



EUROPEAN COMMISSION

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Dear Chairman,

The Commission would like to thank the House of Lords for its report "The EU and Russia: before and beyond the crisis in Ukraine."

The Commission appreciates the thorough and documented analysis the House of Lords has carried out based on interviews conducted with a variety of interlocutors including EU officials.

The Commission agrees with large parts of the House of Lords' analysis and has drawn a number of similar conclusions. In those instances where the Commission's views differ from those of the House of Lords or where it still reserves judgement, it nevertheless considers the report a useful contribution to the assessment that the EU is conducting on its relations with Russia.

The Commission concurs that EU-Russia relations have reached a critical juncture following the conflict in Ukraine. This conflict has called into question the EU's strategic partnership with Russia. In response to Russia's illegal annexation of Crimea and destabilization of eastern Ukraine, the EU has suspended a number of negotiations and cooperation programmes with Russia. Following the principle of a double-track approach, firmness towards Russia, exemplified by restrictive measures, is accompanied by continuous dialogue. This approach allows the EU to continue to interact with Russia, while at the same time exert pressure to resolve the conflict in Ukraine.

Furthermore, the EU has started an in-depth re-evaluation of its interaction with Russia with the aim of defining a more proactive and comprehensive strategy, taking account of areas that fall within the realm of Member States' competence. The EU's approach should address the long-term impact of Russia's policy vis-à-vis the EU, our respective neighbours and the European security order. This is an ambitious task, to be sustained over the coming months, and upon which the Foreign Affairs Council of the EU held a first debate on 19 January 2015.

Whether the EU was slow to realise the need to re-evaluate its policy, as is argued in the House of Lords' report, is debatable. The Commission collectively felt inclined, given

*The Lord Boswell of Aynho
Chairman of the European Union Select Committee
House of Lords
Palace of Westminster
UK – LONDON SW1A 0PW*

Russia's stated ambition of modernisation and its repeated affirmation that neither the Eastern Partnership nor the Association Agreement / Deep and Comprehensive Free Trade Area (DCFTA) with Ukraine posed problems, to give a chance to cooperation with Russia. In hindsight, Russia's assertions perhaps should have not been taken at face value, and the Commission is ready to draw valuable lessons from this experience. The truth of the matter is that Russia decided in 2013 to adopt an adversarial policy towards the EU's policy of association and economic integration with some of its Eastern partners that is based on free choice.

As the EU is now focusing on the re-assessment of its relations with Russia, it is important to consider different approaches. The Commission is determined to tackle this challenge with the objective of preserving the EU's unity, taking into account, as the House of Lords' report asserts, that some key competences rest with Member States.

The EU's response must be multifaceted in order to respond to the many challenges Russia's policy poses. The Commission will endeavour to ensure the consistency of the EU's approach and notably to make sure that the EU is equipped to reinforce resilience in the fields of energy, cybersecurity and civil aviation, to name but a few examples. Success in foreign policy depends on successful internal policies.

The EU's response must also address the pressing need of supporting Ukraine, in concert with other donors. In doing so, the EU shall continue its support based on genuine political and economic reforms, while at the same time providing sufficient assistance and expertise for these reforms to be properly carried out.

The current crisis has also confirmed the need to review the assumptions upon which the European Neighbourhood Policy (ENP) was initially based. The EU's policies should better fit the aspirations and willingness to reform of its different partners. The ongoing ENP review will take account of the new environment on the Eastern border and shall be fully integrated into the EU's overall foreign policy. Full consistency with the EU's policy towards Russia should be ensured and the Commission should also examine how to support our neighbours in their interactions with their own neighbours. Likewise, the Commission approached the Eastern Partnership Summit in Riga with an objective of working constructively with all partners so as to avoid dividing lines on the European continent while developing the relations with our Eastern Partners in a manner which is both tailor-made and inclusive.

In the same spirit of openness and in an effort to address Russia's concerns, the Commission is committed to continuing trilateral talks with Ukraine and Russia on the implementation of the EU-Ukraine DCFTA. These talks are not about amending the DCFTA part of the Association Agreement or delaying its provisional application, which will take place as from 1 January 2016, but these talks are geared at finding practical solutions within the flexibilities offered by this bilateral agreement. Similarly, trilateral talks on energy will continue to ensure energy supply for Ukraine, but also as a contribution to resolving the crisis.

Keeping a dialogue with Russia may also require looking into possible interactions with the Eurasian Economic Union (EEU) if the conditions are right for this. In exploring the way forward, the Commission will be guided by the broad understanding that this should

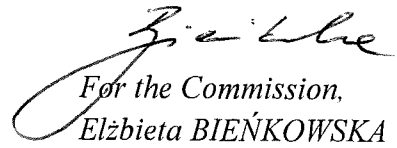
contribute to resolving bilateral irritants and to ensuring smooth interactions in our common neighbourhood. Potential areas for cooperation at the appropriate level could be identified, whilst bearing in mind that respect for WTO principles by the EEU and its members is a pre-condition.

Outreach to and support of civil society is also an element that has been part of the EU's overall policy towards Russia. In light of the increasing pressure on human and civic right defenders by Russian authorities, our support should be intensified and tailored to best respond to this increasing pressure.

Part of our response will focus on the improvement of our communication and promotion of our values and principles. The EU is working on setting up a dedicated communication strategy in coordination with Member States to mitigate the effects of Russian disinformation campaigns. The Commission will also work on proposing creative ideas to foster contacts with the Russian population and support civil society in an increasingly challenging environment.

The Commission hopes that these clarifications address the issues raised by the House of Lords and looks forward to continuing our political dialogue in the future.

Yours faithfully,


*For the Commission,
Elżbieta BIENKOWSKA
Member of the Commission*