

EU, U.S., Ukraine and Russia Sign Pact to Deescalate Crisis, but Sanctions Threats Still Loom

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Additionally, the agreement calls on “a constitutional process [in Ukraine that] will be inclusive, transparent and accountable.” Notably, the agreement does not include two key U.S. demands voiced by the Obama administration in recent weeks: the pulling of Russian troops from the Ukrainian border and direct talks between Russia and the interim Ukrainian government. Furthermore, the joint statement does not address Crimea or existing sanctions by the EU and U.S. against Russia.

Events over the weekend, however, have seriously jeopardized the agreement. Pro-Russian separatists, who continue to occupy several government buildings in Eastern Ukraine, have vehemently refused to abide by the terms of the agreement. Russia and Ukraine have also each accused the other of violating the agreement.

Furthermore, in response to continued violence in eastern Ukraine over the weekend, U.S. Senators Bob Corker (R-TN) and Chris Murphy (D-CT) have called on the Obama Administration to impose sanctions immediately on key sectors of the Russian economy, including the petrochemical and banking sectors. Only a few hours after the agreement came into force, Senator Kelly Ayotte (R-NH), who is drafting legislation that would prohibit U.S. banks from engaging in transactions with “sanctioned Russian banks” and bar U.S. citizens from making new investments in Russia, said that the deal should not “be used as an excuse to delay implementation of tougher sanctions” against Russia’s banking and financial sector.

With the situation in eastern Ukraine continuing to deteriorate, we will continue to monitor Obama administration, Congressional and EU statements regarding the possibility of

additional sanctions against Russia.

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