The EU must stand firm on Russia, says a recent report from the UK House of Lords, which urges tighter sanctions if the situation in Ukraine worsens. The report also states that Russia's action in a sovereign territory was unacceptable, but that in the run-up to the crisis mistakes were made by the EU as well as Russia.

The House of Lords EU Sub-Committee on External Affairs is issuing its warning in its report 'The EU and Russia: before and beyond the crisis in Ukraine'.

The Committee also stresses the need for the EU to look beyond the present crisis by undertaking work on the terms on which its relationship with Russia should be conducted in the long term. The report highlights areas where the EU might be able to work with Russia to develop a genuinely collaborative relationship.

Commenting on the findings of the report, Chairman of the Committee, Lord Tugendhat, said:

"Although the ceasefire is a welcome development, the Committee has been taking a longer view of events during its nine month inquiry.

The Committee has sought to both inquire into the causes of the present crisis and to look beyond them. It is adamant that in relation to eastern Ukraine and Crimea the dismemberment of a sovereign independent state is unacceptable. It therefore welcomes the unity shown by Member States in resisting Russian actions and supports the view that if Russia undermines the ceasefire then the present sanctions should be tightened. Maintaining unity in these circumstances will be a critical test of the EU Member States' ability to pursue a common foreign policy.

However, it believes that the EU, and by implication the UK, was guilty of sleep-walking into this crisis. In our view EU Member States displayed a worrying lack of political oversight regarding the Commission's negotiations with Ukraine on the Association Agreement. Having said that, Russia misread the Ukrainian appetite for a trade agreement with the EU. The combination led to the crisis we have today, which neither side saw coming.

The Committee is also concerned that the UK's expertise within the Foreign Office has diminished significantly. The lack of robust analytical capacity, in both the UK and the EU, effectively led to a catastrophic misreading of the mood in the run-up to the crisis. Furthermore, as a signatory to the Budapest Memorandum*, the UK had a particular responsibility towards Ukraine and it has not been as active or as visible as it could have been.

Looking to the future, Ukraine will need a huge assistance package from the EU, but the report makes it clear that this aid must come with strings attached. Ukraine must attempt reform and tackle corruption as part of any deal. Russian corruption too must be confronted, and the UK has a valuable role to play in deploying its expertise within any EU initiatives. It is also very important that Russia observes its international obligations, for instance in the WTO, and its obligations as a signatory to the European Convention on Human Rights.

Notwithstanding the differences between Russia's political system and the EU's values, and the rivalry that this engenders, the Committee believes that the EU must strive to establish a set of ground rules within which the two sides can work to their mutual benefit in relation to the shared neighbourhood and wider international political and economic issues. This will require firmness and unity on the EU side, but also an understanding of legitimate Russian concerns."

Key findings from the report

Run-up to the crisis in Ukraine:
There was an element of sleep-walking into the Ukraine crisis, and EU institutions and Member States didn't see it coming. The Committee found that the absence of political oversight was glaring.

Sanctions:
The EU should renew and tighten them if in the short term there is no progress on the Minsk Protocol and the situation in eastern Ukraine continues to deteriorate. Under those circumstances, the EU should target President Putin's inner circle and broaden sanctions to the financial sector. However, in the long term, sanctions are a blunt instrument and the progressive removal of sanctions should be part of the EU's negotiating position.

Role of the UK:
The Committee found that the Foreign Office has lost expertise and analytical capacity on Russia and the region, and that the UK and other Member States were unable to read events on the ground and offer an authoritative response. The Government needs to reconsider how it can regain these skills.

Ukraine:
Ukraine's reconstruction needs considerably more funds than have already been committed. However, the disbursement of funds must come with conditions, such as reform and tackling corruption.

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*The Budapest Memorandum on Security Assurances is a political agreement signed in 1994. In exchange for Ukraine's accession to the Treaty on the Non-Proliferation of Nuclear Weapons, the UK, alongside the United States and the Russian Federation, confirmed their commitment to "respect the independence and sovereignty and existing borders of Ukraine."

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The report can be found HERE