

Effectiveness of the western sanctions against Russian Federation and its allies

Adopted at the YEPP Council Meeting in The Hague, Netherlands. 13/04/2024

Recognizing that:

- After the unprovoked full-scale invasion of Ukraine in February 2022, the European Union and its allies imposed economic and personal sanctions against Russian Federation;
- The Russian Federation found the way to evade sanctions with the help of the third countries;
- Families of sanctioned Russian officials are still living and working in the countries of the European Union and still have connections with such individuals¹;
- Many countries and companies from the West continue commercial relations with Russia through third countries without consequences;
- Russian oligarchs found the opportunities to avoid sanctions and continue their operations in the European Union²;
- Russian citizens with tight connections to Vladimir Putin or the Russian military still lives in the European Union³
- The secondary sanctions are the only way to stop third countries from helping the Russian Federation on its avoidance of the trade sanctions;
- The Russian Federation has history record of selling Ukrainian grain, which were stolen from farmers on the occupied territories of Ukraine ⁴

¹ Living in luxury: how families of Russian oligarchs escape war sanctions in France
<https://www.mediapart.fr/en/journal/international/070723/living-luxury-how-families-russian-oligarchs-escape-war-sanctions-france> 7.07.2023

² Investigation Based On Leaked Emails Shows How Russian Oligarchs Are Avoiding Sanctions
<https://www.rferl.org/a/russia-oligarchs-sanctions-avoiding-email-investigation/32467142.html>
20.06.2023

³ Russians tied to Putin or military sidestep sanctions and draw protest
<https://www.washingtonpost.com/world/2023/08/08/russians-wealthy-sanctions-ukraine-war/>
08.08.2023

⁴ Tracking where Russia is taking Ukraine's stolen grain <https://www.bbc.com/news/61790625> 22

Acknowledging that:

- Most of the components found in Russian weapons in Ukraine were manufactured by 155 foreign companies⁵ ;
- Many Western European companies are avoiding sanctions imposed on Russia by trading via Central Asia countries, as it was found German exports of cars and auto parts to Kyrgyzstan increased by 5,500% in 2023, while they were up by 720% to Kazakhstan, 450% to Armenia, and 340% to Georgia⁶ ;
- The remaining of the Gasprombank in SWIFT system has weakened the financial pressure on the Russia Federation, because it still has an ability to perform transactions unrelated to energy without any restrictions;
- The policy of capping the price of Russian oil exports failed, because of the Russia's "ghost fleet" of tankers which helped Russia to earn \$381.8 billion in 2022 and 2023⁷ ;
- From January to June of 2023 the Russia Federation imported \$902 million worth of battlefield items per month⁸
- Approximately 400,000 semiconductors from the USA worth a total of \$53.6 million were shipped to Russia via the Maldives in 2023⁹;
- Leaders of the EU called for more sanctions against Belarus, Iran, and North Korea, which help the Russian Federation to avoid sanctions and provide it with military assistants¹⁰
- The European Union has plans to impose a €95 per tonne duty on grain from Russia and Belarus and 50% tariff on oilseeds and their derived products¹¹.

⁵ War in Ukraine: Hundreds of western electronic components found in Russian weapons https://www.lemonde.fr/en/economy/article/2023/06/17/war-in-ukraine-hundreds-of-western-electronic-components-found-in-russian-weapons_6032830_19.html. 17.06.2023

⁶ Central Asia: A Lucrative Back Door to Russia <https://cepa.org/article/central-asia-a-lucrative-back-door-to-russia/> 2.01.2024

⁷ Russia Oil-Export Revenues Drop on Sanctions, Cheaper Crude <https://www.bloomberg.com/news/articles/2023-11-14/russia-oil-export-revenues-ease-on-sanctions-cheaper-crude-iea> 14.11.2023

⁸ Russia's military capacity and the role of imported components <https://kse.ua/wp-content/uploads/2023/06/Russian-import-of-critical-components.pdf> 19.06.2023

⁹ Maldives: Small island nation with big role shipping chips to Russia <https://asia.nikkei.com/Business/Tech/Semiconductors/Maldives-Small-island-nation-with-big-role-shipping-chips-to-Russia> 21.07.2023

¹⁰ EU leaders to call for more sanctions targeting Belarus, North Korea, Iran <https://www.euractiv.com/section/europe-s-east/news/eu-leaders-to-call-for-more-sanctions-targeting-belarus-north-korea-iran/> 13.03.2024

YEPP calls on:

- The EU and Member States to impose stronger secondary sanctions to prevent third parties from helping the Russian Federation in sanction avoidance;
- The EU and Member States to create a The monitoring group, which would create a list of countries, which help the Russian Federation to avoid sanctions, and be able to analyze structure of trade balance between those countries and its Member States;
- The EU and Member States to find a way to confiscate all assets of the Russian oligarchs who support the war in compliance with international law;
- The EU and Member States to more rigorously enforce the sanctions imposed on sanctioned Russian officials and make it impossible for their relatives who openly support the war to live, study and work in the countries of the block;
- The EU and Member States to impose duty on grain from Russia and Belarus as soon as possible;
- The EU and Member States to impose duty on fertilizers from Russia and Belarus

¹¹ EU plans to impose duties on grain imports from Russia and Belarus
<https://www.eurointegration.com.ua/eng/news/2024/03/19/7181999/> 19.03.2024