multiannual financial framework do not suffice to cover the financial needs generated by the war in Ukraine; recommends reaching out to international partners in order to garner support, including reconstruction expertise;

9. Supports the efforts made using 'solidarity lanes' to facilitate grain exports from Ukraine via various land routes and EU ports, despite Russia's illegal blockade of the Black Sea; calls for the EU and its Member States to further expand these solidarity lanes, with a view to alleviating the global food crisis triggered by Russia's war of aggression;

10. Underlines the urgent need for proactive engagement in world-wide politics, in particular at the United Nations and the World Trade Organization, as Russia continues to seek other market outlets in order to compensate for loses caused by the imposed sanctions;

11. Appreciates the humanitarian aid that EaP countries have provided to Ukraine and calls for the EU and its Member States to give more financial support to neighbourhood states;

12. Calls for the EU and its Member States to provide more economic and financial support to minimise the negative effects of the Russia-Ukraine war on the economies of other EaP countries;

13. Calls for the EU and its Member States to provide more technical assistance programmes for EaP countries to strengthen their sustainable export potential to the EU;

Refugees

14. Notes that over 8 million Ukrainians have been forced to leave their homes to seek shelter in safer places across Europe and that over 6.2 million Ukrainians have been internally displaced by the war;

15. Highlights the substantial financial costs that have resulted from this influx, in particular for Moldova, which has become the prime country of transit for Ukrainian refugees; notes that Ukrainian refugees make up 0.7 % of the population currently residing in Georgia;

16. Welcomes the active and humane approach that the EU Member States and Moldova have taken, as they have kept their borders open and provided means of evacuation, shelter, emergency assistance, medical assistance and asylum to people fleeing Russia's war of aggression;

17. Calls for Ukrainian refugees to be granted equal rights with EU citizens when it comes to accessing healthcare, education and the labour market, which are key to preventing increases in poverty among these refugees;

18. Calls for educational initiatives and programmes for displaced Ukrainian children and young people, including to provide access to quality education and language and skills training;

19. Underlines the key role of civil society in the protection and integration of refugees from vulnerable groups, in particular in the labour market;

20. Welcomes the release of EUR 3.4 billion in funds from the Recovery Assistance for Cohesion and the Territories of Europe for EU Member States that are sheltering people who have fled Russia's invasion;

21. Welcomes the Commission's adoption on 29 June 2022 of 'Flexible Assistance to Territories' (FAST-CARE), which is a new package that provides additional flexibility related to the implementation of the cohesion policy instruments in order to help the EU Member States, regional and local authorities and other partners address the consequences of Russia's war of aggression against Ukraine;

22. Calls for the EU to provide additional funding to those EU Member States and Moldova that are the primary entry points for Ukrainian refugees crossing into the EU;

23. Calls attention to the 250 000 internally displaced persons in Georgia who still cannot return home in a safe and dignified manner, owing to the continued Russian occupation of the regions of Abkhazia and Tskhinvali/South Ossetia;

Resilience, recovery and reconstruction of Ukraine and support for Moldova

24. Underlines that further immediate and massive financial assistance is direly needed to help Ukraine's economy, as well as that of Moldova, to stay afloat, so that they can better achieve long-term stability; calls for a renewed EU strategy regarding the EaP countries that are candidates for EU membership to further improve economic relations between the EU and its Member States and these countries;

25. Welcomes the fact that, since the start of Russia's war of aggression, the EU, its Member States and its financial institutions have successfully mobilised unprecedented sums in grants and loans to support Ukraine's overall economic, social and financial resilience, in the form of macro-financial assistance, budget support, emergency assistance and crisis-response and humanitarian aid;

26. Calls for the EU to implement, as soon as possible, the legal rules necessary to allow for the confiscation of frozen Russian assets and for them to be used to defend Ukraine and address the various consequences of Russia's war of aggression against Ukraine, including for the country's reconstruction and compensation for the victims;

27. Insists on the crucial need to provide support for Ukrainian small and medium-sized enterprises, farmers and civil society in order to keep them operational in these times of war; underlines that small and medium-sized enterprises will play a decisive role in the long-term economic recovery of Ukraine;

28. Welcomes the fact that, in 2022, the EU adopted the Macro-Financial Assistance Plus instrument, which is providing Ukraine with up to EUR 18 billion in long-term loans to support critical repairs to transport infrastructure, such as bridges, roads and railways, as well as repairs to other critical and municipal infrastructure and utilities and the rehabilitation of housing facilities and social infrastructure, such as schools, nurseries and healthcare facilities;

29. Stresses the importance of the EU empowering and providing resources to civil society organisations and community-based initiatives, so that they can contribute meaningfully to the reconstruction and post-war recovery of Ukraine;

30. Calls for the EU to create incentives for European companies to invest in affected regions in order to promote economic recovery, job creation and post-war reconstruction;

31. Welcomes the temporary suspension of all import duties on all Ukrainian exports to the EU, which means full, zero-tariff and quota-free access for those exports since 30 May 2022, as well as the suspension of all EU anti-dumping and safeguarding measures in place on Ukrainian steel exports; welcomes the Council's decision of 25 May 2023 to suspend all customs duties, quotas and trade defence measures on Ukrainian exports to the EU for another year, until June 2024;

32. Supports the Commission's proposal of 14 February 2023 to incorporate data roaming in the EU-Ukraine Association Agreement; calls on the EU-Ukraine Trade Committee to endorse this proposal by granting mutual single market treatment for data roaming between Ukraine and the EU;

33. Welcomes the Commission's decision of 7 June 2023 to further integrate Ukraine into the EU single market by opening up the Connecting Europe Facility for infrastructure funding;

34. Recalls that the Lugano Declaration, which was signed by more than 40 countries and international financial institutions, highlighted the principles for the recovery and reconstruction processes in Ukraine, namely partnership; reform process; transparency, accountability and the rule of law; democratic participation; multi-stakeholder engagement; gender equality and inclusion; and sustainability;

35. Welcomes the Commission's proposal of 20 June 2023 to establish a new Ukraine Facility aimed at supporting Ukraine's recovery, reconstruction and modernisation, as a dedicated financial instrument that will provide consistent, predictable and flexible support for Ukraine from 2024 to 2027;

36. Stresses that reconstruction efforts must be driven by innovation so as to support the dual digital and green transitions;

37. Underlines that civil society needs to be closely involved at all stages in the reconstruction process to ensure that rule-of-law reforms, de-oligarchisation, the fight against corruption and the dual green and digital transitions are successfully achieved;

38. Stresses that the EU should continue to make investments in the Ukrainian energy transition, including by financing multi-country projects in the field of energy security, in order to meet current and future needs for energy infrastructure;

39. Calls on the Ukrainian Government to continue to strengthen local self-government and to embed the success of the decentralisation reform in the overall architecture of Ukraine's resilience, recovery and reconstruction processes;

40. Welcomes Azerbaijan's role in enhancing the energy security of both EU Member States and Ukraine; underlines the need to accelerate the transition from fossil fuels to green energy and to further promote energy efficiency; encourages Azerbaijan and Armenia to step up negotiations for a lasting peace agreement to resolve the pending border conflicts and to contribute to stability, cooperation and prosperity in the region;

41. Underlines the importance of continued support to build technical capacity for connectivity projects that strengthen energy security between the EU and the EaP countries, such as the Georgia-Romania Black Sea submarine cable project;

42. Calls for the EU and its like-minded partners to maintain their sanctions policy against Russia and the illegitimate Belarusian regime and its leader Aliaksandr Lukashenka, while monitoring, reviving and enhancing its effectiveness and impact;

43. Calls on the authorities of all the EU Member States and the Eastern Neighbourhood countries to ensure that any possible circumvention of sanctions is identified, investigated and prosecuted;

44. Expresses deep concern regarding ongoing trade in sanctioned war-critical goods between EU countries and Russia; deplores the serious lack of compliance with the EU sanctions on Russia; condemns the practice in which sanctioned goods from the EU are sold to companies or individuals from non-EU countries while the goods are still in the EU, and are then shipped directly to Russia; condemns the companies, including those in the EU, that have deliberately evaded sanctions, thereby undermining the EU's efforts to support Ukraine in order to continue yielding massive profits; insists that circumventing a Union restrictive measure, including by transferring goods to a destination where their import, export, sale, purchase, transfer, transit or transport is forbidden, should be criminalised at EU level; stresses that it is critical for enforcement that the EU quickly criminalise direct sanctions violations, including when committed with serious negligence, as well as indirect sanctions violations through the circumvention of Union restrictive measures;

45. Calls for the EU, its Member States and their like-minded partners to continue supporting Moldova as it advances on its chosen European path, as its stability and prosperity are directly tied to Ukraine's resilience and Europe's security;

46. Calls for the EU to continue its financial and political support for the other EaP countries, including Armenia and Azerbaijan;

47. Calls for the EU to assist Georgia tangibly and visibly to bolster its further progress on its path to EU membership;

48. Stresses the importance of the EU providing financial aid to Belarusian civil society, young people, students, academic staff and professionals; calls on the Commission and the Member States, in this light, to simplify the procedures for obtaining visas and residence permits for those fleeing Belarus for political reasons, as well as to prepare rules and procedures to deal with cases of statelessness;

49. Insists that Russia must be obliged to pay for the damages it has caused and thereby contribute substantially to Ukraine's reconstruction efforts; calls for all legal avenues to be explored, in line with international law, to use frozen Russian assets to support all areas of assistance to Ukraine and in Ukraine's recovery.